

NEW ISSUE

NOT RATED

**THE BONDS ARE INITIALLY OFFERED ONLY TO PERSONS WHO MEET THE DEFINITION OF “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933) OR “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933). SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”**

*In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for purposes of federal income taxation under existing law, subject to the matters described under “TAX MATTERS.” See “TAX MATTERS – Tax Exemption” for a discussion of Bond Counsel’s opinion, including the alternative minimum tax on certain corporations.*

**\$15,096,000\*****CITY OF LAVON, TEXAS,****(a municipal corporation of the State of Texas located in Collin County)****SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022****(LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)****Interest to Accrue from Delivery Date (defined below)****Due: September 15, as shown on the inside cover**

The City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (LakePointe Public Improvement District Improvement Areas #2-3 Project) (the “Bonds”), are being issued by the City of Lavon, 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, payable on each March 15 and September 15, commencing March 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, as trustee (the “Trustee”), to DTC 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 November 15, 2022, and an Indenture of Trust, dated as of December 1, 2022 (the “Indenture”), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used for the purposes of (i) paying Costs of the Improvement Area #2 Improvements, (ii) paying Costs of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for payment of the initial Annual Collection Costs, and (v) paying Bond Issuance Costs. See “THE IMPROVEMENT AREAS #2 AND #3 IMPROVEMENTS” and “APPENDIX B – Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments levied against assessable properties in Improvement Area #2 and Improvement Area #3 of the District in accordance with an updated amended and restated service and assessment plan for the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation or out of any other funds of the City other than the Trust Estate. 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. 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. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT.”**

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM 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 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 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 FMSbonds, Inc. (the “Underwriter”) 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 Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer by its counsel, Miklos Cinclair, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about December 7, 2022 (the “Delivery Date”).

**FMSbonds, Inc.**

\* Preliminary, subject to change.

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

CUSIP Prefix: \_\_\_\_\_ (a)

\$15,096,000\*

CITY OF LAVON, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)

\$ \_\_\_\_\_ % Term Bonds, Due September 15, 20 \_\_, Priced to Yield \_\_\_\_%; CUSIP \_\_\_\_ (a) (b) (c)

\$ \_\_\_\_\_ % Term Bonds, Due September 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 (“CGS”) and managed on behalf of The American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CGS and is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriter, or their agents or counsel takes any responsibility for the accuracy of such numbers.
- (b) The Bonds maturing on and after September 15, 20 \_\_, 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 September 15, 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.”

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\* Preliminary, subject to change.

**CITY OF LAVON, TEXAS  
CITY COUNCIL**

<u>Name</u>	<u>Place</u>	<u>Term Expires (November)</u>
Vicki Sanson	Mayor	2023
John Kell	Place 1, Mayor Pro Tem	2022
Mike Cook	Place 2	2023
Kay Wright	Place 3	2022
Ted Dill	Place 4	2023
Mindi Serkland	Place 5	2022

**CITY ADMINISTRATOR**  
Kim Dobbs

**CITY SECRETARY**  
Rae Norton

**PID ADMINISTRATOR**  
P3Works LLC

**FINANCIAL ADVISOR TO THE CITY**  
Hilltop Securities Inc.

**BOND COUNSEL TO THE CITY**  
McCall, Parkhurst & Horton L.L.P.

**UNDERWRITER'S COUNSEL**  
Orrick, Herrington & Sutcliffe LLP

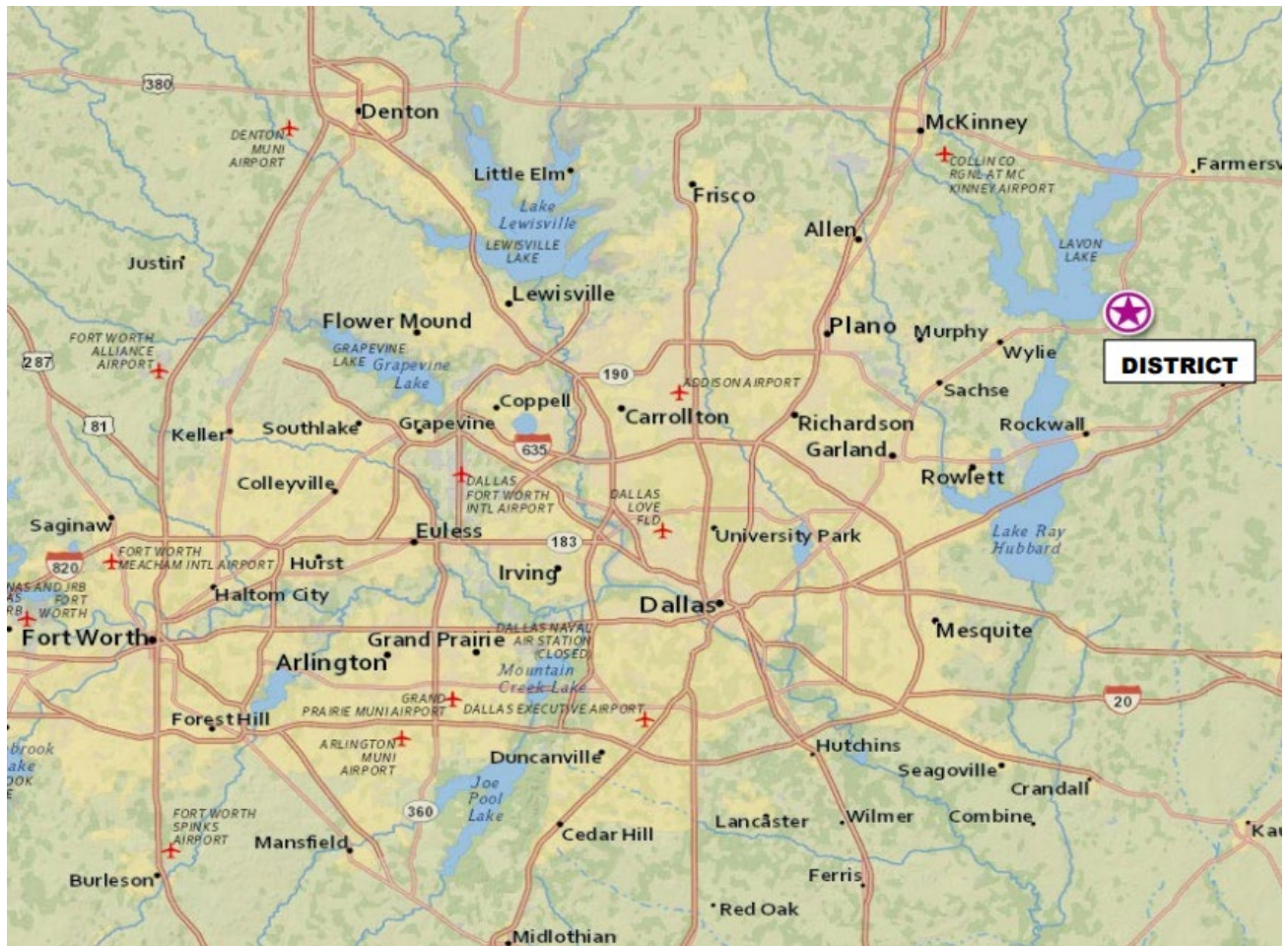
For additional information regarding the City, please contact:

Kim Dobbs  
City Administrator  
City of Lavon, Texas  
120 School Road  
Lavon, Texas 75166  
(972) 843-4220  
kdobbs@lavontx.gov

or

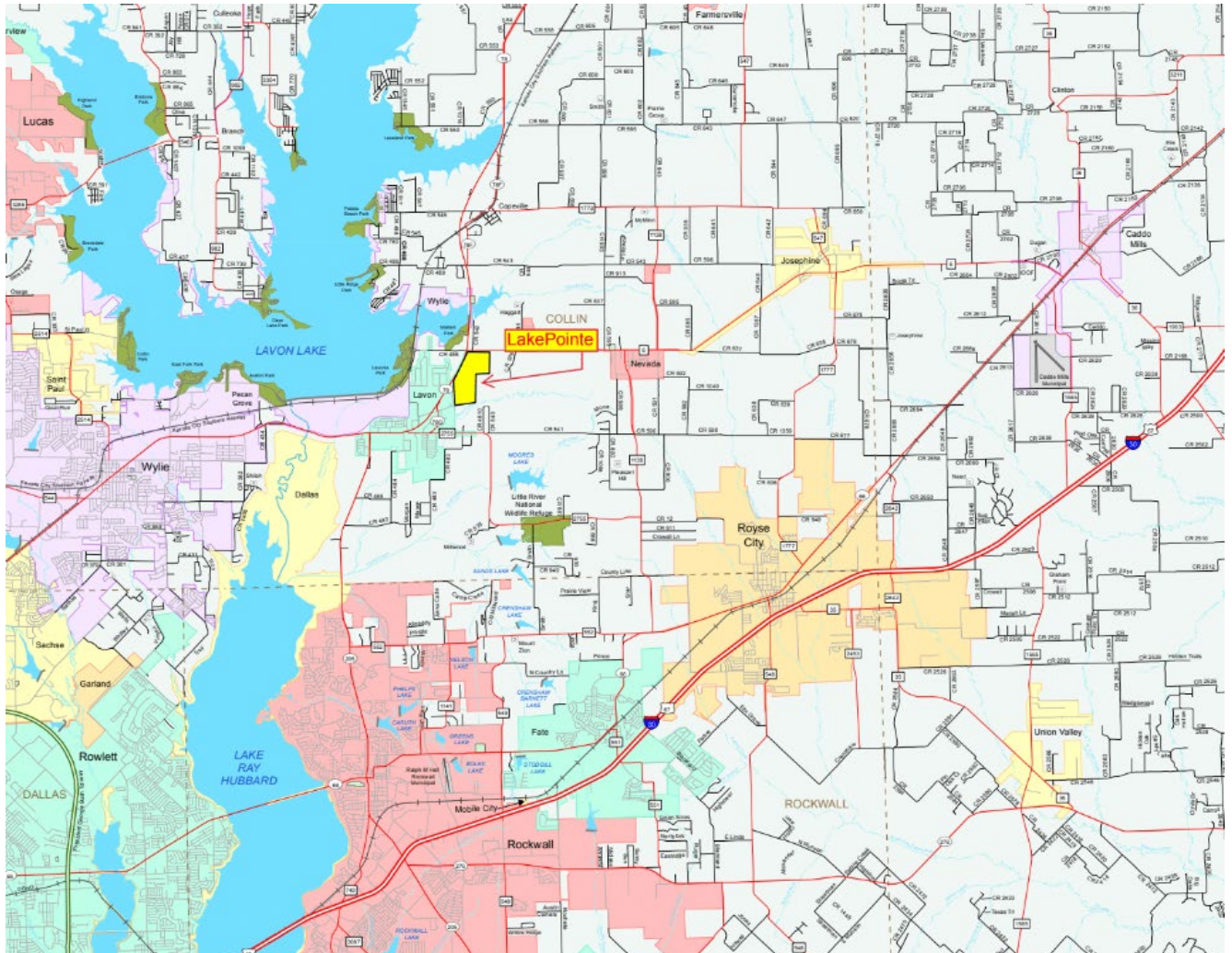
Jason Hughes  
Managing Director  
Hilltop Securities, Inc.  
717 N. Harwood St., Suite 3400  
Dallas, Texas 75201  
(214) 953-8707  
jason.hughes@hilltopsecurities.com

## REGIONAL LOCATION MAP OF THE DISTRICT





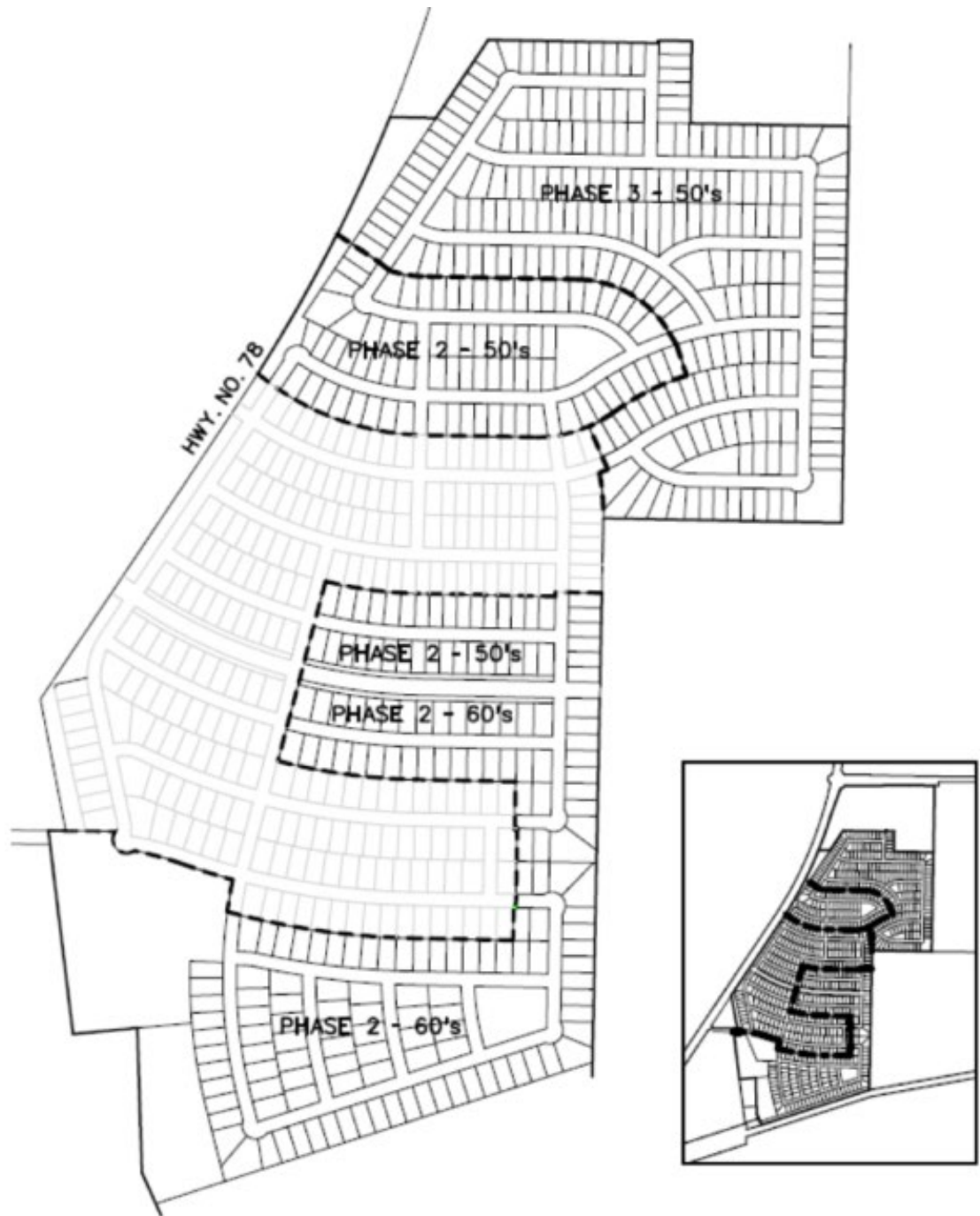
## AREA LOCATION MAP OF THE DISTRICT



**MAP SHOWING BOUNDARIES OF THE DISTRICT**



MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #2 AND IMPROVEMENT AREA #3





## USE OF LIMITED OFFERING MEMORANDUM

*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 (THE "RULE" OR "RULE 15C2-12"), 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 "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS." 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." 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.

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY OR THE DEVELOPER 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. NEITHER THE CITY NOR THE DEVELOPER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF THEIR EXPECTATIONS (OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED) CHANGE, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE – THE CITY” AND “– THE DEVELOPER,” RESPECTIVELY.

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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## **LIMITED OFFERING MEMORANDUM**

**\$15,096,000\***

**CITY OF LAVON, TEXAS,**

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

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022**

**(LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)**

### **INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page, inside cover, and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Lavon, Texas (the “City”), of its \$15,096,000\* aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (LakePointe Public Improvement District Improvement Areas #2-3 Project) (the “Bonds”).

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 authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on November 15, 2022 (the “Bond Ordinance”), and an Indenture of Trust, dated as of December 1, 2022 (the “Indenture”), entered into by and between the City and Wilmington Trust, National Association as trustee (the “Trustee”). Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate (defined herein), consisting primarily of revenue from special assessments (the “Assessments”) levied pursuant to separate ordinances adopted by the City Council on November 16, 2021, with respect to Improvement Area #2 (defined herein), and September 6, 2022, with respect to Improvement Area #3 (defined herein) (together, the “Assessment Ordinance”) against assessable property (the “Assessed Property”) located within Improvement Area #2 and Improvement Area #3 of the LakePointe Public Improvement District (the “District”), all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS.”

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 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 PID Administrator, the Bond Ordinance, the Assessment Ordinance, the 2022 Amended and Restated Service and Assessment Plan for the Issuance of the Improvement Areas #2-3 Bonds (the “Service and Assessment Plan”), the Development Agreement, the Reimbursement Agreements, the Developer, the Fee Developer, and the Appraisal, 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 Service and Assessment Plan appears in 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 and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

### **PLAN OF FINANCE**

#### **Development Plan**

Following its receipt of a petition from LDC Lavon, LLC, a Texas limited liability company (the “Previous Owner”), and Lavon LakePointe Development, LLC, a Texas limited liability company (the “Developer”), the City created the Lakepointe Public Improvement District (the “District”), which includes approximately 173.037 acres

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\* Preliminary; subject to change.

generally located east of Highway 78 and south of Lake Road/Highway 6 in the City. Maps showing the location of the District are located on pages ii – iv.

The Developer is developing the District as a master-planned residential community known as “Lakepointe,” expected to consist of a total of 704 detached single-family homes at final buildout, including four hundred fifty-three (453) fifty front feet (50’) lots and two hundred fifty-one (251) sixty front feet (60’) lots, an amenity center, walking trails, swimming pool, and playground (the “Development”). Lenart Development Company, LLC (the “Fee Developer”), is acting as construction manager of the Development.

The Developer began in 2019 with the concurrent development of the major infrastructure to serve the entire District, as well as local infrastructure to serve the initial phase (“Improvement Area #1”) of the District. Such improvements were completed and the final plat for Improvement Area #1 was recorded in July 2020. The total cost of such infrastructure was \$8,277,472, all of which has been paid. Improvement Area #1 consists of two hundred twenty-three (223) lots, including one hundred fourteen (114) 50’ lots and one hundred nine (109) 60’ lots. The Developer expects all of the homes in Improvement Area #1 to be sold to homeowners by the first quarter of 2023. See “THE DEVELOPMENT – Status of Development in Improvement Area #1.”

The Developer began construction of local infrastructure to serve the second phase (“Improvement Area #2”) of the District in December 2020 to consist of two hundred sixty (260) lots consisting of one hundred eighteen (118) 50’ lots and one hundred forty-two (142) 60’ lots. Such improvements (the “Improvement Area #2 Improvements”) were completed in the fourth quarter of 2021 and the final plat of Improvement Area #2 was recorded in December 2021. Vertical construction of homes by three homebuilders is now underway in Improvement Area #2. The Developer expects all of the homes in Improvement Area #2 to be sold to homeowners by the third quarter of 2024. The Developer has received an earnest money deposit with respect to Improvement Area #2 in the amount of \$1,550,000. See “THE DEVELOPMENT – Status of Development in Improvement Area #2” and “– Lot Purchase Agreement.”

The Developer began construction of the local infrastructure to serve the third and final phase (“Improvement Area #3”) of the District in May 2022 to consist of two hundred twenty-one (221) 50’ lots. The Developer expects construction of such improvements (the “Improvement Area #3 Improvements” and, together with the Improvement Area #2 Improvements, the “Improvement Area #2 Improvements and Improvement Area #3 Improvements”) to be complete by March 2023. The Developer expects all of the homes in Improvement Area #3 to be sold to homeowners by the fourth quarter of 2026. The Developer has received an earnest money deposit with respect to Improvement Area #3 in the amount of \$1,642,000. See “THE DEVELOPMENT – Status of Development in Improvement Area #3.” A map showing the boundaries of Improvement Area #2 and Improvement Area #3 is on page v.

The total cost of the Improvement Area #2 Improvements was approximately \$6,753,000 and the total cost of the Improvement Area #3 Improvements is expected to be approximately \$5,843,847. As of September 30, 2022, the Developer had spent approximately \$7,003,814 on the Improvement Area #2 Improvements and approximately \$1,610,754 on the Improvement Area #3 Improvements from proceeds of the Construction Loan (defined herein). The City will reimburse the Developer for a portion of the costs of the Improvement Area #2 Improvements and the Improvement Area #3 Improvements from proceeds of the Bonds in the approximate amounts of \$6,676,812\* and \$5,827,848\*, respectively. The Developer will be reimbursed from proceeds of the Bonds in accordance with the Indenture and the Reimbursement Agreements (defined herein). The remaining costs of the Improvement Area #2 Improvements and the Improvement Area #3 Improvements in the approximate amounts of \$76,188\* and \$16,000\*, respectively, have been or will be funded by the Developer, without reimbursement by the City. See “– Reimbursement Agreements,” “THE DEVELOPER AND THE FEE DEVELOPER – History and Financing of the District,” “APPENDIX B – Form of Indenture,” and “APPENDIX G – Reimbursement Agreements.”

Certain water improvements which will be owned and operated by Bear Creek Special Utility District (“Bear Creek SUD”) are necessary for development within the District (the “Bear Creek SUD Water Improvements”). The Bear Creek SUD Water Improvements will not be financed with proceeds of the Bonds or the Assessments. The estimated total cost of the Bear Creek SUD Water Improvements for the entire District is approximately \$3,222,628.

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\* Preliminary; subject change.



The Developer has paid or will pay all of such cost, without reimbursement by the City or the Bear Creek SUD. See “ADDITIONAL DEVELOPER FUNDED IMPROVEMENTS.”

### **Series 2019 Major Improvement Area Bonds**

Concurrently with its issuance of bonds to pay the costs of improvements in Improvement Area #1, the City issued its City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2019 (LakePointe Public Improvement District Major Improvement Area Project) (the “Series 2019 Major Improvement Area Bonds”) for the purpose of paying Improvement Area #2’s and Improvement Area #3’s proportionate shares of certain public improvements that benefit the entire District. The Series 2019 Major Improvement Area Bonds are currently outstanding in the principal amount of \$2,530,000. See “OVERLAPPING TAXES AND DEBT.”

In addition to payment of the Assessments, each lot owner in Improvement Area #2 and Improvement Area #3 of the District will pay assessments related to the Series 2019 Major Improvement Area Bonds. Prior to the issuance of bonds to finance the costs of improvements benefitting Improvement Area #2 and Improvement Area #3 (defined as “Future Improvement Area Bonds” in the indenture relating to the Series 2019 Major Improvement Area Bonds) certain conditions precedent must be satisfied.

### **Reimbursement Agreements**

The City and the Developer entered into a Reimbursement Agreement, effective as of November 16, 2021 (the “Improvement Area #2 Reimbursement Agreement”), relating to the reimbursement of Costs of Improvement Area #2 in an amount not to exceed \$6,753,000 (the “Improvement Area #2 Reimbursement Obligation”), and a Reimbursement Agreement, effective as of September 6, 2022 (the “Improvement Area #3 Reimbursement Agreement” and, together with the Improvement Area #2 Reimbursement Agreement, the “Reimbursement Agreements”), relating to the reimbursement of Costs of Improvement Area #3 in an amount not to exceed \$5,843,847 (the “Improvement Area #3 Reimbursement Obligation” and, together with the Improvement Area #2 Reimbursement Obligation, the “Reimbursement Obligations”). The Reimbursement Obligations are secured by the Assessments. A portion of the proceeds of the Bonds will be used to satisfy the Reimbursement Obligations and, upon delivery of the Bonds, the Reimbursement Agreements will terminate.

Pursuant to the Service and Assessment Plan, the Development Agreement (defined herein), and the Reimbursement Agreements, the Developer will be responsible for any Costs of Improvement Area #2 and Costs of Improvement Area #3 in excess of the amounts funded by the Bonds, without reimbursement by the City. See “THE IMPROVEMENT AREAS #2 AND #3 IMPROVEMENTS – Development Agreement,” “– Reimbursement Agreements,” “APPENDIX F – Development Agreement,” and “APPENDIX G –Reimbursement Agreements.”

### **The Bonds**

Proceeds of the Bonds will be used for the purposes of (i) paying Costs of the Improvement Area #2 Improvements, (ii) paying Costs of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying Bond Issuance Costs. See “THE IMPROVEMENT AREAS #2 AND #3 IMPROVEMENTS,” “SOURCES AND USES OF FUNDS,” and “APPENDIX B – Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of revenue from the Assessments levied against the assessable parcels within Improvement Area #2 and Improvement Area #3 (the “Assessed Property”) of the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES,” and “APPENDIX B – Form of Indenture.”

**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 limited and special 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 “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, and “accredited investors” as defined in Rule 501 of Regulation D 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 any 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 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 Improvement Area #3 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 by the City to the Trustee 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 full 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.

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 and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15, commencing March 15, 2023 (each an “Interest Payment Date”), until maturity or prior redemption. Wilmington Trust, National Association, is the initial Trustee, 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.”

### Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on any date on or after September 15, 20\_\_, such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption.

Extraordinary Optional Redemption. The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the fifteenth day of any month, at a redemption price equal to the principal amount of the Bonds, or portions thereof, called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund from the accounts in the Reserve Fund as provided in the Indenture) or any other transfers to the Redemption Fund made pursuant to various provisions of the Indenture, including as a result of unexpended amounts transferred from the Pledged Revenue Fund, Bond Fund, Reserve Fund, and Project Fund, as provided in the Indenture. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. See “ASSESSMENT PROCEDURES – Prepayment of Assessments” for the definition and description of “Prepayments.” See also “APPENDIX B – Form of Indenture.” See also “BONDHOLDERS’ RISKS – Potential Early Redemption of Bonds from Prepayments of Assessments” for a discussion of the potential for a lower-than-expected yield on the Bonds as the result of an extraordinary redemption from Prepayments of Assessments.

Mandatory Sinking Fund Redemption. The 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 equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from monies available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

**\$ Term Bonds maturing September 15, 20**

<b><u>Redemption Date</u></b>	<b><u>Principal Amount</u></b>
September 15, 20	\$
September 15, 20	
September 15, 20	
September 15, 20 †	

**\$ Term Bonds maturing September 15, 20**

<b><u>Redemption Date</u></b>	<b><u>Principal Amount</u></b>
September 15, 20	\$
September 15, 20	
September 15, 20	
September 15, 20 †	

† Stated maturity.

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

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 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 for by the principal amount of any Bonds which, at least 30 days prior to the mandatory sinking fund redemption date, have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

**Notice of Redemption.** 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. 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.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

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

*Additional Provisions with Respect to Redemption.* If less than all of the Bonds are to be redeemed pursuant to an optional redemption or an extraordinary optional redemption, the particular maturity of Bonds or portions of a maturity of Bonds to be redeemed shall be selected and designated by the City in its sole discretion. If less than all of the Bonds of a maturity are to be redeemed, Bonds shall be redeemed in increments of \$1,000 by any method selected by the Trustee that results in a random selection, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

Upon surrender of any Bond for redemption in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond or Bonds 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 The Depository Trust Company ("DTC"), New York, New York, 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 information in this section concerning DTC and DTC's book-entry-only 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 takes any 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, 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, 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 corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://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 Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written 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 Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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 Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 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 for the Bonds 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 MMI 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 payable 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, 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 all other 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 Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City, the Trustee, or the Paying Agent/Registrar. Under such circumstances, in the event that a successor 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-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

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/REGISTRAR, 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 DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE 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.

*Use of Certain Terms in Other Sections of this Limited Offering Memorandum.* In reading this Limited Offering Memorandum it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

## **SECURITY FOR THE BONDS**

### **General**

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM 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 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 TRUST ESTATE.

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessments levied against the assessable parcels or lots within Improvement Area #2 and Improvement Area #3 of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. Improvement Area #2 and Improvement Area #3 of the District contain approximately 119.612 acres. Other than land that has been dedicated to the City or the Bear

Creek SUD, all the property within Improvement Area #2 and Improvement Area #3 of the District has been assessed. In accordance with the PID Act, the City has caused the preparation of the Service and Assessment Plan, which describes the special benefit received by the property within the District, including Improvement Area #2 and Improvement Area #3 of the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of assessments within the District (including 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 annually for the purpose of determining the annual budget for improvements and the Annual Installments 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 within the District. See “APPENDIX C – Service and Assessment Plan.”

### **Pledged Revenues**

The City is authorized by the PID Act, the Assessment Ordinance, and other provisions of law to finance the Improvement Area #2 Improvements and the Improvement Area #3 Improvements by levying the Assessments upon properties in Improvement Area #2 and Improvement Area #3 of the District, respectively, benefitted thereby. For a description of the Assessment methodology and the amounts of the Assessments anticipated to be levied in the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C – 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 the Assessments pursuant to Section 372.018 of the PID Act.

“Annual Collection Costs” means the actual or budgeted costs and expenses for the operation of the District related specifically to Improvement Area #2 and Improvement Area #3, including, but not limited to, costs and expenses for: (1) the PID 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 Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with the Service and Assessment Plan, the Indenture, and the PID Act with respect to the Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. 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, collectively, the Improvement Area #2 Annual Installment and the Improvement Area #3 Annual Installment.

“Assessed Property” means, collectively, the Improvement Area #2 Assessed Property and the Improvement Area #3 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, collectively, the Improvement Area #2 Assessment Roll and the Improvement Area #3 Assessment Roll.

“Assessments” means, collectively, the Improvement Area #2 Assessments and the Improvement Area #3 Assessments.

“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.

“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.

“Improvement Area #2 Annual Installment” means, with respect to each Improvement Area #2 Assessed Property, each annual payment of: (i) the Improvement Area #2 Assessments, including interest, as shown on the Improvement Area #2 Assessment Roll, (ii) Annual Collection Costs related to Improvement Area #2, and (iii) the Additional Interest related to the Improvement Area #2 Assessments.

“Improvement Area #2 Assessed Property” means each respective Parcel of land located within Improvement Area #2 of the District against which an Improvement Area #2 Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

“Improvement Area #2 Assessment Roll” means the “Improvement Area #2 Assessment Roll,” which document is attached as Appendix G-1 to the Service and Assessment Plan, showing the total amount of the Improvement Area #2 Assessment against each Improvement Area #2 Assessed Property, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Improvement Area #2 Assessments” means the aggregate assessments levied against Improvement Area #2 Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #2 Improvements. The singular of such term means the assessment levied against an Improvement Area #2 Assessed Property as shown on the Improvement Area #2 Assessment Roll.

“Improvement Area #3 Annual Installment” means, with respect to each Improvement Area #3 Assessed Property, each annual payment of: (i) the Improvement Area #3 Assessments, including interest, as shown on the Improvement Area #3 Assessment Roll, (ii) Annual Collection Costs related to Improvement Area #3, and (iii) the Additional Interest related to the Improvement Area #3 Assessments.

“Improvement Area #3 Assessed Property” means each respective Parcel of land located within Improvement Area #3 of the District against which an Improvement Area #3 Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

“Improvement Area #3 Assessment Roll” means the “Improvement Area #3 Assessment Roll,” which document is attached as Appendix H-1 to the Service and Assessment Plan, showing the total amount of the Improvement Area #3 Assessment against each Improvement Area #3 Assessed Property, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Improvement Area #3 Assessments” means the aggregate assessments levied against Improvement Area #3 Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #3 Improvements. The singular of such term means the assessment levied against an Improvement Area #3 Assessed Property as shown on the Improvement Area #3 Assessment Roll.

“Parcel” or “Parcels” means a parcel or parcels within the District identified by either a tax map identification number assigned by the Collin 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 Collin County.

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

“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. Pledged Revenues do not include money held in the Rebate Fund or the Administrative Fund.

“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.

The City has covenanted in the Indenture that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See “– Pledged Revenue Fund,” “APPENDIX B – Form of Indenture,” and “APPENDIX C – Service and Assessment Plan.”

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 property assessed, on parity with the Major Improvement Area Assessments (defined herein), but superior to all other liens and claims, except liens or claims for State of Texas (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 adoption 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.”

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.”

### **Collection and Deposit of Assessments**

The Assessments shown on the Assessment Roll, together with the interest thereon, shall first be applied to 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.

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 and the Service and Assessment Plan in each fiscal year of the City preceding the date of final maturity of the Bonds which, if collected, will be sufficient to first pay debt service requirements attributable to 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. Sums received from the collection of the Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds, and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first, to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular assessed property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund, as follows. After deposit of

Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first, into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and, if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund. See “SECURITY FOR THE BONDS – Pledged Revenue Fund” and APPENDIX B – Form of Indenture.

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

### **Unconditional Levy of Assessments**

The City has imposed Assessments on the property within the District 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 are effective on the date, 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 the District 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, interest on the Assessments for each lot within the District will accrue at a rate specified in the Assessment Ordinance, but may not exceed the interest rate on the Bonds plus the 0.50% of Additional Interest charged on Assessments. Such interest rates may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be billed or invoiced to the property owner 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.

As authorized by the PID Act, the City intends to levy, assess, and collect, each year while the Bonds are Outstanding and unpaid, a portion of each Annual Installment to pay the annual costs incurred by the City in the administration and operation of the District. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to 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 Assessments to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such assessments to pay Annual Collection Costs do not secure repayment of the Bonds.

There is no discount for the early payment of the Assessments.

The Assessments, together with interest, penalties, and expense of collection and reasonable attorneys’ fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the property assessed, on parity with the Major Improvement Area Assessments, but superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named. The lien for Assessments and penalties and interest begins on the effective date of the Assessment Ordinance and continues until the Assessments are paid.

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) shall 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 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 the Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, 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 Texas 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 Texas Business and Commerce Code, Chapter 9, as amended, 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 Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur. See “APPENDIX B – Form of Indenture.”

### **Pledged Revenue Fund**

Periodically upon receipt thereof, 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. 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 of the Pledged Revenue Fund, an amount sufficient to pay debt service on the Bonds next coming due, taking into account any amounts then on deposit in such Principal and Interest Account, and (ii) *second*, if necessary, to the Reserve Account of the Reserve Fund, an amount 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 under the subheading “– Delinquency and Prepayment Reserve Fund” and, immediately following the initial deposit to the Pledged Revenue Fund, prior to any other transfers or deposits being made, if the Delinquency and Prepayment Reserve Account of the Reserve Fund does not contain the Delinquency and Prepayment Reserve Requirement and Additional Interest is collected, then all such Additional Interest will be transferred into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebataable 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 Rebataable Arbitrage owed by the City. If any funds 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 funds for any one or more of the following purposes: (i) pay Costs of the Improvement Area #2 Improvements, (ii) pay Costs of the Improvement Area #3 Improvements, (iii) pay other costs permitted by the PID Act, or (iv) deposit such excess into the Redemption Fund to redeem Bonds as provided in the Indenture as an extraordinary optional redemption. 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 Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account to the 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 Accounts of the Reserve Fund as provided in the Indenture, there are insufficient funds to make the payments provided in the foregoing paragraph, 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 “– Application of Revenues and Other Moneys After Event of Default.”

Notwithstanding the first paragraph of this subsection, the Trustee shall deposit Prepayments within two business days after receipt thereof to the Pledged Revenue Fund and after such deposit, shall transfer such Prepayments to the Redemption Fund.

In accordance with instructions received from the City, the Trustee shall transfer Foreclosure Proceeds 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, and second, to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

After satisfaction of the requirement to provide for the payment of the principal of 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 of this subsection, as directed by the City in a City Certificate.

### **Bond Fund**

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. 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 Accounts of the Reserve Fund, as provided in “– Reserve Account of the Reserve Fund” and “– Delinquency and Prepayment Reserve Account of the Reserve Fund” below, amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

### **Project Fund**

Money on deposit in the Project Fund shall be used for the purposes specified in “PLAN OF FINANCE – The Bonds” and in the Indenture. Except as otherwise described below, money on deposit in the Improvement Area #2 Bond Improvement Account of the Project Fund shall only be used to pay Costs of the Improvement Area #2 Improvements and money on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund shall only be used to pay Costs of the Improvement Area #3 Improvements.

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay specified portions of the Bond Issuance Costs pursuant to one or more City Certificates.

Disbursements from all other Accounts in the Project Fund to pay Costs of Improvement Area #2 Improvements and Costs of Improvement Area #3 Improvements shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such Certification 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 Certification for Payment or in the invoices submitted therewith 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.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #2 Bond Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Area #2 Bond Improvement Account of the Project Fund 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 of the Project Fund will ever be expended for the purposes of the Improvement Area #2 Bond Improvement Account of the Project Fund, the City Representative shall file a City Order with the Trustee, and provide a copy of such City Order to the Developer, which identifies the amounts then on deposit in the Improvement Area #2 Bond Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #2 Bond Improvement Account of the Project Fund. If such City Order is so filed, the amounts on deposit in the Improvement Area #2 Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee. Upon such transfers, the Improvement Area #2 Bond Improvement Account of the Project Fund shall be closed.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Area #3 Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #3 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #3 Bond Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Area #3 Bond Improvement Account of the Project Fund, the City Representative shall file a City Order with the Trustee, and provide a copy of such City Order to the



Developer, which identifies the amounts then on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #3 Bond Improvement Account of the Project Fund. If such City Order is so filed, the amounts on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee. Upon such transfers, the Improvement Area #3 Bond Improvement Account of the Project Fund shall be closed.

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

Upon the filing of a City Order stating that all Improvement Area #3 Improvements have been completed and that all Costs of the Improvement Area #3 Improvements have been paid, or that any Costs of the Improvement Area #3 Improvements are not required to be paid from the Improvement Area #3 Bond Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #3 Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee; provided, however, that the City shall not file a City Order pursuant to this paragraph if the Developer has submitted a Certification for Payment to the City requesting payment from the Improvement Area #3 Bond Improvement Account of the Project Fund and the City has not yet completed its review of such Certification for Payment. Upon such transfers, the Improvement Area #3 Bond Improvement Account of the Project Fund 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, in the same proportionate amounts as the proportionate amounts of Bond proceeds deposited to the Improvement Area #2 Bond Improvement Account and the Improvement Area #3 Bond Improvement Account on the Delivery Date, to the Improvement Area #2 Bond Improvement Account of the Project Fund and used to pay Costs of the Improvement Area #2 Improvements and to the Improvement Area #3 Bond Improvement Account of the Project Fund and used to pay Costs of the Improvement Area #3 Improvements, or, if no Costs of the Improvement Area #2 Improvements or Costs of the Improvement Area #3 Improvements 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 Account of the Reserve Fund**

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds, and initially funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. The "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 proceeds of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments; and provided further that as a result of (1) a mandatory sinking fund redemption, (2) an optional redemption, or (3) an extraordinary optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Delivery Date, the Reserve Account Requirement is \$\_\_\_\_\_, which is an amount equal to the [Maximum Annual Debt Service] on the Bonds as of the Delivery Date.

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 of the Reserve Fund, and second from the Reserve Account of the Reserve Fund to the Bond Fund

the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary in “–Delinquency and Prepayment Reserve Account of the Reserve Fund” below, the Additional Interest shall be used to replenish first, the Reserve Account of the Reserve Fund and second, the Delinquency and Prepayment Reserve Account of the Reserve Fund.

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, 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, unless within thirty 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 to the Rebate Fund, (ii) to the Improvement Area #2 Bond Improvement Account of the Project Fund to pay Costs of Improvement Area #2 Improvements if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, (iii) to the Improvement Area #3 Bond Improvement Account of the Project Fund to pay Costs of Improvement Area #3 Improvements 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.

In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, the Trustee, pursuant to prior 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 Prepayment 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 as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the 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.

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 of 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.

### **Delinquency and Prepayment Reserve Account of the Reserve Fund**

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds. The “Delinquency and Prepayment Reserve Requirement” means an amount equal to 5.5% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues deposited to the Pledged Revenue Fund. The City has allocated the Additional Interest authorized by the PID Act for the purpose of funding the Delinquency and Prepayment Reserve Account.

The Trustee will transfer from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2023, an amount the City confirms to the Trustee is equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account; provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than 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 accumulated in the Delinquency and Prepayment Reserve Account. 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 Additional Interest shall continue to be collected and deposited until the Bonds are no longer Outstanding. See “APPENDIX B – Form of Indenture” and “APPENDIX C – Service and Assessment Plan.”

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, 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 and any amount of Additional Interest held by the Trustee in excess of the amount necessary to fully fund the Delinquency and Prepayment Reserve Requirement 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 Indenture. In the event that the Trustee does not receive a City Order directing the transfer of such excess amounts to the Administrative Fund within 45 days of providing notice to the City of such excess amounts, the Trustee shall transfer such excess amounts to the Redemption Fund to redeem Bonds 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 the Indenture.

Upon an extraordinary optional redemption of Bonds due to Prepayments, if after transferring funds from the Reserve Fund to the Redemption Fund there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

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 of the Reserve Fund, and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. In such event, the Additional Interest shall be used to replenish first, the Reserve Account of the Reserve Fund and second, the Delinquency and Prepayment Reserve Account of the Reserve Fund.

### **Administrative Fund**

The City has created 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 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 the Indenture to be deposited therein. 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 – Service and Assessment Plan.”

**THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT 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 no longer Outstanding within the meaning of the Indenture (a “Defeased Bond”), when payment of the principal of, premium, if any, on such Defeased Bond, 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, certified by an independent public accounting firm of national reputation to 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 paragraph 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.

“Defeasance Securities” means Investment Securities now or hereafter 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, 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. 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 the Pledged Revenues to the Pledged Revenue Fund;
- ii. The failure of the City to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings in accordance with the Indenture;
- 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 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 fifty percent (50%) in aggregate Outstanding 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.

### **Immediate Remedies in Event of Default**

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and upon the written request of the Owners of not less than fifty percent (50%) in aggregate Outstanding 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 shall not be liable to any Owner, or other Person, or the City by reason of such 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 provisions of 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 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 been notified in writing or is deemed to have notice in accordance with the Indenture, (ii) such default has become an Event of Default and the Owners of 50% of the 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 the Indenture, (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 in writing 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 thereunder except in the manner provided therein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein 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, 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 thereunder.

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 under the Indenture 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 under the Indenture, 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, and 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 its counsel fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, 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 and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners pursuant to the provisions above within 30 days of 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, other than the Reserve Account, 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 Account shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, maturing on the earlier of a date or dates not later than (1) the date of maturity of the last Bond then Outstanding, or (2) five (5) years after the date of the investment. 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 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 the 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 directed to invest and re-invest cash balances in the Wilmington U.S. Government Money Market Fund – Institutional Share Class, CUSIP No. 97181C605, but only so long as such fund is an authorized investment and permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, and only so long as such investment constitutes Investment Securities and the money required to be expended from any Fund or Account will be available at the proper time or times.

Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, and the earnings or loss become part of the applicable 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**

Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance, or charge upon the Pledged Revenues or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding under the Indenture, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

#### **Other Obligations or Other Liens; Refunding Bonds**

The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues. In addition, the City reserves the right to issue bonds or other obligations secured by and payable from the Trust Estate, so long as such pledge is subordinate to the pledge of the Trust Estate securing payment of the Bonds.

The City is not authorized to issue additional bonds secured by the Trust Estate on parity with the Bonds other than Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds and to pay all costs incident to the issuance of such Refunding Bonds.

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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 Improvement Area #3 Bond Improvement Account of Project Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to Administrative Fund	
Deposit to Costs of Issuance Account of the Project Fund	
Underwriter's Discount <sup>(1)</sup>	
TOTAL USES	\$

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<sup>(1)</sup> Includes the fee of Underwriter's Counsel.

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\* To be completed upon pricing of the Bonds.

### DEBT SERVICE REQUIREMENTS\*

The following table sets forth the debt service requirements for the Bonds and the 2019 Major Area Improvement Bonds:

<u>Year Ending (September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service for the Bonds</u>	<u>Debt Service for 2019 Major Area Improvement Bonds</u>	<u>Combined 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					
<b>Total</b>					

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\*To be completed upon pricing of the Bonds.

## OVERLAPPING TAXES AND DEBT

The land within Improvement Area #2 and Improvement Area #3 of the District 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. In addition, each lot owner in Improvement Area #2 and Improvement Area #3 of the District will pay assessments related to the Series 2019 Major Improvement Area Bonds. See “PLAN OF FINANCE – Series 2019 Major Improvement Area Bonds.”

In addition to the City, Collin County, Texas (the “County”), the Collin County Community College District, and the Community Independent School District (“Community ISD”) may each levy ad valorem taxes upon land in Improvement Area #2 and Improvement Area #3 of the District 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 tables reflect the overlapping ad valorem tax rates currently levied on property located in Improvement Area #2 and Improvement Area #3 of the District. The District is located within the boundaries of the City, Collin County Community College District, the County, and Community ISD.

<b><u>IMPROVEMENT AREA #2</u></b>	
Taxing Entity	Tax Year 2022 Ad Valorem Tax Rate <sup>(1)</sup>
The City	\$0.430000
Collin County, Texas	0.152443
Collin County Community College District	0.081220
Community Independent School District	1.442900
Total Existing Tax Rate	\$2.106563
Average annual installment of assessments in Improvement Area #2 of the District securing the Series 2019 Major Improvement Area Bonds as a tax rate equivalent	
	\$0.130920
Estimated average Annual Installment of Assessments in Improvement Area #2 of the District as tax rate equivalent <sup>(2)</sup>	
	\$0.735694
<b>Estimated total tax rate and average annual installment in Improvement Area #2 of the District as tax rate equivalent <sup>(2)</sup></b>	
	<b>\$2.973177</b>

<sup>(1)</sup> As reported by the taxing entities. Per \$100 in taxable assessed value.

<sup>(2)</sup> Preliminary, subject to change. Derived from information presented in the Service and Assessment Plan. See “APPENDIX C – Service and Assessment Plan.” Assumes completion of homes at values estimated by the Developer.

Source: Collin Central Appraisal District and the City.

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### IMPROVEMENT AREA #3

Taxing Entity	Tax Year 2022 Ad Valorem Tax Rate <sup>(1)</sup>
The City	\$0.430000
Collin County, Texas	0.152443
Collin County Community College District	0.081220
Community Independent School District	1.442900
Total Existing Tax Rate	\$2.106563
Average annual installment of assessments in Improvement Area #3 of the District securing the Series 2019 Major Improvement Area Bonds as a tax rate equivalent	\$0.130920
Estimated average Annual Installment of Assessments in Improvement Area #3 of the District as tax rate equivalent <sup>(2)</sup>	\$0.726323
<b>Estimated total tax rate and average annual installment in Improvement Area #3 of the District as tax rate equivalent <sup>(2)</sup></b>	<b>\$2.963806</b>

<sup>(1)</sup> As reported by the taxing entities. Per \$100 in taxable assessed value.

<sup>(2)</sup> Preliminary, subject to change. Derived from information presented in the Service and Assessment Plan. See “APPENDIX C – Service and Assessment Plan.” Assumes completion of homes at values estimated by the Developer.

Source: Collin Central Appraisal District and the City.

As noted above, Improvement Area #2 and Improvement Area #3 of the District include 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 Improvement Area #3 of the District as of November 1, 2022, and City debt secured by the Assessments:

Taxing or Assessing Entity	Gross Outstanding Debt as of 11/01/22	Estimated Percentage Applicable <sup>(1)</sup>	Direct and Estimated Overlapping Debt <sup>(1)</sup>
The City (Assessments – Series 2019 Major Improvement Area Bonds)	\$ 2,530,000	100.00%	\$ 2,530,000
The City (Assessments - The Bonds)	15,096,000	100.00	15,096,000
The City (Ad Valorem Taxes)	13,840,000	5.34	738,869
Collin County, Texas	543,645,000	0.02	118,474
Collin County Community College District	498,565,000	0.02	106,586
Community Independent School District	258,885,000	1.99	5,160,968
	\$1,332,561,000		\$23,750,897
TOTAL			

<sup>(1)</sup> Based on the Appraisal for Improvement Area #2 and Improvement Area #3 of the District and on the Tax Year 2022 Net Taxable Assessed Valuations for the taxing entities.

Sources: Collin Central Appraisal District and Municipal Advisory Council of Texas

### Homeowners’ Association Dues

In addition to paying Assessments related to the Bonds and assessments related to the Series 2019 Major Improvement Area Bonds, each lot owner in Improvement Area #2 and Improvement Area #3 of the District will pay a maintenance and operation fee and/or a property owner’s association fee to the LakePointe at Lavon Homeowners Association, Inc. (the “HOA”) of approximately \$750 per year.

## **ASSESSMENT PROCEDURES**

### **General**

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #2 Improvements and Improvement Area #3 Improvements through Assessments, it must adopt a resolution generally describing the Improvement Area #2 Improvements and Improvement Area #3 Improvements and the land within Improvement Area #2 and Improvement Area #3 of the District to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the "Assessment Roll"), which Assessment Roll shows the land within Improvement Area #2 and Improvement Area #3 of the District 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 into which the Assessment is divided. The Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was published in a newspaper of general circulation in the District and given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #2 Improvements and Improvement Area #3 Improvements and funding a portion of the same with Assessments. The City has levied the Assessments and adopted the Assessment Ordinance. Upon such adoption, the Assessments became legal, valid, and binding liens upon the property against which the Assessments were made.

Under the PID Act, the costs of the Improvement Area #2 Improvements and Improvement Area #3 Improvements may be assessed by the City against the assessable property in Improvement Area #2 and Improvement Area #3 of the District so long as the special benefit conferred upon the assessed property in Improvement Area #2 and Improvement Area #3 (the "Assessed Property") by the Improvement Area #2 Improvements and Improvement Area #3 Improvements equals or exceeds the Assessments. The costs of the Improvement Area #2 Improvements and Improvement Area #3 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 benefitted land within the District, including land in Improvement Area #2 and Improvement Area #3, is set forth in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C – Service and Assessment Plan."

### **Assessment Methodology**

The Service and Assessment Plan describes the special benefit to be received by each parcel of Assessed Property as a result of the Improvement Area #2 Improvements and Improvement Area #3 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 and Improvement Area #3 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 and Improvement Area #3 Improvements are being funded with proceeds of the Bonds, which are payable from and secured by the Trust Estate, consisting of Pledged Revenues, including primarily the Assessment Revenues. As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs (as defined in the Service and Assessment Plan) associated with the Improvement Area #2 Improvements and Improvement Area #3 Improvements will be allocated to the Assessed Property by spreading the entire Assessment across all Assessed Property within Improvement Area #2 and Improvement Area #3 of the District based on the ratio of Estimated Buildout Value of each Parcel in Improvement Area #2 and Improvement Area #3 to the Estimated Buildout Value for all Parcels within Improvement Area #2 and Improvement Area #3 of the District.

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The following table provides additional analysis with respect to special assessment methodology, including the value to assessment burden ratio per unit (lot), equivalent tax rate per unit, and leverage per unit. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan and the Appraisal. See “APPENDIX C – Service and Assessment Plan” and “APPENDIX H – Appraisal.”

**LIEN TO VALUE ANALYSIS, ASSESSMENT ALLOCATION, AND LEVERAGE PER UNIT\***

<u>Lot Type</u>	<u>Planned No. of Units</u>	<u>Estimated Finished Lot Value per unit <sup>(1)</sup></u>	<u>Projected Average Home Value per unit <sup>(2)</sup></u>	<u>Estimated Maximum Assessment per unit <sup>(3)</sup></u>	<u>Ratio of Lot Value to Assessment</u>	<u>Ratio of Average Home Value to Assessment</u>
<u>Improvement Area #2</u>						
50'	118	\$52,500	\$330,469	\$33,019.72	1.59 : 1	10.01 : 1
60'	142	\$60,500	\$394,111	\$39,378.69	1.54 : 1	10.01 : 1
<u>Improvement Area #3</u>						
50'	221	\$54,000	\$330,469	\$36,823.07	1.47 : 1	8.97 : 1

\* Preliminary, subject to change.

(1) Based on contract price for lots under the Lot Purchase and Sale Agreement. Homebuilder purchased the lots in bulk at a discounted price. See “THE DEVELOPMENT – Lot Purchase Agreement.”

(2) Provided by the Developer.

(3) Includes assessments securing the Series 2019 Major Improvement Area Bonds and the Assessments securing the Bonds. Based on information in the Service and Assessment Plan. See “APPENDIX C – Service and Assessment Plan.”

**ASSESSMENT ALLOCATION AND TAX RATE EQUIVALENT PER UNIT\***

<u>Lot Type</u>	<u>Planned No. of Units</u>	<u>Estimated Finished Lot Value per unit <sup>(1)</sup></u>	<u>Projected Average Home Value per unit <sup>(2)</sup></u>	<u>Estimated Maximum Assessment per unit <sup>(3)</sup></u>	<u>Estimated Average Annual Installment per unit <sup>(3)</sup></u>	<u>Tax Rate Equivalent of Average Annual Installment (per \$100 Lot Value) <sup>(3)</sup></u>
<u>Improvement Area #2</u>						
50'	118	\$52,500	\$330,469	\$33,019.72	\$2,863.89	\$0.8666
60'	142	\$60,500	\$394,111	\$39,378.69	\$3,415.42	\$0.8666
<u>Improvement Area #3</u>						
50'	221	\$54,000	\$330,469	\$36,823.07	\$2,832.92	\$0.8572

\* Preliminary, subject to change.

(1) Based on contract price for lots under the Lot Purchase and Sale Agreement. See “THE DEVELOPMENT – Lot Purchase Agreement.”

(2) Provided by the Developer.

(3) Includes assessments securing the Series 2019 Major Improvement Area Bonds and the Assessments securing the Bonds. Based on information in the Service and Assessment Plan. See “APPENDIX C – Service and Assessment Plan.”

For further explanation of the Assessment methodology, see “APPENDIX C – Service and Assessment Plan.”

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within Improvement Area #2 and Improvement Area #3 of 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 and all future owners and developers within the District. See “APPENDIX C – Service and Assessment Plan.”

## **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 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, on parity with the Major Improvement Area Assessments, but superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. See "BONDHOLDERS' RISKS – Assessment Limitations."

In the Indenture, the City will covenant to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance and the Service and Assessment Plan. 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. 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 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 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 anticipates implementing the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Continuing 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 funds on deposit in the Administrative Fund.

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Annual Installments will be paid to the City or its agent. Annual Installments are due on October 1 of 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:

Date Payment Received	Cumulative Penalty	Cumulative Interest	Total
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.

In the event that the amount collected in any year (including Foreclosure Proceeds, penalties and penalty interest) on an Assessed Property in Improvement Area #2 or Improvement Area #3, as applicable, for an Improvement Area #2 Annual Installment or Improvement Area #3 Annual Installment, as applicable, is less than the aggregate outstanding amount (including penalties and penalty interest) of such Annual Installment and the annual installment for the Major Improvement Area Assessment (defined herein) on the same Assessed Property, the amount collected will be allocated on a pro rata basis between the Bonds and the Series 2019 Major Improvement Area Bonds based on the amount of the Improvement Area #2 Annual Installment or Improvement Area #3 Annual Installment, as applicable, and the amount of the Major Improvement Area Assessment annual installment on the Assessed Property.

### **Assessment Amounts**

Assessment Amounts. The maximum amounts of the Assessments will be established by the methodology described in the Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each Assessed Property consisting of the annual payment allocable to the Bonds and the Improvement Area #2 Improvements and Improvement Area #3 Improvements for each Assessed Property, which amount includes (i) the Additional Interest and (ii) the annual payment allocable to Annual Collection Costs. The Annual Installments for the Assessments 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 – Service and Assessment Plan."

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds (which amount will include Additional Interest) and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be initially allocated to the Parcels consisting of the Assessed Property based on the ratio of Estimated Buildout Value of each Parcel in Improvement Area #2 and Improvement Area #3 to the Estimated Buildout Value of all Parcels in Improvement Area #2 and Improvement Area #3.

Division Prior to Recording of Subdivision Plat. Upon the division of any Assessed Property prior to the recording of subdivision plat, the PID 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 PID Administrator and shall be based on the Estimated Buildout Value of that Assessed Property as provided by the Owner, relying on information from the 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.

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.

Upon Subdivision by a Recorded Subdivision Plat. Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the PID 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 Lots with same Lot Type

Prior to the recording of a subdivision plat, the Developer 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 PID Administrator and confirmed by the City Council based on Estimated Buildout Value provided by the Owner, relying on information provided by the homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

Upon Consolidation. If two or more Lots or Parcels are consolidated, the PID Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council.

Maximum Assessment. Notwithstanding the foregoing, the Service and Assessment Plan establishes a “Maximum Assessment” for each Lot Type in Improvement Area #2 and Improvement Area #3 of the District. See “APPENDIX C – Service and Assessment Plan.”

Prior to the City approving a final subdivision plat, the PID Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type exceeding the Maximum Assessment. If the PID Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment, then (i) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (ii) the person or entity filing the plat shall pay, as a mandatory prepayment of the Assessment, to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, prior to the City approving the final plat.

In addition, if the Assessed Property or a portion thereof 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, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property or a portion thereof to become Non-Benefited Property, the owner causing the change in status shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

For further information about apportionment of the Assessments, See “APPENDIX C – Service and Assessment Plan.”

### **Prepayment of Assessments**

Pursuant to the PID Act and the Indenture, the owner of any property assessed 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. See “DESCRIPTION OF THE BONDS – Redemption Provisions – *Extraordinary Optional Redemption*” and “BONDHOLDERS’ RISKS – Potential Early Redemption of Bonds from Prepayments of Assessments.” 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.

For purposes of Prepayments, the Bonds will be on parity with the Series 2019 Major Improvement Area Bonds. In the event of a Prepayment of less than the aggregate outstanding amount of the Improvement Area #2 Assessment or Improvement Area #3 Assessment, as applicable, on an Assessed Property and the Major Improvement Area Assessment on the same Assessed Property, the Prepayment will be allocated on a pro rata basis between the Bonds and the Series 2019 Major Improvement Area Bonds based on the outstanding amount of the Assessment and the outstanding amount of the Major Improvement Area Assessment on the Assessed Property.

## **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, on parity with Major Improvement Area Assessments, but 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 property assessed 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 Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment on the corresponding Assessed Parcel.

In the Indenture, the City has covenanted to 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, 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.

In the Indenture, the City creates the Delinquency and Prepayment Reserve Account under the Reserve Fund and will fund such account as provided in the Indenture. 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 "SECURITY FOR THE BONDS – Delinquency and Prepayment Reserve Account of the Reserve Fund," "APPENDIX B – Form of Indenture," and "APPENDIX C – Service and Assessment Plan."

## **MAJOR IMPROVEMENT AREA ASSESSMENT DATA**

The "Major Improvement Area," as defined in the documents authorizing the Series 2019 Major Improvement Area Bonds, consists of the property in Improvement Area #2 and Improvement Area #3 of the District. On August 22, 2019, the City levied assessments on assessable property in the Major Improvement Area (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 October of 2019. The following table shows the collection and delinquency history of the Major Improvement Area Assessments:

**Collection and Delinquency of Major Improvement Area Assessments <sup>(1)</sup>**

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
2020	\$ 44,075.00	1	\$0.00	0%	\$0.00	0%	\$ 44,075.00
2021	213,900.30	1	0.00	0	0.00	0	213,900.30
2022	211,911.56	1	0.00	0	0.00	0	211,911.56

<sup>(1)</sup> 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.

**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 ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE MAJOR IMPROVEMENT AREA ASSESSMENTS. THE MAJOR IMPROVEMENT AREA ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.**

## THE CITY

### Background

The City is located on the southeastern shore of Lake Lavon in southeastern Collin County, 33 miles northeast of Dallas and 16 miles northeast of the City of Garland. Access to the City is provided by State Highway 78 and State Highway 205, with the City sitting approximately 10 miles north of the intersection of Interstate 30 and Highway 205. The City covers approximately 4.2 square miles. Some of the services that the City provides are public safety (police, and fire protection through a volunteer fire department), streets, sanitary sewer utilities, planning and zoning, and general administrative services. The 2020 Census population for the City was 4,469. As of October 1, 2022, the City estimates the population to be 6,750.

### City Government

The City operates as a Type A General Law municipality, with an Aldermanic-Mayor form of government. The City Council is responsible for setting priorities that affect the quality of living and character of the City by passing laws (ordinances) and resolutions. The City Administrator's office is responsible for the day-to-day operations of the City. As custodian of the City's records, the City Secretary's office provides notice of and records the proceedings of the City Council, Planning and Zoning Commission and other boards and commissions.

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

At an election to be held on November 8, 2022 (the "Election"), the registered voters within the City limits will vote whether to ratify and approve a proposed Home Rule Charter for the City (the "Proposed Charter"). If the Proposed Charter is approved by a majority of voters at the Election and the City enters an order recognizing the adoption of the Proposed Charter, then the City will thereafter operate as a Home Rule municipality under Texas law. The City does not believe that the potential conversion from a Type A General Law municipality to a Home Rule municipality will have any material adverse effect on the City, the District or the Bonds.

## 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 173.037 acres and lies entirely within the boundaries of the City. The District was created by Resolution No. 2019-03-04 adopted by the City Council on March 19, 2019, as amended by Resolution No. 2019-07-03 adopted by the City Council on July 16, 2019 (together, the “Creation Resolution”) for the purposes of undertaking and financing the costs of certain public improvements within the District, including the Improvement Area #2 Improvements and Improvement Area #3 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page iv hereof.

### Powers and Authority

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 and Improvement Area #3, 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 the District, 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 and Improvement Area #3 Improvements. See “THE IMPROVEMENT AREAS #2 AND #3 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 the Improvement Area #2 Improvements and Improvement Area #3 Improvements and to finance a portion of 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 – Service and Assessment Plan.”

## THE IMPROVEMENT AREAS #2 AND #3 IMPROVEMENTS

### General

The Developer is responsible for the completion of the construction, acquisition, or purchase of the Improvement Area #2 Improvements and Improvement Area #3 Improvements, and the Fee Developer or its designee will act as construction manager. The City will pay a portion of the costs of the Improvement Area #2 Improvements and Improvement Area #3 Improvements from proceeds of the Bonds. The Developer will submit reimbursement requests for costs actually incurred in developing and constructing the Improvement Area #2 Improvements and Improvement Area #3 Improvements and be reimbursed in accordance with the Indenture and the Reimbursement Agreements. See “PLAN OF FINANCE – Reimbursement Agreements,” “APPENDIX B – Form of Indenture,” and “APPENDIX G – Reimbursement Agreements.”

The Improvement Area #2 Improvements and Improvement Area #3 Improvements consist of the Improvement Area #2 Improvements and the Improvement Area #3 Improvements. Following are descriptions of such improvements.

### The Improvement Area #2 Improvements

***Hardscape, Irrigation, and Landscape Improvements:*** The hardscape, irrigation, and landscape improvements consist of installation of landscaping, including irrigation, in open spaces, entryway monuments and signs, establishment and improvement of lakes, park and open space.

***Sewer Improvements:*** The sewer improvements include 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.

***Storm Sewer Improvements:*** The storm sewer improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing, as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Improvement Area #2.

***Pavement Improvements:*** The pavement improvements include subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, 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 street access to each Lot within Improvement Area #2.

***Engineering, Design, Fees, and Construction Management:*** Costs include a four percent (4%) construction management fee and engineering and design (inclusive of any revisions that may be necessary for final approval by the City engineer) of the final construction plans necessary for construction of the Improvement Area #2 Improvements. Once the final plans are approved, the project engineer shall stamp and mark the plans ready for construction, and ready to be submitted to duly authorized contractors for bids for construction.

***Right of Way, Open Space, and Park Improvements:*** The open space and park improvements include those shown on the Concept Plan attached to the Development Agreement, which will be owned and maintained by the HOA. See “APPENDIX F – Development Agreement.” Rights of way are within dedicated streets and as otherwise indicated on plats submitted to the City.

### **The Improvement Area #3 Improvements**

***Hardscape, Irrigation, and Landscape Improvements:*** The hardscape, irrigation, and landscape improvements consist of installation of landscaping, including irrigation, in open spaces, entryway monuments and signs, establishment and improvement of lakes, park and open space.

***Sewer Improvements:*** The sewer improvements include 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 #3.

***Storm Sewer Improvements:*** The storm sewer improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing, as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Improvement Area #3.

***Pavement Improvements:*** The pavement improvements include subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, 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 street access to each Lot within Improvement Area #3.

***Engineering, Design, Fees, and Construction Management:*** Costs include a four percent (4%) construction management fee and engineering and design (inclusive of any revisions that may be necessary for final approval by the City engineer) of the final construction plans necessary for construction of the Improvement Area #3 Improvements. Once the final plans are approved, the project engineer shall stamp and mark the plans ready for construction, and ready to be submitted to duly authorized contractors for bids for construction.



**Right of Way, Open Space, and Park Improvements:** The open space and park improvements include those shown on the Concept Plan attached to the Development Agreement, which will be owned and maintained by the HOA. See “APPENDIX F – Development Agreement.” Rights of way are within dedicated streets and as otherwise indicated on plats submitted to the City.

The total cost of the Improvement Area #2 Improvements was approximately \$6,753,000 and the total cost of the Improvement Area #3 Improvements is expected to be approximately \$5,843,847. A portion of the costs of the Improvement Area #2 Improvements and the Improvements Area #3 Improvements in the approximate amounts of \$6,676,812\* and \$5,827,848\*, respectively, is expected to be paid with proceeds of the Bonds. The remaining costs of the Improvement Area #2 Improvements and the Improvement Area #3 Improvements in the approximate amounts of \$76,188\* and \$16,000\*, respectively, have been or will be funded by the Developer, without reimbursement by the City.

The following table reflects the total expected costs of the Improvement Area #2 Improvements and Improvement Area #3 Improvements. <sup>(1)</sup>

	<b><u>Improvement Area #2</u></b>	<b><u>Improvement Area #3</u></b>	<b><u>Total</u></b>
Hardscape, Irrigation, and Landscape	\$ 635,000	\$ 227,308	\$ 862,308
Sewer	615,000	541,545	1,156,545
Storm Sewer	1,423,000	1,105,000	2,528,000
Pavement	2,330,000	1,842,241	4,172,241
Engin., Design, Fees, Constr. Mgmt.	925,000	1,485,214	2,410,214
Right of Way, Open Space, Parks	525,000	642,539	1,167,539
Contingency	<u>300,000</u>	<u>—</u>	<u>300,000</u>
<b>Total</b>	<b>\$6,753,000</b>	<b>\$5,843,847</b>	<b>\$12,596,847</b>

<sup>(1)</sup> Derived from Exhibit B to the Service and Assessment Plan. See APPENDIX C – Service and Assessment Plan.”

## **Ownership and Maintenance of Improvement Area #2 Improvements and Improvement Area #3 Improvements**

The Improvement Area #2 Improvements and Improvement Area #3 Improvements will be dedicated to and accepted by the City, in accordance with the City standards and specifications as outlined in the Reimbursement Agreements and will constitute a portion of the City’s infrastructure improvements. The City will provide for the ongoing operation, maintenance, and repair of the Improvement Area #2 Improvements and Improvement Area #3 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

## **Development Agreement**

The Development Agreement by and among the City, the Previous Owner, and the Developer, entered into as of March 19, 2019 (as amended, the “Development Agreement”), sets forth certain agreements relating to the development of all property within the District and the issuance of public improvement district bonds for development in the District. Capitalized terms used under this subheading and not defined herein shall have the meanings ascribed to them in the Development Agreement. See “APPENDIX F – Development Agreement.

Pursuant to the Development Agreement, prior to the issuance of the first building permit for the first residential home to be constructed in Improvement Area #3 and following the City’s approval of the construction drawings and issuance of all required permits for the Improvement Area #3 Improvements, the Developer will construct or cause to be constructed:

- (i) The FM 6 Road Improvements as required pursuant to the TIA, which FM 6 Road Improvements include an access road;
- (ii) Off-Site Public Improvements (other than the FM 6 Road Improvements) needed to serve Improvement Area #3;
- (iii) On-Site Public Improvements needed to serve, and which are located in Improvement Area #3;
- (iv) The Water Improvements needed to serve Improvement Area #3;
- (v) The Private Improvements needed to serve Improvement Area #3;
- (vi) any other roadway improvements reflected as needed for Improvement Area #3 in the TIA.

\* Preliminary, subject to change.

In addition, the amenity center shall be (1) commenced within thirty (30) days after the City's acceptance of the Public Improvements located in Improvement Area #2, which time shall be automatically extended by the number of days the City causes delay in the issuance of the building permit for the amenity center, and (2) must be completed within twelve (12) months after commencement thereof, subject to force majeure. Without limiting the foregoing, building permits will not be issued for Improvement Area #3 unless and until completion of the amenity center.

The items required in (i) – (vi) above are under construction and will be completed by March 2023. Construction of the amenity center commenced in April 2022 and is expected to be completed by January 2023.

In exchange for Developer constructing the Off-Site Public Improvements in accordance with the Development Agreement, the City has agreed to provide retail sanitary sewer service to the land comprising the Purchased Tract sufficient to serve a particular phase of the Purchased Tract as the On-Site Public Improvements located in such phase are installed (including after the land comprising the Purchased Tract is fully developed).

For additional agreements, terms and provisions relating to the District, the Developer, and the issuance of the Bonds in the Development Agreement, see "APPENDIX F – Development Agreement."

### **Reimbursement Agreements**

The City and the Developer entered into the Reimbursement Agreements pursuant to which the City agreed to reimburse the Developer for the costs of the Improvement Area #2 Improvements and Improvement Area #3 Improvements. See "PLAN OF FINANCE – Reimbursement Agreements" and "APPENDIX G – Reimbursement Agreements."

## **ADDITIONAL DEVELOPER FUNDED IMPROVEMENTS**

### **General**

The Developer is expected to construct certain additional improvements within the District, including certain Private Improvements and the Bear Creek SUD Water Improvements. The Developer will construct the Private Improvements and the Bear Creek SUD Water Improvements as described below, without reimbursement from the City or the Bear Creek SUD.

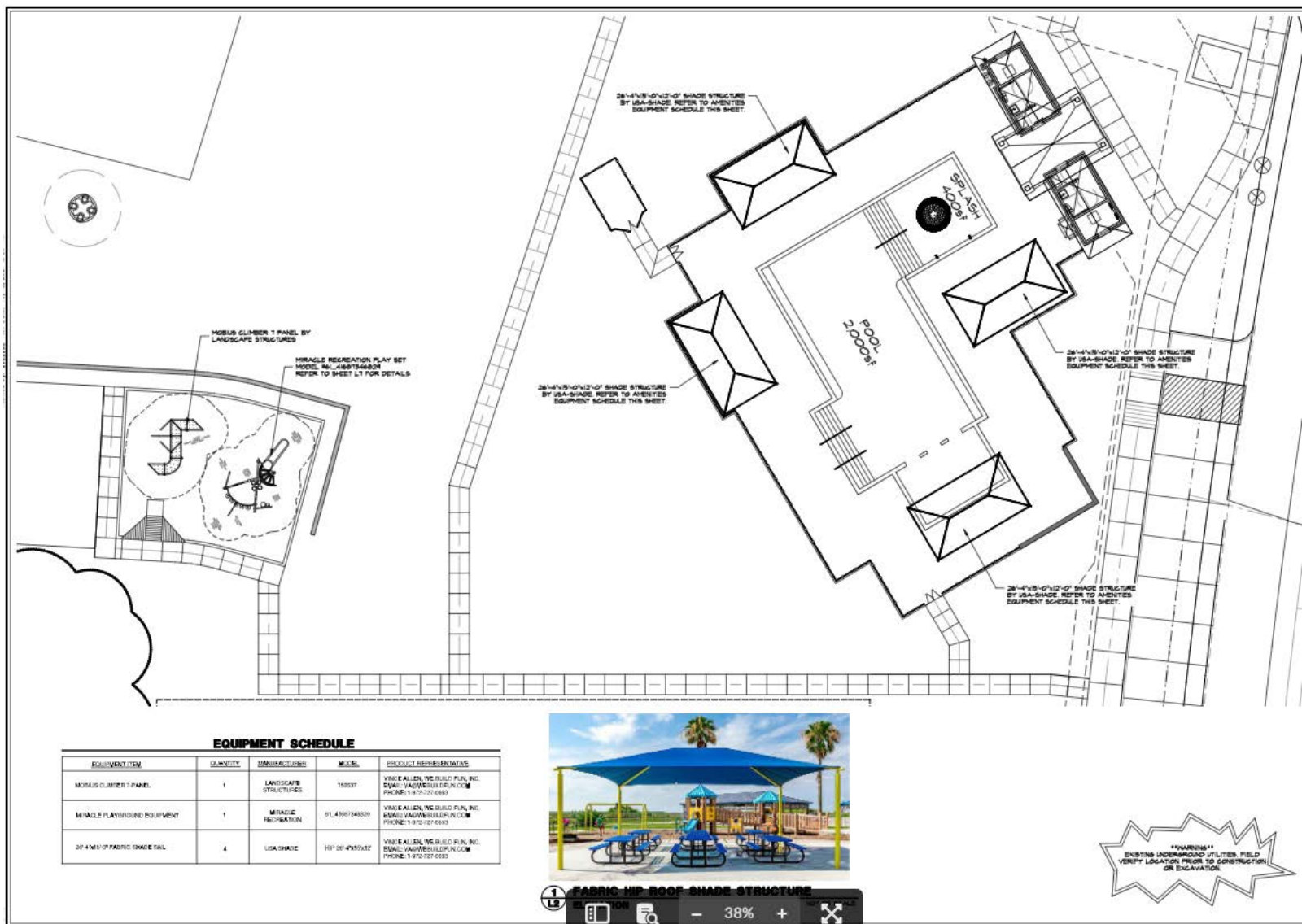
### **Private Improvements**

The Developer has constructed in Improvement Area #1 and Improvement Area #2, and is constructing in Improvement Area #3, certain private improvements consisting of open space, park, hardscape, landscape and other miscellaneous improvements, and an amenity center to serve the entire District (collectively, the "Private Improvements") at an approximate total cost of \$6,617,130. The costs of the Private Improvements have been or will be paid entirely by the Developer without reimbursement by the City. The approximate cost of the Private Improvements to be completed concurrent with the Improvement Area #3 Improvements is approximately \$731,748.

Pursuant to the Development Agreement, the amenity center must be completed prior to issuance of the first building permit within Improvement Area #3. See "THE IMPROVEMENT AREAS #2 AND #3 IMPROVEMENTS – Development Agreement." Construction of the amenity center commenced in April 2022 and is expected to be complete by January 2023. The budget for the amenity center is \$750,000. As of October 15, 2022, the Developer had spent \$348,798 of such amount.

The Private Improvements will be dedicated to and accepted by the HOA. The HOA will provide for the ongoing operation, maintenance, and repair of such private improvements through the administration of a maintenance and operation fee and/or a property owner's association fee to be paid by each lot owner within the District. See "OVERLAPPING TAXES AND DEBT."

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**Amenity Center Under Construction**



## **Bear Creek SUD Water Improvements**

General. The Bear Creek SUD Water Improvements, which will be owned and operated by Bear Creek SUD, are necessary for development within the District. The Bear Creek SUD Water Improvements will be dedicated to and accepted by Bear Creek SUD and will constitute a portion of Bear Creek SUD's infrastructure improvements. Bear Creek SUD will provide for the ongoing operation, maintenance, and repair of the Bear Creek SUD Water Improvements. Bear Creek SUD provides rural water service to residents of the City and the surrounding communities. Bear Creek SUD serves in excess of 2,200 residential meters (a population of 6,800+).

Funding of Bear Creek SUD Water Improvements. The Developer has completed the Bear Creek SUD Water Improvements necessary for development of Improvement Area #2 and the costs of such improvements have been paid. The Developer expects to complete the Bear Creek SUD Water Improvements necessary for development of Improvement Area #3 by the first quarter of 2023. The cost of the Improvement Area #3 portion of the Bear Creek SUD Water Improvements is approximately \$749,477. As of September 30, 2022, the Developer had paid approximately \$311,616 of such amount. The Developer expects that ninety percent (90%) of such amount will be paid prior to delivery of the Bonds.

The City has received what it has determined to be adequate assurances from the Developer for the payment of the remainder of the Bear Creek SUD Water Improvements.

## **THE DEVELOPMENT**

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, and the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Preliminary Limited Offering Memorandum and warrants and represents that neither (i) the information under the captions "THE DEVELOPMENT" and "THE DEVELOPER AND THE FEE DEVELOPER" nor (ii) the information relating to the Developer's plan for developing the land within the District (the "Development") under the subcaption "BONDHOLDERS' RISKS – Dependence Upon Developer" 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 are 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.

### **Overview**

The Developer is developing the District as a master planned residential community known as "LakePointe" (the "Development") expected to consist of a total of 704 detached single-family homes at final buildout, including four hundred fifty-three (453) fifty front feet (50') lots and two hundred fifty-one (251) sixty front feet (60') lots, a community center, walking trails, swimming pool, and playground.

### **Status of Development in Improvement Area #1**

Improvement Area #1 consists of approximately 53.43 acres containing two hundred twenty-three (223) lots, including one hundred fourteen (114) 50' lots and one hundred nine (109) 60' lots. The improvements necessary to serve Improvement Area #1 were completed in July 2020.

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The following table reflects the status of development in Improvement Area #1 as of October 31, 2022:

Lot Size	Number of Single-Family Lots	Number of Lots Completed	Number of Homes under Construction	Number of Homes Completed and Unoccupied	Homes with Residents	Expected Final Sale Date
50'	114	114	8	1	105	1Q 2023
60'	109	109	25	—	84	1Q 2023
<b>Total</b>	<b>223</b>	<b>223</b>	<b>33</b>	<b>1</b>	<b>189</b>	

The following table shows the average sales prices and absorption periods for homes in Improvement Area #1 as of September 30, 2022:

Lot Size	# of Units	Average Home Price	Absorption Period (months)
50'	114	\$344,891	2
60'	109	\$474,374	6
	<b>223</b>		

## Status of Development in Improvement Area #2

Improvement Area #2 consists of approximately 74.98 acres containing two hundred sixty (260) lots, including one hundred eighteen (118) 50' lots and one hundred forty-two (142) 60' lots. The Improvement Area #2 Improvements were completed in December 2021. Blue Haven has closed on the sale of 50 lots in Improvement Area #2 to Christie Builders and 131 lots in Improvement Area #2 to Trophy Builders. Blue Haven has retained the remaining 79 lots. See “– Lot Purchase Agreement.”

The following table reflects the status of development in Improvement Area #2 as of September 30, 2022:

Lot Size	Number of Single-Family Lots	Number of Lots Completed	Number of Homes under Construction	Number of Homes Completed and Unoccupied	Homes with Residents	Expected Final Sale Date
50'	118	118	51	—	33	1Q 2024
60'	142	142	38	1	6	1Q 2024
<b>Total</b>	<b>260</b>	<b>260</b>	<b>89</b>	<b>—</b>	<b>39</b>	

The following table shows the expected sales prices and absorption periods for homes in Improvement Area #2 as of September 30, 2022:

Lot Size	# of Units	Expected Home Price	Absorption Period (months)
50'	118	\$333,960	19
60'	142	\$408,367	19
	<b>260</b>		

### **Status of Development in Improvement Area #3**

Improvement Area #3 consists of approximately 44.63 acres containing two hundred twenty-one (221) 50' lots. The Improvement Area #3 Improvements are expected to be completed by the first quarter of 2023. Blue Haven is under contract to purchase all of the lots in Improvement Area #3. In addition, Blue Haven has contracted with Trophy Homes to purchase half of the lots in Improvement Area #3. See "– Lot Purchase Agreement."

The following table shows the Developer's current expectations regarding sales prices and absorption periods for homes in Improvement Area #3:

Lot Size	# of Units	Expected Home Price	Absorption Period (months)
50'	221	\$350,000	45

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**Photos of Development**



**Improvement Areas #1 and #2 Looking Southwest Along Highway 78**





**Improvement Areas #1 and #2 Looking East**





**Improvement Area #3 Under Development**

## **Lot Purchase Agreement**

Pursuant to that certain Real Estate Purchase and Sale Agreement (the “Lot Purchase Agreement”) by and between the Developer and Bluehaven Homes Lakepointe, LLC, a Texas limited liability company (“Bluehaven” or the “Homebuilder”), effective as of January 14, 2021, Bluehaven agreed to purchase all four hundred eighty-one (481) lots in Improvement Area #2 and Improvement Area #3 for a base price of \$52,500 for each 50’ lot and \$60,500 for each 60’ lot in Improvement Area #2 and \$54,000 for each lot in Improvement Area #3, subject to discount in the event of a bulk purchase as described below. An affiliate of Bluehaven also purchased all two hundred twenty-three (223) lots in Improvement Area #1. Perry Williams, a principal of the Developer, is a manager of Bluehaven. See “THE DEVELOPER AND THE FEE DEVELOPER – Executive Biographies of Principals of Developer and Fee Developer.”

Bluehaven purchased all two hundred sixty (260) lots in bulk in Improvement Area #2 for a discounted price of \$48,825 for each 50’ lot and \$56,265 for each 60’ lot. Pursuant to the Lot Purchase Agreement, Bluehaven will purchase twenty-four (24) lots within fifteen (15) days of substantial completion of Improvement Area #3 and an additional twenty-four (24) lots every ninety (90) days thereafter until all two hundred twenty-one (221) lots are purchased. In the alternative, Bluehaven may purchase all two hundred twenty-one (221) lots in Improvement Area #3 upon their completion at a discounted price of \$50,220 for each lot.

The Developer has received an earnest money deposit with respect to the Improvement Area #3 lots in the amount of \$1,642,000. The earnest money has been released to the Developer. Bluehaven does not have an earnest money deed of trust on property in Improvement Area #3.

The Lot Purchase Agreement includes a right of first refusal for the Developer to repurchase lots from Bluehaven which Bluehaven wishes to sell to a third party prior to the construction of a home thereon. As of October 31, 2022, Bluehaven has sold one hundred eighty-one (181) lots in Improvement Area #2 and has contracted to sell one hundred eleven (111) lots in Improvement Area #3 to third-party builders. See “– Status of Development in Improvement Area #1,” “– Status of Development in Improvement Area #2,” and “– Status of Development in Improvement Area #3.”

## **Zoning/Permitting**

The District is currently zoned as a planned development district pursuant to Ordinance 2019-07-04 adopted by the City Council (the “PDD Ordinance”). 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 or the Development Agreement.

## **Schools**

The District is located in Community ISD. Students in the District are expected to attend NeSmith Elementary School (approximately 1.5 miles from the District), Edge Middle School (approximately 5 miles from the District) and Community High School (approximately 5 miles from the District).

GreatSchools.org currently rates each of NeSmith Elementary School, Edge Middle School, and Community High School a 6-out-of-10. According to the Texas Education Agency annual school report cards, NeSmith Elementary and Community High School were rated “B” and Edge Middle was rated “C” for 2018-2019 (the last year accountability report cards were issued, due to COVID-19). (The categories for public school districts and public schools are A, B, C, D or F).

## **Existing Mineral and Groundwater Rights, Easements and Other Third-Party Property Rights**

Third parties hold title to certain rights applicable to real property within and around the District (the “Mineral Owners”), including reservations of mineral rights and royalty interests and easements (collectively, the “Third-Party Rights”) pursuant to various instruments in the chain of title for various tracts of land within and immediately adjacent to the District. Some of these reservations of mineral rights include a waiver by the Mineral Owners of their right to enter onto the surface of the property to explore, develop, drill, produce or extract minerals within the District. If the

waiver is applicable, such Mineral Owners may only develop such mineral interests by means of wells drilled on land outside of the property of the District.

The Developer is not aware of any ongoing mineral rights development or exploration on or adjacent to the property within the District. The Developer is not aware of any interest in real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad Commission may also restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the above-described Third-Party Rights, or the exercise of such rights or any other third-party real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS – Exercise of Third-Party Property Rights.”

## **Environmental**

A Phase One Environmental Site Assessment (a “Phase One ESA”) of 200 acres, including the approximately 173.037 acres in the District, was delivered by Environmental Property Investigations, Inc. (“EPI”), on May 11, 2017, based on a physical inspection of the site on May 4, 2017. 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 on the property. EPI’s opinion was that no additional investigation of the property was warranted.

According to the website for the United States Fish and Wildlife Service, the whooping crane is an endangered species in Collin County. The Developer is not aware of any endangered species located on District property.

## **Utilities**

Bear Creek SUD will provide water service to the District. Bear Creek SUD is supplied with water through a take or pay contract with the North Texas Municipal Water District’s (“NTMWD”) water distribution system. NTMWD’s and Bear Creek SUD’s water distribution systems currently have sufficient capacity to provide water service to the District. The City will provide sewer service to the District.

In August 2019, the City completed construction of the Bear Creek wastewater treatment plant expansion to a permitted capacity of 500,000 gallons per day. The City designed, and the Developer constructed, a sanitary sewer trunk line connecting the District to such plant. Such expansion provides sufficient capacity to serve the District’s initial wastewater treatment requirements. Future capacity needs are being studied by the City to serve the District as well as other area developments.

The Developer expects additional utilities to be provided by: (1) Phone/Data - AT&T; (2) Electric – Oncor or Farmers Electric Cooperative; (3) Cable – AT&T; and (4) Natural Gas - Atmos Energy or SI Energy.

## **THE DEVELOPER AND THE FEE DEVELOPER**

The following information has been provided by the Developer and the Fee Developer, as indicated. Certain of the following information is beyond the direct knowledge of the City, the City’s Financial Advisor, and the Underwriter, and none of the City, the City’s Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information herein under the caption “THE DEVELOPER AND THE FEE DEVELOPER” nor (ii) the information relating to the Developer under the subcaption “BONDHOLDERS’ RISKS — Dependence Upon Developer” 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 are made,

not misleading. The Fee Developer has reviewed this Limited Offering Memorandum and warrants and represents that the information herein under the caption “THE DEVELOPER AND THE FEE DEVELOPER” pertaining to the Fee Developer 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 are made, not misleading.

## **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 telephone 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 assessment revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the 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 Developer**

The Developer, Lavon LakePointe Development, LLC, is a Texas limited liability company, the members of which are PEGA Development, LLC (“PEGA”), and LenBell Development, LLC (“LenBell”). PEGA owns a thirty percent (30%) interest in the Developer and LenBell owns a seventy percent (70%) interest in the Developer. Perry Williams is the sole owner and manager of PEGA and Glen Bellinger and Steve Lenart serve as managers of LenBell. Steven Lenart and Bellinger Family, L.P. each own fifty percent (50%) interests in LenBell. Perry Williams, Glen Bellinger, and Steve Lenart serve as managers of the Developer. See “– Executive Biographies of Principals of Developer and Fee Developer.”

## **Description of the Fee Developer**

The Fee Developer was formed in November of 2006 by Steve Lenart. The Fee Developer is a real estate development and consulting firm focused primarily on single-family and light commercial development. The firm provides development services for projects across the Dallas – Fort Worth Metroplex along with consulting services regarding entitlement, financing, special districts, construction, and due diligence. The firm also owns and develops projects with equity partners utilizing third-party debt financing.

The Fee Developer currently manages the development of over thirty residential developments in the Dallas – Fort Worth area. The projects vary from simple municipal jurisdictions to public improvement districts. The Fee Developer has participated as developer for the following developments utilizing public improvement districts: Highlands at Trophy Club in Trophy Club, Texas; Creeks of Legacy and Sutton Fields in Celina, Texas; River Walk in Flower Mound, Texas; and Entrada in Westlake, Texas.

The firm’s responsibilities include managing all of the day-to-day operations of the Development, including site evaluation, plan review and management, contracting, and payment of contracts. The firm’s team of experienced project managers oversees the project subcontractors on a daily basis to effectively and efficiently deliver completed infrastructure and finished lots per approved plans. The firm also performs feasibility studies for projects along with entitlement, zoning, platting, and financial analysis.

## **Executive Biographies of Principals of Developer and Fee Developer**

Steve Lenart: Steve Lenart, founder and manager of the Fee Developer, has over thirty years of experience in the real estate development industry. Mr. Lenart’s experience encompasses all aspects of the business, including both homebuilding and development. He spent fourteen years with a “Big Three” public builder, where he held the

executive positions of Director of Construction and then Land Division President. In his six years as Division President, he managed all aspects of land and lot acquisition and development in the Dallas – Fort Worth area.

In his role as Division President, Mr. Lenart developed an in-depth knowledge of every aspect of the development business, including acquisition, due diligence, contracting, entitlements, sales, homeowner associations, finance, joint ventures, special financing districts, and day-to-day development. Acquisitions included both raw land and finished lots, and ranged in size from 15 acres to over 3,000 acres. Mr. Lenart has extensive knowledge of entry-level, first time move-up, second time move-up, and active adult communities. He led the entitlement/acquisition of over 40,000 lots and developed over 15,000 lots in his role as Division President.

Perry Williams: Mr. Williams is the Chief Executive Officer and Managing Partner of the Williams Group, a multifaceted group of residential and commercial real estate development and construction companies. His companies developed Tradewind Estates in Amarillo, Texas, and are currently developing Hillside Terrace Estates and The Residences at Town Square in Amarillo, Texas, and Heritage Hills in Lindale, Texas. He is also the Chief Executive Officer and Managing Partner of the Gilmore Group which owns and operates numerous commercial and residential real estate ventures. He is a former director of the Happy State Bank headquartered in Amarillo. Mr. Williams has also served as a director of the Panhandle Builders Association and on the West Texas A&M Foundation Board.

Glen Bellinger: Mr. Bellinger will provide legal review and consulting on the Development. Mr. Bellinger is a founding and Managing Partner in the law firm of Bellinger & Suberg, LLP. Mr. Bellinger received his Bachelor of Science degree in accounting, with honors, in 1976 from the University of Missouri, his Juris Doctor (J.D.) degree, cum laude, in 1982 from St. Louis University, and his Master of Finance degree in 1983 from St. Louis University. Mr. Bellinger is licensed to practice law in Texas and Missouri, and also is a Certified Public Accountant. Mr. Bellinger practiced with Arthur Young (now known as Ernst & Young) as a C.P.A. for approximately 3 years during which he worked extensively in mergers and acquisitions and with emerging businesses. Since then, Mr. Bellinger has practiced law for over 35 years, spending 9+ years with and becoming a Partner in a major national law firm, followed by founding and managing his current firm. In his law practice, Mr. Bellinger works closely with his clients and counsels them on various aspects relating to business structure, formation, equity and debt funding, tax, and general business matters. In addition to his law practice, Mr. Bellinger owns and has been actively involved in several homebuilding, construction, and real estate development companies involved in single family, multi-family, retail, and commercial projects. Several of those projects included the creation and use of various public financing entities including public improvement districts, municipal utility districts, fresh water supply districts, tax increment reinvestment zones, and others. Additionally, Mr. Bellinger participates and invests in, and raises money for, several new and emerging businesses, assists and advises them in their equity and debt offerings and growth plans, and serves on many of their Boards of Directors. Mr. Bellinger is an active member of several bar associations, trade organizations, and civic and charitable organizations.

### **Potential Conflicts of Interest Relating to the Developer, the Fee Developer, and the Homebuilder**

Steve Lenart is the sole principal of the Fee Developer and principal of a manager of the Developer. Perry Williams is principal of a member, and manager, of the Developer and managing member of Bluehaven. Bluehaven is under contract to purchase all of the lots in Improvement Area #3. See “THE DEVELOPMENT – Lot Purchase Agreement.”

### **History and Financing of the District**

The Previous Owner, an affiliate of the Developer, purchased approximately 200.9089 acres (the “Purchased Property”), which includes all 173.037 in the District, in August 2018 for \$4,720,445. The Previous Owner financed a portion of the acquisition of the land with a \$3,775,040 loan from City Bank, a Texas bank association (the “Lender”) and a second \$500,000 revolving loan from the Lender (together, the “Original Acquisition Loans”). In June 2019, the Previous Owner and the Developer, as co-borrowers, obtained a loan to refinance the Original Acquisition Loans and to fund development of a portion of the improvements benefitting the entire District and the Improvement Area #2 (the “Acquisition and Development Loan”) in the amount of \$13,689,610 from the Lender. The Acquisition and Development Loan was paid in full in December 2021 from proceeds of the Lot Purchase Agreement.



The Previous Owner and the Developer entered into a third advancing, non-revolving loan up to \$9,013,189 with the Lender on November 13, 2020, to fund improvements in Improvement Area #2 (the “Improvement Area #2 Construction Loan”). The Improvement Area #2 Construction Loan was paid in full in December of 2021 from proceeds of the Lot Purchase Agreement.

The Previous Owner and the Developer entered into a fourth advancing, non-revolving loan up to \$6,540,577 with the Lender on April 11, 2022 (the “Improvement Area #3 Construction Loan”). The Improvement Area #3 Construction Loan has an outstanding principal balance of \$96,554.39 plus accrued interest of \$544.32 as of November 1, 2022. The Improvement Area #3 Construction Loan bears interest at a floating rate, determined daily, of Prime plus 0.79% per annum. Interest payments are due monthly, and all outstanding principal is due at maturity. The Improvement Area #3 Construction Loan matures on April 11, 2025, with an option for a one-time six-month extension. The Improvement Area #3 Construction Loan is secured by, among other things, a first lien deed of trust lien on all of the property within Improvement Area #3.

Glen Bellinger, Steve Lenart, Perry Williams, LenBell, Bellinger Family, LP, Williams Group Holdings, LLC, PEGA, 625 Capital, Ltd., P Dub Land Holdings, Ltd., P Dub Land Management, LLC, NESAW Holdings, Ltd., Gray Matter Capital, Ltd., Noah A. Williams Family Trust, Seth A Williams Family Trust, Eden E. Williams Family Trust, and Arielle L. Williams Family Trust are all guarantors of the Construction Loan.

The PID Act provides that the Assessment Lien is a first and prior lien against an Assessed Parcel within the District, on parity with the Major Improvement Area Assessments, but 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 Lender shall consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the Construction Loan to the assessment liens on property within Improvement Area #2 and Improvement Area #3 of the District securing payment of the Assessments. As a result, the lien on the property within Improvement Area #2 and Improvement Area #3 securing the Assessments and the Major Improvement Area Assessments will have priority over the lien on the property within the District securing the Construction 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 identification numbers 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

### The Appraisal

*General.* Peyco Southwest Realty, Inc. (the “Appraiser”), prepared an appraisal report for the City dated October 31, 2022, based upon a physical inspection of the District conducted on October 23, 2022 (the “Appraisal”). 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 Improvement Area #2 and Improvement Area #3 of the District. The cover letter and Executive Summary of 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.”

*Value Estimates – Improvement Area #2.* The Appraiser estimated the “as-is” market value of the fee simple interests of the Assessed Parcels within Improvement Area #2. As of October 23, 2022, Improvement Area #2 included 118 50’ and 142 60’ residential improved lots, and had completed homes on 42 50’ lots and 8 60’ lots.

The bulk-sale value estimate for the assessable property within Improvement Area #2 of the District using the sales comparison approach, and subject to the limiting conditions and assumptions set forth in the Appraisal, as of October 23, 2022, is \$17,600,000 (\$83,810 per lot combining 50’ and 60’ lots) for 210 improved lots. The market value of the 50 lots with completed homes using recent residential sales during the preceding sixty (60) days, and subject to the limiting conditions and assumptions set forth in the Appraisal, as of October 23, 2022, is \$21,300,000 (\$426,000 per home). The combined final value conclusion for all of Improvement Area #2 is \$38,900,000. See “APPENDIX H – Appraisal.”

*Value Estimates – Improvement Area #3.* The Appraiser estimated the prospective market value “upon completion” of fee simple interests in the 221 residential lots in Improvement Area #3 of the District as of April 1, 2023, under the hypothetical condition that the Improvement Area #3 Improvements and the Bear Creek SUD Water Improvements needed to serve Improvement Area #3 are completed. See “THE IMPROVEMENT AREAS #2 AND #3 IMPROVEMENTS.” The Appraisal does not reflect the as-is condition of Improvement Area #3 of the District as neither the Improvement Area #3 Improvements nor the Bear Creek SUD Water Improvements needed to serve Improvement Area #3 have been completed. The Appraisal provides the fee simple estate values for Improvement Area #3 of the District.

The simulated bulk-sale value estimate for the assessable property within Improvement Area #3 of the District using the income (subdivision development) approach, and subject to the limiting conditions and assumptions set forth in the Appraisal, as of April 1, 2023, is \$17,000,000 (\$76,923 per lot). See “APPENDIX H – Appraisal.”

None of the City, the Developer, the Financial Advisor, or the Underwriter makes any representation as to the accuracy, completeness, assumptions, or information contained in the Appraisal. The assumptions and qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized and none of the City, the Developer, or the Underwriter make any representation as to the reasonableness of such assumptions.

### 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 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 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 TRUST ESTATE.**

### **General**

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 and Improvement Area #3 of the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within the District, (c) general and local economic conditions that 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 lots within Improvement Area #2 and Improvement Area #3 of the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in Improvement Area #2 and Improvement Area #3 of the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within Improvement Area #2 and Improvement Area #3 of the District should proceed more slowly than expected and the Developer 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. Such value can only be realized through the foreclosure or expeditious liquidation of the land within Improvement Area #2 and Improvement Area #3 of the District. There is no assurance that the value of such land 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.

### **Deemed Representations and Acknowledgment by Investors**

Each initial purchaser of Bonds (each an "Investor") will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include among others a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and such Investor, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Bonds, and the Investor can afford a complete loss of its investment in the Bonds.

## **Infectious Disease Outbreak**

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus (“COVID-19”) to be a public health emergency (the “Pandemic”). On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in the State because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings, and other activities. Since such time, COVID-19 negatively affected commerce, travel, and businesses locally and globally, and negatively affected economic growth worldwide and within the State. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment.

The Governor retains the right to impose additional restrictions on activities if needed to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Limited Offering Memorandum.

With the easing or removal of COVID-19 associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19. The City has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19; however, the City cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and re-imposition of restrictions.

The Bonds are secured primarily by Assessments levied on benefitted property within Improvement Area #2 and Improvement Area #3 of the District. If lot or home sales are negatively impacted by the continuation or escalation of the Pandemic, the Developer will continue to be responsible for the payment of the Assessments as long as it owns such lots.

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. While the City has experienced growth in its assessed valuation during the Pandemic, the continued outbreak of COVID-19 could have an adverse effect on the City’s operations and financial condition. None of the City, the Financial Advisor, the Underwriter, or the Developer can predict the impact the Pandemic may have on the City, the financial and operating condition of the Developer, the projected buildout schedule, home prices and buildout values, or an investment in the Bonds.

## **Failure or Inability to Complete Proposed Development**

Proposed development within Improvement Area #2 and Improvement Area #3 of the District 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 “– Hazardous Substances” and “– Availability of Utilities” 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 DEVELOPER 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 Improvement Area #3 Improvements**

The construction of some of the Improvement Area #3 Improvements that are necessary for the successful development of Improvement Area #3 of the District 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 Improvement Area #2 and Improvement Area #3 of the District, 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 in Improvement Area #2 and Improvement Area #3 of the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under "ASSESSMENT PROCEDURES." Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the mandatory sinking fund redemption amounts and principal amounts of Bonds maturing in each year, and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES." 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 the Assessments 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 and Improvement Area #3 of the District, 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."

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #2 or Improvement Area #3 of the District, any Assessment and any Major Improvement Area 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 and Major Improvement Area Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments and Major Improvement Area 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 pre-existing homestead rights were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such Pre-existing Homestead 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, the Developer is not eligible to claim homestead rights and the Developer has represented that it initially owned all property within the District as of the date of the Assessment Ordinance. 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, ON PARITY WITH THE MAJOR IMPROVEMENT AREA ASSESSMENTS, BUT 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 AND IMPROVEMENT AREA #3 OF THE DISTRICT.

### **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 or Improvement Area #3 of the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property, including any Major Improvement Area Assessments. Public entities whose boundaries overlap those of Improvement Area #2 and Improvement Area #3 of the District currently impose ad valorem taxes on the property within Improvement Area #2 and Improvement Area #3 of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #2 and Improvement Area #3 of the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments. See “OVERLAPPING TAXES AND DEBT.”

## **Depletion of Reserve Fund; No Prefunding of Delinquency and Prepayment Reserve Account**

Failure of the owners of property within Improvement Area #2 and Improvement Area #3 of the District to pay the Assessments when due could result in the rapid, total depletion 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 Fund. The Delinquency and Prepayment Reserve Account of the Reserve Fund is not funded from the proceeds of the Bonds. Instead, funding of the Delinquency and Prepayment Reserve Account is accumulated over time, by the mechanism described in “SECURITY FOR THE BONDS – Delinquency and Prepayment Reserve Account of the Reserve Fund.” The Indenture provides that if, after a withdrawal from the Reserve Account the amounts therein are less than the Reserve Account Requirement the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency, as described under “SECURITY FOR THE BONDS – Reserve Account of the Reserve Fund.” The Indenture also provides that if the amount on deposit in the Delinquency and Prepayment Reserve Account shall at any time be less than the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. See “SECURITY FOR THE BONDS – Delinquency and Prepayment Reserve Account of the Reserve Fund.”

## **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 the “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 Improvement Area #2 or Improvement Area #3 of 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 Improvement Area #2 and Improvement Area #3 of 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 Improvement Area #2 and Improvement Area #3 of 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 previous Phase One ESA performed on property within the District.

## **Regulation**

Development within Improvement Area #2 and Improvement Area #3 of 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 Improvement Area #3 of 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 Improvement Area #2 and Improvement Area #3 of the District and property values.

## **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 a homebuilder does not provide the required notice and prospective purchasers of property within Improvement Area #2 or Improvement Area #3 of 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 a homebuilder does not provide the required notice and becomes 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 Exhibits to the Service and Assessment Plan. See "APPENDIX C – 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. The next legislative session will convene on January 10, 2023. 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.

## **500-Year Flood Plain and Severe Weather Events**

No lands within the District are located within an official FEMA 500-year flood plain. 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 500-year flood plain from being included in the 500-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the 500-year flood plain.

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 Improvement Area #2 and Improvement Area #3 of the District.

## **Exercise of Third-Party Property Rights**

As described herein under "THE DEVELOPMENT – Existing Mineral and Groundwater Rights, Easements, and Other Third-Party Property Rights" there are certain mineral rights reservations located within Improvement Area #2 and Improvement Area #3 of the District and not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within Improvement Area #2 and Improvement Area #3 of the District recorded in the real property records of Collin County.

The Developer does not expect the existence or exercise of any mineral rights or related real property rights in or around Improvement Area #2 and Improvement Area #3 of the District to have a material adverse effect on the Development, the property within Improvement Area #2 and Improvement Area #3 of the District, or the ability of landowners within Improvement Area #2 and Improvement Area #3 of the District to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter, provide any assurances as to such Developer expectations.

### **Bondholders' Remedies and Bankruptcy**

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and at the written direction of the Owners of at least fifty percent (50%) of the Bonds then Outstanding 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 therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

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 its use rests within 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 Improvement Area #2 or Improvement Area #3 of the District or sell property within Improvement Area #2 or Improvement Area #3 of 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 governmental immunity, 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."

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 judgment, is justiciable against a municipality.

The City is not aware of any Texas 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 Texas courts. In general, Texas 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. Texas 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 in the Indenture to 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. 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 or Improvement Area #3 of the District available to pay debt service on the Bonds may be limited by the existence of tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and the 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 expressly denies the right of acceleration 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 and Improvement Area #3 of the District subject to the Assessments, existing real estate and financial market conditions, and other factors.



## **Potential Early Redemption of Bonds from Prepayments of Assessments**

The owner of any property assessed may voluntarily prepay all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Such prepayments may result in a redemption of Bonds, at the option of the City, for which timely notice may be given under the Indenture following receipt of the Prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See “DESCRIPTION OF THE BONDS – Redemption Provisions – *Extraordinary Optional Redemption.*”

## **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.

## **Use of Appraisal**

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The 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 and specified therein. The estimated market value specified in the Appraisal 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 the 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.

In performing its analysis, the 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 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 and date of the Appraisal.

## **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 Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946 (“Chapter 9”). 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 Chapter 9, 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 Chapter 9, (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) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas 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.

### **Management and Ownership**

The management and ownership of the Developer, the Fee Developer, and Bluehaven and related or affiliated 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, homebuilder, or new officers in management positions may not have comparable experience in projects comparable to the Development.

### **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. 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.

### **General Risks of Real Estate Investment and Development**

The Developer has the right to modify or change their 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 the Developer, nor is there a requirement that future developers or landowners 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. 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 Improvement Area #2 and Improvement Area #3 of 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, 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.

The Development cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary 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 Improvement Area #2 and Improvement Area #3 of the District 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, the homebuilders, 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 Improvement Area #2 and Improvement Area #3 of 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.

### **Risks Related to the Current Residential 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 and Improvement Area #3 of the District. 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 high 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 completion of the Improvement Area #3

Improvements. The Developer expects to finance a portion of the costs of the Improvement Area #3 Improvements from proceeds of the Bonds. If the Actual Costs of the Improvement Area #3 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 #3 Improvements or pay the Assessments when due. If the costs of material continue to increase, it may affect the ability of homebuilders to construct homes within Improvement Area #2 and Improvement Area #3 of 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 Improvement Area #2 and Improvement Area #3 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 throughout the District will 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 Improvement Area #2 and Improvement Area #3 of 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 become able to compete with the Development. Below is a list of competitive projects in the area sorted by lot size.

Project Name	Proximity to District	Developer	Date Started	Completed/ Expected	Base Lot Price
<i>50' Lots</i>					
Elevon (Lavon)	Collin Co.	MA Elevon 429, LLC	08/2021	11/2021 <sup>(1)</sup>	\$62,750
Inspiration (Wylie)	Collin Co.	Huffines Communities	12/2019	07/2020	\$67,500
Edgewater (Fate)	Rockwall Co.	New Sheridan Dev. Co. Phase I, LLC	07/2020	Unknown <sup>(2)</sup>	\$67,500
Creeside (Royse City)	Collin Co.	HT Hwy 66 Dev., LP	07/2020	Unknown <sup>(2)</sup>	\$83,750
Monterra (Fate)	Rockwall Co.	WJ Monterra LP	10/2021	Unknown <sup>(2)</sup>	\$72,500
<i>60' Lots</i>					
Elevon (Lavon)	Collin Co.	MA Elevon 429, LLC	07/2021	11/2021 <sup>(1)</sup>	\$72,000
Inspiration (Wylie)	Collin Co.	Huffines Communities	03/2022	Unknown <sup>(2)</sup>	\$105,780
Edgewater (Fate)	Rockwall Co.	New Sheridan Dev. Co. Phase I, LLC	07/2020	05/2022	\$81,000
Creeside (Royse City)	Collin Co.	HT Hwy 66 Dev., LP	07/2022	Unknown <sup>(2)</sup>	\$96,000
Monterra (Fate)	Rockwall Co.	WJ Monterra LP	10/2021	Unknown <sup>(2)</sup>	\$87,000

<sup>(1)</sup> Represents date that Developer completed sales of lots to other developers pursuant to various lot purchase contracts.

<sup>(2)</sup> The Developer believes that lot purchase contracts have not yet been signed.

## Availability of Utilities

The progress of development within Improvement Area #2 and Improvement Area #3 of the District is also dependent upon the City providing adequate wastewater service and the Bear Creek SUD providing adequate water service to the Development. If the City fails to provide wastewater services or the Bear Creek SUD fails to provide water services to the property in Improvement Area #2 and Improvement Area #3 of the District, the Development cannot be substantially completed, and the builders will not purchase lots to construct homes. See "THE DEVELOPMENT – Utilities."

## Dependence Upon Developer

The Developer, Bluehaven, and other homebuilders will have the obligation for payment of the Assessments until homes in Improvement Area #2 and Improvement Area #3 are completed and sold to homeowners. The ability

of the Developer, Bluehaven, and other homebuilders 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.

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 the Improvement Area #2 Improvements and the Improvement Area #3 Improvements. See "THE IMPROVEMENT AREAS #2 AND #3 IMPROVEMENTS." There can be no assurances given as to the financial ability of the Developer to complete the Improvement Area #3 Improvements or any other improvements.

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds. However, the completion of the Development is dependent upon the receipt of funds from the Developer in addition to proceeds of the Bonds.

## **TAX MATTERS**

### **Opinion**

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., 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) the City's federal tax certificate, and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

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 the covenants and the requirements described in the preceding paragraph, 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. The 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 such 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 facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. 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 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 Law, which is 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 Internal Revenue Service. 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 foreign investors, 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.

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## **LEGAL MATTERS**

### **Legal Proceedings**

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General 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 Texas, 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 thereof 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" and "Assessment Amounts") "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 and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance, and the Indenture contained therein 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 such entity, threatened against or affecting such entity wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of such entity or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Reimbursement Agreements, the Development Agreement, the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”).

Additionally, affiliated entities of the Developer have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

### **Litigation – The Fee Developer**

At the time of delivery and payment for the Bonds, the Fee 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 Fee Developer, threatened against or affecting the Fee Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Fee Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Reimbursement Agreements, the Development Agreement, the Bond Purchase 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”). Additionally, principals of the Fee Developer and their affiliated entities have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

Additionally, affiliated entities of the Fee Developer have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have 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 Securities and Exchange Commission (the “Rule”), the City, the PID Administrator, and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc. (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 the 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.

A default by the Developer or the PID Administrator with respect to its obligations under the Disclosure Agreement of Developer (defined below) is not a default by the City. The City has no obligation to provide financial information, operating data, or reports that the Developer or the PID Administrator is obligated to provide under the Disclosure Agreement of Developer in the event the Developer or the PID Administrator fails to do so.

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**

Except as described below, during the last five years, the City has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule.

### **The Developer**

The Developer, the PID Administrator, and the Dissemination Agent have entered 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, the Improvement Area #2 Improvements and the Improvement Area #3 Improvements (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 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 will then 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 specifically 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**

During the last five years, the Developer has complied in all material respects with its continuing disclosure agreements.

## **UNDERWRITING**

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Bonds, less an underwriting discount of \$\_\_\_\_\_) and no accrued interest. 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. Subject to certain restrictions contained in the bond purchase agreement, 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."

## **REGISTRATION AND QUALIFICATION OF BONDS FOR SALE**

The sale of the Bonds has not been registered under the Federal 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 Texas 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, 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 “AAA-m” 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 Bank, 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 concerning the Trustee may be found at [www.wilmingtontrust.com](http://www.wilmingtontrust.com). Neither the information on the Trustee’s website nor any links from such website are a part of this Limited Offering Memorandum, nor should any such information be relied upon to make an investment decision as to the Bonds.

## **SOURCES OF INFORMATION**

### **General**

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records and 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 Improvement Area #2 Improvements, the Improvement Area #3 Improvements, the Development, the Fee Developer and the Developer generally and, in particular, the information included in maps on pages (ii) - (v) and in the sections captioned "PLAN OF FINANCE" (except the for the information under the subheading "- The Bonds" thereunder), "THE IMPROVEMENT AREAS #2 AND #3 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER AND THE FEE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Fee Developer, the Improvement Area #2 Improvements, the Improvement Area #3 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 Fee Developer, and the Developer and the Fee Developer warrant and represent 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 and the Fee Developer will each separately deliver a certificate to such 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, the PID Administrator, 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 Peyco Southwest Realty, Inc., the Appraiser, and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. Peyco Southwest Realty, Inc. 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 HEREIN 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 has approved 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. In the Bond Ordinance, the City Council will approve the form and content of the final Limited Offering Memorandum.

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## APPENDIX A

### GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREAS

The following information has been derived from various sources, including the U.S. Census, the Municipal Advisory Council of Texas, and the County. While such sources are believed to be reliable, no representation is made as to the accuracy thereof.

#### Location and Population

The City is located in southeastern Collin County approximately 6 miles north of Rockwall and 35 miles northeast of Dallas off of Highway 205 and Highway 78. The City was established in 1972. The City's population as of October 1, 2022, is estimated to be 6,750. The City covers approximately 4.2 square miles.

#### Education

Primary and secondary education is provided by Community ISD. See "THE DEVELOPMENT – Education."

The following list includes the major colleges and universities located within a 60-mile radius of the County.

Austin College	Sherman, Texas
Collin College System	McKinney, Texas
Texas A&M University – Commerce	Commerce, Texas
Grayson County Community College	Sherman, Texas
Southern Methodist University	Dallas, Texas
Texas Christian University	Fort Worth, Texas
Texas Woman's University	Denton, Texas
University of Dallas	Dallas, Texas
University of North Texas	Denton, Texas
University of Texas at Arlington	Arlington, Texas
University of Texas at Dallas	Dallas, Texas

#### Historical Employment in Collin County (Average Annual)

	Average Annual				
	2022 <sup>(1)</sup>	2021	2020	2019	2018
Civilian Labor Force	626,827	602,619	570,623	571,831	551,297
Total Employed	606,885	582,032	534,617	554,215	532,841
Total Unemployed	19,942	20,587	36,006	17,616	18,456
Unemployment Rate	3.2%	3.4%	6.3%	3.1%	3.3%

<sup>(1)</sup> Data through August 2022.

Source: Texas Workforce Commission, Department of Economic Research and Analysis.

## Major Employers

The major employers in Collin County are set forth in the table below.

<u>Employer</u>	<u>Employees</u>
State Farm Insurance Corporate Office	9,000
Frisco ISD	7,048
Capital One Finance	5,023
JPMorgan Chase	4,988
University of Texas at Dallas	3,911
Toyota North American HQ	3,815
Raytheon Intelligence and Space	3,658
Blue Cross Blue Shield of Texas	3,100
McKinney Independent School District	2,814
Liberty Mutual Insurance	2,652

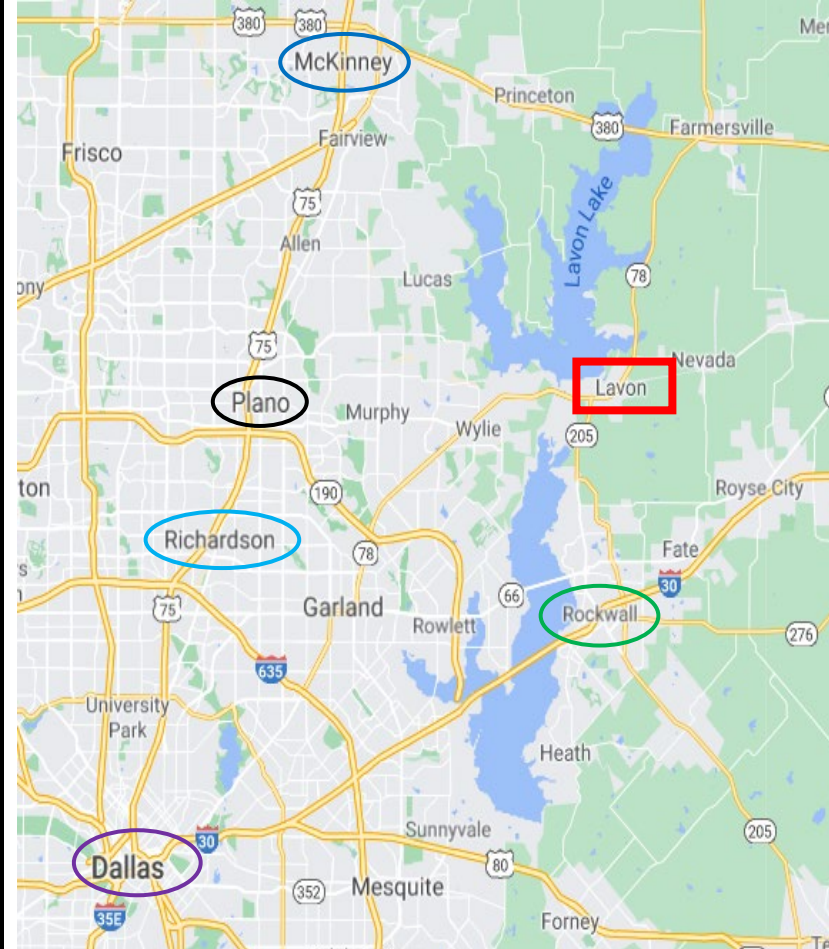
*Source: Collin County Comprehensive Annual Financial Report, September 30, 2021*

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## Surrounding Economic Activity

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

City of Plano Approximately 16 miles from the City		City of Rockwall Approximately 19 miles from the City		City of Richardson Approximately 24 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Capital One Finance	5,023	Rockwall ISD	1,944	State Farm Insurance	9,000
JPMorgan Chase	4,988	L-3 Harris Technologies	700	Richardson ISD	5,961
Toyota Motor North America, Inc.	3,815	Pegasus Foods	650	University of Texas at Dallas	3,911
Liberty Mutual Insurance Company	2,652	Texas Health Presbyterian Hospital	611	Bule Cross Blue Shield of Texas	3,100
Ericsson	2,545	Channell Commercial	380	Genpact	2,500
AT&T Foundry	2,500	Wal-Mart Superstore	350	GEICO	2,400
PepsiCo	1,881	Rockwall County	344	Raytheon	2,200
NTT Data, Inc.	1,794	City of Rockwall	303	RealPage	2,100
Frito-Lay	1,712	Texas Star Express	275	Cisco	2,000
FedEx Office	1,186	Karat by Lollicup USA	260	Texas Instruments	1,800

City of McKinney Approximately 25 miles from the City	
Employer	Employees
Raytheon Space & Airborne Systems	3,096
McKinney ISD	2,800
Torchmark/United American	1,640
City of McKinney	1,369
Encore Wire Corp.	1,350
Collin College	852
Baylor Medical Center	700
Medical City McKinney	670
Timber Blinds	350
Watson & Chalin	350

City of Dallas Approximately 32 miles from the City	
Employer	Employees
Texas Instruments	11,527
Baylor University Medical Center	9,671
AT&T Inc.	8,100
Southwestern Airlines	7,859
Texas Health Presbyterian Hospital Dallas	6,501
TXU	5,500
Match Group	4,800
ClubCorp USA Inc.	4,634
Children's Medical Center of Dallas	4,487
Walmart Store	4,205

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 LAVON, TEXAS**

and

**WILMINGTON TRUST,  
NATIONAL ASSOCIATION,  
As Trustee**

**DATED AS OF DECEMBER 1, 2022**

SECURING

**\$15,096,000**

**CITY OF LAVON, TEXAS  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022  
(LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREAS #2-3 PROJECT)**

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## EXHIBIT A CERTIFICATION FOR PAYMEN

## INDENTURE OF TRUST

THIS INDENTURE, dated as of December 1, 2022, is by and between the CITY OF LAVON, TEXAS (the "*City*"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, 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 or before January 14, 2019, a petition (the "*Petition*") was submitted to 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 LakePointe 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 Collin 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, on January 15, 2019, the City Council of the City (the "*City Council*") adopted Resolution No. 2019-01-03 accepting the Petition and calling a public hearing on the creation of the District on February 19, 2019; and

WHEREAS, after due notice, on February 19, 2019 the City Council opened, conducted and continued the public hearing, on March 5, 2019 the City Council reopened, conducted and continued the public hearing, and on March 19, 2019 the City Council reopened, conducted and closed the public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act and, on March 19, 2019, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2019-03-04 adopted by the City Council (as amended by Resolution No. 2019-07-03 adopted by the City Council on July 16, 2019, the "*Creation Resolution*"), authorized 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, the City, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City to consider the proposed

*"Improvement Area #2 Assessment Roll"* and updates to the *"Service and Assessment Plan"* and the levy of the *"Improvement Area #2 Assessments"* on property within Improvement Area #2 in the District; and

WHEREAS, the City, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #2 Assessment Roll and the updated Service and Assessment Plan and the levy of Improvement Area #2 Assessments on property in the District to the last known address of the owners of the property liable for the Improvement Area #2 Assessments; and

WHEREAS, the City Council convened the public hearing on November 16, 2021, 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 updated Service and Assessment Plan, the Improvement Area #2 Assessment Roll, and the Improvement Area #2 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #2 Assessments, the allocation of costs of the Improvement Area #2 Improvements, the purposes of the Improvement Area #2 Assessments, the special benefits of the Improvement Area #2 Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Improvement Area #2 Assessments; and

WHEREAS, at the November 16, 2021 public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the updates to the Service and Assessment Plan, the allocation of costs of the Improvement Area #2 Improvements, the Improvement Area #2 Assessment Roll, or the levy of the Improvement Area #2 Assessments; and

WHEREAS, the City Council closed the public hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, approved and accepted the updated Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance and therein approved the Improvement Area #2 Assessment Roll and levied the Improvement Area #2 Assessments; and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City to consider the proposed *"Improvement Area #3 Assessment Roll"* and updates to the *"Service and Assessment Plan"* and the levy of the *"Improvement Area #3 Assessments"* on property within Improvement Area #3 in the District; and

WHEREAS, the City, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #3 Assessment Roll and the updated Service and Assessment Plan and the levy of Improvement Area #3 Assessments on property in the District to the last known address of the owners of the property liable for the Improvement Area #3 Assessments; and

WHEREAS, the City Council convened the 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 updated Service and Assessment Plan, the Improvement Area #3 Assessment Roll, and the Improvement Area #3 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #3 Assessments, the allocation of costs of the Improvement Area #3 Improvements, the purposes of the Improvement Area #3 Assessments, the special benefits of the Improvement Area #3 Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Improvement Area #3 Assessments; and

WHEREAS, at the September 6, 2022 public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the updates to the Service and Assessment Plan, the allocation of costs of the Improvement Area #3 Improvements, the Improvement Area #3 Assessment Roll, or the levy of the Improvement Area #3 Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, approved and accepted the updated Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance and therein approved the Improvement Area #3 Assessment Roll and levied the Improvement Area #3 Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying Costs of the Improvement Area #2 Improvements, (ii) paying Costs of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal and interest on Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying Bond Issuance Costs; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (LakePointe Public Improvement District Improvement Areas #2-3 Project)" (the "*Bonds*"), such Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; 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, and 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;

IN ADDITION, the Bonds are special obligations of the City payable solely from the Pledged Revenues and other assets of 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.

"*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 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 for the operation of the District related specifically to Improvement Area #2 and Improvement Area #3, 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 Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with the Service and Assessment Plan, this Indenture and the PID Act with respect to the Bonds, including the City's continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs do not include payment of the



actual principal of, redemption premium, if any, and interest on the Bonds. 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, collectively, the Improvement Area #2 Annual Installment and the Improvement Area #3 Annual Installment.

*"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, collectively, the Improvement Area #2 Assessed Property and the Improvement Area #3 Assessed Property.

*"Assessment Ordinance"* means, collectively, (i) the ordinance adopted by the City Council on November 16, 2021, as may be amended or supplemented, that levied the Improvement Area #2 Assessments on the Improvement Area #2 Assessed Property, and (ii) the ordinance adopted by the City Council on September 6, 2022, as may be amended or supplemented, that levied the Improvement Area #3 Assessments on the Improvement Area #3 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, collectively, the Improvement Area #2 Assessment Roll and the Improvement Area #3 Assessment Roll.

*"Assessments"* means, collectively, the Improvement Area #2 Assessments and the Improvement Area #3 Assessments.

*"Attorney General"* means the Attorney General of the State.

*"Authorized Denomination"* means \$100,000 and any integral multiple of \$1,000 in excess thereof. 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.

"*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 Date*" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

"*Bond Fund*" means the fund established pursuant to Section 6.1 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, Trustee and Paying Agent/Registrar fees, 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 November 15, 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 October 1 in each year and ending on September 30 in the following year.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (LakePointe Public Improvement District Improvement Areas #2-3 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.

"*Certification for Payment*" means a certificate substantially in the form of Exhibit A hereto 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 Costs of Improvement Area #2 Improvements and/or Costs of Improvement Area #3 Improvements thereof, and requesting payment for such Costs of Improvement Area #2 Improvements and/or Costs of Improvement Area #3 Improvements from money on deposit in the Improvement Area #2 Bond Improvement Account and/or the Improvement Area #3 Bond Improvement Account,

as applicable, of the Project Fund as further described in Section 6.5 of this Indenture.

"*City Certificate*" means a certificate signed by a City Representative and delivered to the Trustee.

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

"*City Representative*" means an 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*" means the costs of the Improvement Area #2 Improvements or the Improvement Area #3 Improvements, as applicable.

"*Costs of Issuance Account*" means that Account established under the Project Fund pursuant to Section 6.1 of this Indenture.

"*Defeasance Securities*" means Investment Securities now or hereafter authorized by applicable law for the investment of funds to defease public securities.

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

"*Delinquency and Prepayment Reserve Requirement*" means an amount equal to 5.5% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues deposited to the Pledged Revenue Fund.

"*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 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 [December 7], 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, which shall initially be located in Dallas, Texas, 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 Lavon LakePointe Development, LLC, a Texas limited liability company, 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 that portion of the District generally described as "Improvement Area #2" in Section II of the Service and Assessment Plan and generally shown in Exhibit A-4 to the Service and Assessment Plan and as specifically described in Exhibit M-4 to the Service and Assessment Plan.

"*Improvement Area #2 Annual Installment*" means, with respect to each Improvement Area #2 Assessed Property, each annual payment of: (i) the Improvement Area #2 Assessments, including interest, as shown on the Improvement Area #2 Assessment Roll, (ii) Annual Collection Costs related to Improvement Area #2 and (iii) the Additional Interest related to the Improvement Area #2 Assessments.

"*Improvement Area #2 Assessed Property*" means each respective Parcel of land located within Improvement Area #2 of the District against which an Improvement Area #2 Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"*Improvement Area #2 Assessments*" means the aggregate assessments levied against Improvement Area #2 Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #2 Improvements. The singular of such term means the assessment levied against an Improvement Area #2 Assessed Property as shown on the Improvement Area #2 Assessment Roll.

"*Improvement Area #2 Assessment Roll*" means the "Improvement Area #2 Assessment Roll", which document is attached as Appendix G-1 to the Service and Assessment Plan, showing the total amount of the Improvement Area #2 Assessment against each Improvement Area #2 Assessed Property, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

*"Improvement Area #2 Bond Improvement Account"* means that Account established under the Project Fund pursuant to Section 6.1 of this Indenture.

*"Improvement Area #2 Improvements"* mean the public improvements and other related costs defined as "Improvement Area #2 Improvements" in, and described in Section III.C, shown on Exhibit B and depicted on Exhibit I-4 to the Service and Assessment Plan.

*"Improvement Area #3"* means that portion of the District generally described as "Improvement Area #3" in Section II of the Service and Assessment Plan and generally shown in Exhibit A-5 to the Service and Assessment Plan and as specifically described in Exhibit M-5 to the Service and Assessment Plan.

*"Improvement Area #3 Annual Installment"* means, with respect to each Improvement Area #3 Assessed Property, each annual payment of: (i) the Improvement Area #3 Assessments, including interest, as shown on the Improvement Area #3 Assessment Roll, (ii) Annual Collection Costs related to Improvement Area #3 and (iii) the Additional Interest related to the Improvement Area #3 Assessments.

*"Improvement Area #3 Assessed Property"* means each respective Parcel of land located within Improvement Area #3 of the District against which an Improvement Area #3 Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

*"Improvement Area #3 Assessments"* means the aggregate assessments levied against Improvement Area #3 Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #3 Improvements. The singular of such term means the assessment levied against an Improvement Area #3 Assessed Property as shown on the Improvement Area #3 Assessment Roll.

*"Improvement Area #3 Assessment Roll"* means the "Improvement Area #3 Assessment Roll", which document is attached as Exhibit H-1 to the Service and Assessment Plan, showing the total amount of the Improvement Area #3 Assessment against each Improvement Area #3 Assessed Property, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

*"Improvement Area #3 Bond Improvement Account"* means that Account established under the Project Fund pursuant to Section 6.1 of this Indenture.

*"Improvement Area #3 Improvements"* mean the public improvements and other related costs defined as "Improvement Area #3 Improvements" in, and described in Section III.D, shown on Exhibit B and depicted on Exhibit I-5 to 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 Bonds 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 March 15 and September 15 of each year, commencing March 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, (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 and (iv) any Bond alleged to have been mutilated, destroyed, lost or stolen which has 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.

*"Parcel"* or *"Parcels"* means a parcel or parcels within the District identified by either a tax map identification number assigned by the Collin 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 Collin 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.

"*PID Act*" means Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, Texas Local Government Code, as amended.

"*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 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 and administered pursuant to Section 6.5.

"*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 and administered pursuant to Section 6.8.

"*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 and administered pursuant to Section 6.6.

"*Redemption Price*" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

*"Refunding Bonds"* means bonds issued to refund all or any portion of the Outstanding Bonds and secured by a parity lien with the Outstanding Bonds on the Pledged Revenues, as more specifically described in the Supplemental Indenture authorizing such Refunding Bonds.

*"Register"* means the register specified in Article III of this Indenture.

*"Reserve Account"* means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

*"Reserve Fund"* means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7 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 proceeds of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(c); and provided further that as a result of (1) a mandatory sinking fund redemption pursuant to Section 4.2, (2) an optional redemption pursuant to Section 4.3 or (3) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Delivery Date, the Reserve Account Requirement is \$[ ] which is an amount equal to the Reserve Account Requirement defined above.

*"Service and Assessment Plan"* means the document, including the Improvement Area #2 Assessment Roll and the Improvement Area #3 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.

*"Special Record Date"* has the meaning set forth in the form of Bond included in Section 5.2 hereof.

*"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.

*"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).



"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture, and the Trust Estate shall only include Pledged Revenues related to Assessments levied on Assessed Property within Improvement Area #2 for the Improvement Area #2 Improvements and Improvement Area #3 for the Improvement Area #3 Improvements, unless the City pledges additional revenues to the payment of the Bonds, which additional pledge may only be created in a Supplemental 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, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price.

#### **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 principal, interest and redemption premium, if any, 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, which is the date of the delivery of this Indenture, 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 Pledged Revenues 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 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.

#### **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 \$15,096,000 for the purpose of (i) paying Costs of the Improvement Area #2 Improvements, (ii) paying Costs of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal and interest on Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying Bond Issuance Costs.

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

(a) The Bonds shall be dated the Delivery Date 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 March 15 and September 15 of each year, commencing March 15, 2023 computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 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>
	\$	%

(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 this Indenture executed by the Trustee and the City;
- (d) a copy of the continuing disclosure undertakings of the Developer and the City, respectively, related to the Bonds;
- (e) an executed City Certificate 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; and
- (h) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

#### **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 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 or portion thereof called for redemption prior to maturity within 45 days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

### **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 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 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, premium, if any, 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, premium, if any, 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, premium, if any, 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, premium, if any, 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 registered owner at the close of business on the relevant 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 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, premium, if any, 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 September 15 in each of the years 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 equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bonds maturing September 15, 20[ ]

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20[ ]	\$
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]*	

Term Bonds maturing September 15, 20[ ]

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20[ ]	\$
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]*	

\* Stated Maturity.

(b) At least 30 days prior to each mandatory sinking fund redemption date, 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 30 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 30 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 September 15, 20[\_\_\_], such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption.

#### **Section 4.4. Extraordinary Optional Redemption.**

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the fifteenth day of any month, at a redemption price equal to the principal amount of the Bonds, or portions thereof, called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Sections 6.7(a) and 6.7(c)) or any other transfers to the Redemption Fund under the terms of this Indenture.

#### **Section 4.5. Partial Redemption.**

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.3 or 4.4, the particular maturity of Bonds or portions of a maturity of Bonds to be redeemed shall be selected and designated by the City in its sole discretion. If less than all of the Bonds of a maturity are to be redeemed pursuant to Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$1,000 by any method selected by the Trustee that results in a random selection, provided that no redemption shall cause the principal amount of any Bond to be less than the

minimum Authorized Denomination for such Bond. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

(b) 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) 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.

(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) With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

(e) 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. 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 LAVON, TEXAS  
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2022  
(LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREAS #2-3 PROJECT)

INTEREST RATE	MATURITY DATE	DELIVERY DATE	CUSIP NUMBER
_____ %	September 15 20__	[December 7], 2022	_____

The City of Lavon, 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 March 15 and September 15 of each year, commencing [March 15, 2023], until maturity or prior redemption.

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 Dallas, Texas (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 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 15 days after the Special Record Date) shall be sent at least five 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 as of the Delivery Date and issued in the aggregate principal amount of \$15,096,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of December 1, 2022 (the "*Indenture*"), by and between the City and Wilmington Trust, National Association, as trustee (the "*Trustee*," which term includes any successor trustee under the Indenture), 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 Costs of the Improvement Area #2 Improvements, (ii) paying Costs of the Improvement Area #3 Improvements, (iii) funding a reserve fund for payment of principal and interest on



Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying Bond Issuance Costs.

The Bonds are 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.

The Bonds maturing on September 15 in each of the years 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 a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund 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 September 15, 20[ ]

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20[ ]	\$
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]*	

Term Bonds maturing September 15, 20[ ]

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20[ ]	\$
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]	
September 15, 20[ ]*	

\* Stated Maturity.

At least 30 days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the sinking fund installments 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 sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and 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 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 30 days prior to the 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 dates, in whole or in part, on any date on or after September 15, 20[ ], such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the fifteenth day of any month, at a redemption price equal to the principal amount of the Bonds, or portions thereof, called for redemption, plus accrued and unpaid interest to the date fixed for redemption 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.

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 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 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 as is acceptable to the Trustee, 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 Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 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.

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 OF LAVON, TEXAS, COLLIN 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 Council of the City has caused this Bond to be executed under the official seal of the City.

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City Secretary, City of Lavon, Texas

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Mayor, City of Lavon, Texas

[SEAL]

(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.)

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(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) in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on September 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years

Principal Installments

Interest Rates"

(Information to be inserted from Section 3.2(b)); and

- (iii) the Initial Bond shall be numbered T-1.

#### **Section 5.3. CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by FactSet Research Systems Inc. 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.

#### **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.

(i) The following Account is hereby created and established under the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account.

(ii) The following Account is hereby created and established under the Bond Fund:

(A) Principal and Interest Account.

(iii) The following Accounts are hereby created and established under the Reserve Fund:

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account;

(iv) The following Accounts are hereby created and established under the Project Fund:

(A) Improvement Area #2 Bond Improvement Account;

(B) Improvement Area #3 Bond Improvement Account; and

(C) Costs of Issuance 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 of the Reserve Fund: \$[\_\_\_\_\_], which is equal to the initial Reserve Account Requirement;
- (ii) to the Costs of Issuance Account of the Project Fund: \$[\_\_\_\_\_];
- (iii) to the Improvement Area #2 Bond Improvement Account of the Project Fund: \$[\_\_\_\_\_];
- (iv) to the Improvement Area #3 Bond Improvement Account of the Project Fund: \$[\_\_\_\_\_]; and
- (v) to the Administrative Fund: \$[\_\_\_\_\_].

**Section 6.3. Pledged Revenue Fund.**

(a) Periodically upon receipt thereof, 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 of the Pledged Revenue Fund, an amount sufficient to pay debt service on the Bonds next coming due, taking into account any amounts then on deposit in such Principal and Interest Account, and (ii) second, if necessary, to the Reserve Account of the Reserve Fund, an amount 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, prior to any other transfers or deposits being made under this Section 6.3(a), if the Delinquency and Prepayment Reserve Account of the Reserve Fund does not contain the Delinquency and Prepayment Reserve Requirement and Additional Interest is collected, then all such Additional Interest will be transferred into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebataable 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 Rebataable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any funds 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 funds for any one or more of the following purposes: (i) pay Costs of Improvement Area #2 Improvements, (ii) pay Costs of Improvement Area #3 Improvements, (iii) pay other costs permitted by the PID Act or (iv)

deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV. 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 Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account to the 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 Accounts of 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 Prepayments within two business days after receipt thereof to the Pledged Revenue Fund and after such deposit shall transfer such Prepayments to the Redemption Fund.

(e) In accordance with instructions received from the City, the Trustee shall transfer Foreclosure Proceeds 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, and second, to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal of 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 Certificate.

#### **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 Accounts of the Reserve Fund, as provided in Section 6.7, amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

## Section 6.5. **Project Fund.**

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1. Except as provided in Sections 6.5(c), (d), (f), (g) and (h), money on deposit in the Improvement Area #2 Bond Improvement Account of the Project Fund shall only be used to pay Costs of the Improvement Area #2 Improvements, and money on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund shall only be used to pay Costs of the Improvement Area #3 Improvements.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay specified portions of the Bond Issuance Costs pursuant to one or more City Certificates. Disbursements from all other Accounts in the Project Fund to pay Costs of Improvement Area #2 Improvements and Costs of Improvement Area #3 Improvements shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such Certification 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 Certification for Payment or in the invoices submitted therewith 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 of the Project Fund are not expected to be expended for purposes of the Improvement Area #2 Bond Improvement Account of the Project Fund 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 of the Project Fund will ever be expended for the purposes of the Improvement Area #2 Bond Improvement Account of the Project Fund, the City Representative shall file a City Order with the Trustee, and provide a copy of such City Order to the Developer, which identifies the amounts then on deposit in the Improvement Area #2 Bond Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #2 Bond Improvement Account of the Project Fund. If such City Order is so filed, the amounts on deposit in the Improvement Area #2 Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee. Upon such transfers, the Improvement Area #2 Bond Improvement Account of the Project Fund shall be closed.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Area #3 Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #3 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #3 Bond Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Area #3 Bond Improvement Account of the Project Fund, the City Representative shall file a City Order

with the Trustee, and provide a copy of such City Order to the Developer, which identifies the amounts then on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #3 Bond Improvement Account of the Project Fund. If such City Order is so filed, the amounts on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee. Upon such transfers, the Improvement Area #3 Bond Improvement Account of the Project Fund shall be closed.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

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

(g) Upon the filing of a City Order stating that all Improvement Area #3 Improvements have been completed and that all Costs of the Improvement Area #3 Improvements have been paid, or that any Costs of the Improvement Area #3 Improvements are not required to be paid from the Improvement Area #3 Bond Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #3 Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee; provided, however, that the City shall not file a City Order pursuant to this Section if the Developer has submitted a Certification for Payment to the City requesting payment from the Improvement Area #3 Bond Improvement Account of the Project Fund and the City has not yet completed its review of such Certification for Payment. Upon such transfers, the Improvement Area #3 Bond Improvement Account of the Project Fund shall be closed.

(h) 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, in the same proportionate amounts as the proportionate amounts of Bond proceeds deposited to the Improvement Area #2 Bond Improvement Account and the Improvement Area #3 Bond Improvement Account on the Delivery Date, to the Improvement Area #2 Bond Improvement Account of the Project Fund and used to pay Costs of the Improvement Area #2 Improvements and to the Improvement Area #3 Bond Improvement Account of the Project Fund and used to pay Costs of the Improvement Area #3 Improvements, or, if no Costs of the Improvement Area

#2 Improvements or Costs of the Improvement Area #3 Improvements 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.**

The Trustee 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 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

#### **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. The Trustee will transfer from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2023, an amount the City confirms to the Trustee is equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account; provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than 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 accumulated in the Delinquency and Prepayment Reserve Account. 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. Whenever a transfer is made from the Reserve Account 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. 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 from the proceeds of a Prepayment pursuant to Section 4.4, the Trustee, pursuant to prior 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 Prepayment 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 as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, 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 Section 6.4, unless within thirty 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, (ii) to the Improvement Area #2 Bond Improvement Account of the Project Fund to pay Costs of Improvement Area #2 Improvements if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, (iii) to the Improvement Area #3 Bond Improvement Account of the Project Fund to pay Costs of Improvement Area #3 Improvements if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, or (v) to the Redemption Fund to be applied to the redemption of Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, 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 and any amount of Additional Interest held by the Trustee in excess of the amount necessary to fully fund the Delinquency and Prepayment Reserve Requirement 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. In the event that the Trustee does not receive a City Order directing the transfer of such excess amounts to the Administrative Fund within 45 days of providing notice to the City of such excess amounts, the Trustee shall transfer such excess amounts 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 of the Reserve Fund, and second from the Reserve Account of the Reserve Fund 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 of the Reserve Fund and second, the Delinquency and Prepayment Reserve Account of the Reserve Fund.

(h) 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.

(i) 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.

(j) 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 of 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.

#### **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 City's federal tax certificate for the Bonds, as further set forth in written directions from the City to the Trustee. The Trustee may conclusively rely on such written instructions 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 written instructions 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 of the City and shall not be required to take any action under this Section in the absence of instructions from the City.

(d) If, on the date of each annual calculation, 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 Account, 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 Account shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, maturing on the earlier of a date or dates not later than (1) the date of maturity of the last Bond then Outstanding or (2) five (5) years after the date of the investment. 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 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 – Institutional Share Class, CUSIP No. 97181C605, but only so long as such fund is an authorized investment and permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, and only so long as such investment constitutes Investment Securities and the money required to be expended from any Fund or Account 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, and the earnings or loss become part of the applicable 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.



(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 (including depreciation) arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality or suitability of any investments. 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 an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale 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 Rebatale 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 respective 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, 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.**

(a) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

#### **Section 7.4. Records, Accounts, Accounting Reports.**

The City hereby covenants and agrees that so long as any Bonds are Outstanding, 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 twenty 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 that would adversely affect, the treatment of the Bonds as an obligation 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 (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 Article 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" that 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 that 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 that would otherwise result in the Bonds being treated as a "private activity bond" 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 that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that 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 3 years or less or, in the case of an advance refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds are issued, and in the case of a current refunding bond, for a period of 90 days or less,

(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 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 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)(8), 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) and proceeds of the refunded bonds 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 (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that 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 that impose additional requirements 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 to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that 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 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 and the Improvement Area #3 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 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, fee 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 Trust Estate) 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 Document 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 Pledged Revenues or the Assessment Revenues collected for payment of Annual Collection Costs. 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 its satisfaction by the Owners 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. 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 the Trustee, and in such case the Trustee may make transfers from the Pledged Revenue Fund and Administrative Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall 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 (including depreciation) 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 does it



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 such losses, damages or expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential loss or damages in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #2 Improvements or Improvement Area #3 Improvements. The Trustee shall be entitled to request and receive, and shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with, the written direction of the Owners of not less than 50% 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, employees or agents, 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 by or through receivers, agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any receiver, agent or attorney appointed with due care and in good faith by it hereunder, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel selected by the Trustee with due care, 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 pursuant to 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 50% in 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 any act or event that (i) materially and adversely affects the Trustee's ability to perform the relevant obligations under this Indenture or delays the Trustee's ability to do so, (ii) is beyond the reasonable control of the Trustee, (iii) is not due to the Trustee's fault or negligence and (iv) could not be avoided by the exercise of commercially reasonable efforts, which acts or events may include, without limitation, any act of any governmental authority that was not voluntarily induced or promoted by the Trustee, or brought about by the breach of its obligations under this Indenture or any applicable law; 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 that are not due to the breach of any labor agreement by the Trustee; acts of civil or military authority; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility it being understood that Trustee shall use all commercially reasonable efforts which are consistent with accepted practices in the industry to perform hereunder and/or to resume performance under the circumstances, and in the event of any such failure or delay the Trustee shall give immediate notice to the City of such condition or occurrence, which may be given in the most expeditious manner available, including telephonically or electronically, subsequently confirmed in writing.

#### **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 rely upon any order, judgment, 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 any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may consult with counsel selected by the Trustee with due care, 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 Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate 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, selected by the Trustee with due care, 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.**

Subject to the restrictions in Section 15.10, unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, the previously determined and agreed upon, reasonable compensation for all services rendered by it 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 in the Administrative Fund 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 (other than funds designated by the City for arbitrage rebate purposes) 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, expenses, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

#### **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 60 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. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

#### **Section 9.9. Removal of Trustee.**

The Trustee may be removed at any time, on 30 days' advance written notice to the Trustee, by (i) the Owners of at least 50% 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 50% of the 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.

(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, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

(g) Trustee shall not be responsible or liable for the acts or omissions of any successor Trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor Trustee.

#### **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 converted or 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 and will have and succeed to the rights, powers, duties, immunities and privileges as predecessor, 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.**

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, execution, delivery, recording or authorization of any financing statements.

#### **Section 9.14. 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.

#### **Section 9.15. 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 reasonable times be subject to inspection by the City, and the Owner or Owners of not less than 10% in aggregate Outstanding principal of the Bonds then Outstanding or their representatives duly authorized in writing.

### **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 the Bonds of at least a majority of the aggregate principal amount of the Bonds then Outstanding and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond or reduce principal of or the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate 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 reduce the percentage of 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 and the Trustee 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 and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

#### **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 and a notice shall have been mailed as hereinafter in this Section provided. 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 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. 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.**

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.

## **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 the Pledged Revenues to the Pledged Revenue Fund;

(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;

(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 50% in aggregate Outstanding 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.

#### **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, and upon the written request of the Owners of not less than 50% in aggregate Outstanding 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.

(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 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, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of 50% of the 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 in writing 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 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, 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 and 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 shall, 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, 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 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 within 30 days of 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 of Bonds 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.**

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it 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 Pledged Revenues.**

(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 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; Refunding Bonds.**

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues. In addition, the City reserves the right to issue bonds or other obligations secured by and payable from the Trust Estate, so long as such pledge is subordinate to the pledge of the Trust Estate securing payment of the Bonds.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

(c) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes or other obligations under this Indenture, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State.



### 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 Pledged Revenues, the Pledged Funds, 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 THE 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 Bond*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Bond, 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, certified by an

independent public accounting firm of national reputation to 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 Bond 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 Bond for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Bond 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 Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

(c) Until all Defeased Bond 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 Bond 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 sets 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. 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 or any premium 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 Lavon, Texas 120 School Road Lavon, Texas 75166 Attn: City Manager Telephone: (972) 843-4220
If to the Trustee Or the Paying Agent/Registrar	Wilmington Trust, National Association 15950 N. Dallas Parkway, Suite 550 Dallas, Texas 75248 Attn: Corporate Trust Administration 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 (1) any substitution of the Trustee; or (2) 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 any one 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 Collin County, Texas.

#### **Section 15.8. Payment on Business Day.**

In any case where the date of the maturity of interest or of principal (and premium, if any) 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 (and premium, if any) 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.

#### **Section 15.10. No Boycott of Israel; No Discrimination Against Fossil-Fuel Companies, Firearm Entities and Firearm Trade Associations.**

This Indenture has a value of less than \$100,000 for purposes of Sections 2271.002 and 2274.002. Texas Government Code.

#### **Section 15.11. No Terrorist Organizations.**

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 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 City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or Texas 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.

*[Remainder of page left blank intentionally]*

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF LAVON, TEXAS

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Secretary

[CITY SEAL]

WILMINGTON TRUST, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Officer

*Signature Page to Indenture of Trust Indenture*

## Exhibit A

### CERTIFICATION FOR PAYMENT

The undersigned is an agent for Lavon LakePointe Development, LLC, a Texas limited liability (the “Developer”) and requests payment from the Improvement Area #[2][3] Bond Improvement Account of the Project Fund from [Wilmington Trust, National Association] (the “Trustee”) in the amount of \$\_\_\_\_\_ for labor, materials, fees, and/or other general costs related to the construction of certain Improvement Area #[2][3] Improvements related to the LakePointe Public Improvement District (the “District”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust, dated as of December 1, 2022, by and between the City of Lavon, Texas (the “City”) and the Trustee relating to the “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (LakePointe Public Improvement District Improvement Areas #2-3 Project)” (the “Indenture”).

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Improvement Area #[2][3] Improvements have not been the subject of any prior payment request submitted to the City or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Improvement Area #[2][3] Improvements below is a true and accurate representation of the costs associated with the creation, acquisition, or construction of said Improvement Area #[2][3] Improvements, 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 Indenture, the Service and Assessment Plan and all reimbursement or other agreements between the Developer and the City related to the District.
5. All conditions set forth in the Indenture and all reimbursement or other agreements between the Developer and the City related to the District for the payment hereby requested have been satisfied.
6. The work with respect to the Improvement Area #[2][3] Improvements referenced below (or its completed segment) has been completed and the City may begin inspection of the Improvement Area #[2][3] Improvements.

7. 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 should include the following:**

Payee / Description of Improvement Area #[2][3] Improvement	Total Cost of Improvement Area #[2][3] Improvement	Budgeted Cost of Improvement Area #[2][3] Improvement	Amount to be paid from the Improvement Area #[2][3] Bond Improvement Account

Attached hereto are 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 evidencing that any contractor or subcontractor having performed work on an Improvement Area #[2][3] Improvement described above has been paid in full for all work completed through the previous Certification for Payment.

[Information regarding Payee, amount, and payments instructions attached]

I hereby declare that the above representations and warranties are true and correct.

Dated: \_\_\_\_\_.

**DEVELOPER:**

Lavon LakePointe Development, LLC,  
a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_



**APPROVAL OF REQUEST BY CITY**

The City is in receipt of the attached Certification for Payment, acknowledges the Certification for Payment, and finds the Certification for Payment to be in order. After reviewing the Certification for Payment, the City approves the Certification for Payment. The City authorizes and directs the amount of this Certification for Payment to be paid by Trustee from the Improvement Area #[2][3] Bond Improvement Account of the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certification for Payment. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Indenture, the Service and Assessment Plan, or any reimbursement or other agreement between the parties or that there is a defect in the Improvement Area #[2][3] Improvements.

**CITY OF LAVON, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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APPENDIX C

SERVICE AND ASSESSMENT PLAN

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# LakePointe Public Improvement District

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2022 AMENDED AND RESTATED SERVICE AND ASSESSMENT  
PLAN FOR THE ISSUANCE OF IMPROVEMENT AREAS #2-3 BONDS

NOVEMBER 15, 2022



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## INTRODUCTION

Capitalized terms used in this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds shall have the meanings given to them in **Section I** unless otherwise defined in this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds 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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds or an Exhibit or Appendix attached to and made a part of this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds for all purposes.

On March 19, 2019, the City Council passed and approved Resolution No. 2019-03-04, authorizing the establishment of the District in accordance with the PID Act, and on July 16, 2019 the City Council passed and approved Resolution No. 2019-07-03 amending Resolution No. 2019-03-04, which authorization was effective upon approval in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 173.037 acres located within the corporate limits of the City, as described on **Exhibit M-1** and depicted on **Exhibit A-1**.

On August 22, 2019, the City Council approved the Original Service and Assessment Plan and levied Assessments to finance the Authorized Improvements to be constructed for the benefit of the Assessed Property within the District by approving Ordinance No. 2019-08-02. The Original Service and Assessment Plan identified the Authorized Improvements to be provided by the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements. The City also adopted an Assessment Roll identifying the Assessment on each Lot within the District, based on the method of assessment identified in the Original Service and Assessment Plan.

On June 16, 2020, the City Council approved the 2020 Annual Service Plan Update by adopting Resolution No. 2020-06-04, which updated the Assessment Roll for 2020.

On August 3, 2021, the City Council approved the 2021 Annual Service Plan Update (“2021 August Update”) by adopting Resolution No. 2021-08-03, which updated the Assessment Roll for 2021.

On November 16, 2021, the City Council adopted Ordinance No. 2021-11-01, which approved and accepted the 2021 Amended and Restated Service and Assessment Plan, which replaced the 2021 August Update in its entirety, levied the Improvement Area #2 Assessment, subdividing the



Major Improvement Area into Improvement Area #2 and Improvement Area #3, and updated the Assessment Rolls for the District for 2021.

On September 6, 2022, the City Council adopted Ordinance No. 2022-09-01, which approved and accepted the 2022 Amended and Restated Service and Assessment Plan, which levied the Improvement Area #3 Assessment, and updated the Assessment Rolls for the District for 2022.

The PID Act requires a service plan (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 A**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses 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. 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 of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll for the Major Improvement Area is included as **Exhibit E-1**. The Assessment Roll for Improvement Area #1 is included as **Exhibit F-1**. The Assessment Roll for Improvement Area #2 is included as **Exhibit G-1**. The Assessment Roll for Improvement Area #3 is included as **Exhibit H-1**.

## SECTION I: DEFINITIONS

**“2021 Amended and Restated Service and Assessment Plan”** means the Amended and Restated Service and Assessment Plan approved by the City Council on November 16, 2021, by the 2021 Assessment Ordinance.

**“2021 Assessment Ordinance”** means Ordinance No. 2021-11-01 which was passed and adopted by the City Council on November 16, 2021, and levied Assessments against Improvement Area #2 in the District.

**“2022 Assessment Ordinance”** means Ordinance No. 2022-09-01 which was passed and adopted by the City Council on September 6, 2022, and levied Assessments against Improvement Area #3 in the District.

**“2022 Amended and Restated Service and Assessment Plan”** means the 2022 Amended and Restated Service and Assessment Plan approved by the City Council on September 6, 2022 by the 2022 Assessment Ordinance.

**“2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds”** means this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds approved by the City Council on November 15, 2022.

**“Actual Costs”** mean, with respect to Authorized Improvements, the Owner’s demonstrated, reasonable, allocable and allowable costs of constructing such Authorized Improvements, as specified in a payment request in a form that has been reviewed and approved by the City. Actual Costs may include: (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 of up to 4% of costs, if the Owner is serving as the construction manager but not the general contractor; (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, and architectural, engineering, consulting, and governmental fees and charges.

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

**“Additional Interest Rate”** means the 0.50% additional interest rate that may be charged on Assessments securing PID Bonds 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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds, any 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.

**“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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds, 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 of an 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 related to the PID Bonds, if applicable.

**“Annual Service Plan Update”** means an update to this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds 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 upon the subdivision of such Assessed Property 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 the Assessed Property, 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 based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

**“Assessment Roll”** means any assessment roll for the Assessed Property, including the Major Improvement Area Assessment Roll, the Improvement Area #1 Assessment Roll, the Improvement Area #2 Assessment Roll, and the Improvement Area #3 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 updates prepared in connection with the issuance of PID Bonds or in any Annual Service Plan Updates.

**“Authorized Improvements”** means the improvements authorized by Section 372.003 of the PID Act, and described in **Sections III.A, III.B, III.C, and III.D** as further depicted on **Exhibits I-1, I-2, I-3, I-4, and I-5**.

**“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 Lavon Texas.

**“City Council”** means the governing body of the City.

**“County”** means Collin 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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

**“District”** means the LakePointe Public Improvement District containing approximately 173.037 acres located within the corporate limits of the City, and more specifically described in **Exhibit M-1** and depicted on **Exhibit A-1**.

**“District Formation Costs”** means the costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the City directly associated with the establishment of the District.

**“Estimated Buildout Value”** means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Owner 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 that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit J**.

**“Improvement Area #1”** means approximately 53.425 acres located within the District, more specifically described in **Exhibit M-3** and depicted on **Exhibit A-3**.

**“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 related to Improvement Area #1; and (4) Additional Interest related to the Improvement Area #1 Bonds, as shown on **Exhibit F-2**.

**“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, related to the Improvement Area #1 Authorized Improvements, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** 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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds as **Exhibit F-1**.

**“Improvement Area #1 Authorized Improvements”** means collectively, (1) the Improvement Area #1 Projects; (2) the first year’s Annual Collection Costs related to the Improvement Area #1 Bonds; and (3) Bond Issuance Costs incurred in connection with the issuance of Improvement Area #1 Bonds.

**“Improvement Area #1 Bonds”** means those certain “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2019 (LakePointe Public Improvement District Improvement Area #1 Project)” that are secured by Improvement Area #1 Assessments.

**“Improvement Area #1 Improvements”** means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.B** and Depicted on **Exhibit I-3**.

**“Improvement Area #1 Projects”** means, collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; and (2) the Improvement Area #1 Improvements.

**“Improvement Area #2”** means approximately 74.979 acres located within the District, more specifically described in **Exhibit M-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 related to Improvement Area #2; and (4) Additional Interest related to any series of PID Bonds secured by the Improvement Area #2 Assessments, if and when issued, as shown on **Exhibit G-2**.

**“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, related to the Improvement Area #2 Authorized Improvements, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** 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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds as **Exhibit G-1**.

**“Improvement Area #2 Authorized Improvements”** means collectively, (1) the Improvement Area #2 Improvements; (2) the first year’s Annual Collection Costs related to Improvement Area

#2; and (3) Bond Issuance Costs incurred in connection with the issuance of any series of PID Bonds secured by Improvement Area #2 Assessments, if and when issued.

**“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 I-4**.

**“Improvement Areas #2-3 Bonds”** means those certain “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (LakePointe Public Improvement District Improvement Areas #2-3 Project)” that are secured by Improvement Area #2 Assessments and Improvement Area #3 Assessments.

**“Improvement Area #3”** means approximately 44.633 acres located within the District, more specifically described in **Exhibit M-5** and depicted on **Exhibit A-5**.

**“Improvement Area #3 Annual Installment”** means the Annual Installment of the Improvement Area #3 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #3; and (4) Additional Interest related to any series of PID Bonds secured by the Improvement Area #3 Assessments, if and when issued, as shown on **Exhibit H-2**.

**“Improvement Area #3 Assessed Property”** means any Parcel within Improvement Area #3 against which an Improvement Area #3 Assessment is levied.

**“Improvement Area #3 Assessment”** means an Assessment levied against Improvement Area #3 Assessed Property, related to the Improvement Area #3 Authorized Improvements, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #3 Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

**“Improvement Area #3 Assessment Roll”** means the Assessment Roll for the Improvement Area #3 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 #3 Assessment Roll is included in this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds as **Exhibit H-1**.

**“Improvement Area #3 Authorized Improvements”** means collectively, (1) the Improvement Area #3 Improvements; (2) the first year’s Annual Collection Costs related to Improvement Area

#3; and (3) the Bond Issuance Costs incurred in connection with the issuance of any series of PID Bonds secured by the Improvement Area #3 Assessments, if and when issued.

**“Improvement Area #3 Improvements”** means the Authorized Improvements which only benefit the Improvement Area #3 Assessed Property, as further described in **Section III.D** and Depicted on **Exhibit I-5**.

**“Improvement Area #3 Initial Parcel”** means all Assessed Property located within Improvement Area #3, against which the entire Improvement Area #3 Assessment is levied, as shown on the Improvement Area #3 Assessment Roll.

**“Indenture”** means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series of PID Bonds.

**“Lot”** means (1) for any portion of the District for which a final subdivision plat has been recorded in the Plat or Official Public Records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or Official Public Records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “Lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded 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 provided by the Owner, and confirmed by the City Council, as shown on **Exhibit J**.

**“Lot Type 1”** means a Lot within Improvement Area #1 marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 1 is attached as **Appendix A-1**.

**“Lot Type 2”** means a Lot within Improvement Area #1 marketed to homebuilders as a 60’ Lot. The buyer disclosure for Lot Type 2 is attached as **Appendix A-2**.

**“Lot Type 3”** means a Lot within Improvement Area #2 marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 3 is attached as **Appendix A-3**.

**“Lot Type 4”** means a Lot within Improvement Area #2 marketed to homebuilders as a 60’ Lot. The buyer disclosure for Lot Type 4 is attached as **Appendix A-4**.



**“Lot Type 5”** means a Lot within Improvement Area #3 marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 5 is attached as **Appendix A-5**.

**“Major Improvement Area”** means approximately 119.612 acres located within the District, and more specifically described in **Exhibit M-2** and depicted on **Exhibit A-2**. The Major Improvement Area includes all of the District save and except Improvement Area #1.

**“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 related to the Major Improvement Area; and (4) Additional Interest related to the Major Improvement Area Bonds, as shown on **Exhibit E-2**.

**“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 the Major Improvement Area Assessed Property, related to the Major Improvement Area Authorized Improvements, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

**“Major Improvement Area Assessment Roll”** means the Assessment Roll for the Major Improvement Area Assessed Property within the District, 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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds as **Exhibit E-1**.

**“Major Improvement Area Authorized Improvements”** 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 Improvement Area Bonds”** means those certain “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2019 (LakePointe Public Improvement District Major Improvement Area Project)” that are secured by Major Improvement Area Assessments.

**“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 Major Improvement Area Assessment Roll.

**“Major Improvement Area Projects”** means the pro rata portion of the Major Improvements allocable to the Major Improvement Area.

**“Major Improvements”** means those Authorized Improvements that confer a special benefit to all of the Assessed Property within the District, as further described in **Section III.A.** and depicted on **Exhibit I-I.**

**“Maximum Assessment”** means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A,** or (2) the amount shown on **Exhibit J.**

**“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 Official Public Records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit K.**

**“Original Assessment Ordinance”** means Ordinance No. 2019-08-02, which was passed and adopted by the City Council on August 22, 2019, and levied Assessments against Improvement Area #1, and the Major Improvement Area in the District.

**“Original Service and Assessment Plan”** means the LakePointe Public Improvement District Service and Assessment Plan approved by the Original Assessment Ordinance as updated and amended from time to time.

**“Owner” or “Owners”** means LDC Lavon, LLC, A Texas limited liability company, Lavon LakePointe Development, LLC, a Texas limited liability company, and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

**“Parcel” or “Parcels”** means a specific property within the District identified by either a tax parcel identification number assigned by the Collin Central Appraisal District for real property tax purposes, by legal 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.

**“Right of Way/Open Space/Parks”** means the costs of right of way acquisition, open space improvements, and park improvements in Improvement Area #2 and Improvement Area #3 which are replacing water improvements in Improvement Area #2 and Improvement Area #3, as shown in the 2021 Amended and Restated Service and Assessment Plan, which costs shall not exceed (i) the Actual Costs of water improvements, and (ii) the fair market value supported by an independent appraisal as required by Section 252.051 of the Texas Local Government Code.

**“Service Plan”** means the plan described in **Section IV** and 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.

**“Water Improvements”** means the water facility improvements depicted on **Exhibit I-2** that will serve the District, the cost of which is not reimbursable to the Developer through PID Bond proceeds unless the City and Bear Creek Special Utility District execute an Interlocal Agreement providing regarding the Water Improvements. The Water Improvements will be owned by the Bear Creek Special Utility District.

## SECTION II: THE DISTRICT

The District includes approximately 173.037 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit M-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 704 Lots developed with single-family homes.

Improvement Area #1 includes approximately 53.425 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit M-3** and depicted on **Exhibit A-3**. Improvement Area #1 has been fully platted and includes 223 Lots developed with single-family homes (114 single-family homes that are on Lots classified as Lot Type 1, and 109 single-family homes that are on Lots classified as Lot Type 2).

Improvement Area #2 includes approximately 74.979 acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit M-4** and depicted on **Exhibit A-4**. Improvement Area #2 has been fully platted and includes 260 Lots developed with single-family homes (118 single-family homes that are on Lots classified as Lot Type 3, and 142 single-family homes that are on Lots classified as Lot Type 4).

Improvement Area #3 includes approximately 44.633 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit M-5** and depicted on **Exhibit A-5**. Improvement Area #3 is anticipated to include 221 Lots developed with single-family homes (all 221 single-family homes that are on Lots classified as Lot Type 5).

## SECTION III: AUTHORIZED IMPROVEMENTS

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, 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 the City's standards and specifications and will be owned and operated by the City, except for the Water Improvements, which will be owned by the Bear Creek Special Utility District. The budget for the Authorized Improvements is shown on **Exhibit B**.

### A. Major Improvements

- *Right of Way*

Within the dedicated streets, all related earthwork, excavation, erosion control, retaining

walls, intersections, signage, lighting, sod and irrigation, and re-vegetation of all disturbed areas within the right-of-way are included.

- *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.

- *Storm Sewer*

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 all necessary appurtenances required to provide storm drainage for all Lots within the District.

- *Pavement*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. The pavement improvements will provide street access to each Lot within the District.

- *Engineering, Design, Fees, and Construction Management*

Improvements including a 4% construction management fee, and engineering and design (inclusive of any revisions that may be necessary for final approval by the City engineer) of the final construction plans necessary for construction of the Authorized Improvements constituting Major Improvements. Once the final plans are approved, the project engineer shall stamp and mark the plans ready for construction, and ready to be submitted to duly authorized contractors for bids for the construction of such Authorized Improvements.

- *Hardscape and Landscape*

Improvements consist of installation of landscaping, including irrigation, in open spaces, entryway monuments and signs, establishment and improvement of lakes, park and open space.

- *PID Creation Cost*

Includes legal fees, PID consultant fees, engineering fees and reimbursement of City consulting fees.

## **B. Improvement Area #1 Improvements**

- *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.

- *Storm Sewer*

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 necessary to provide storm drainage for all Lots within Improvement Area #1.

- *Pavement*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, 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

- *Engineering, Design, Fees, and Construction Management*

Improvements including a 4% construction management fee, and engineering and design (inclusive of any revisions that may be necessary for final approval by the City engineer) of the final construction plans necessary for construction of the Authorized Improvements in Improvement Area #1. Once the final plans are approved, the project engineer shall stamp and mark the plans ready for construction, and ready to be submitted to duly authorized contractors for bids for the construction of such Authorized Improvements.

## **C. Improvement Area #2 Improvements**

- *Hardscape, Irrigation, and Landscape*

Improvements consist of installation of landscaping, including irrigation, in open spaces, entryway monuments and signs, establishment and improvement of lakes, park and open space.

- *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.

- *Storm Sewer*

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 necessary to provide storm drainage for all Lots within Improvement Area #2.

- *Pavement*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, 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.

- *Engineering, Design, Fees, and Construction Management*

Improvements including a 4% construction management fee, and engineering and design (inclusive of any revisions that may be necessary for final approval by the City engineer) of the final construction plans necessary for construction of the Authorized Improvements in Improvement Area #2. Once the final plans are approved, the project engineer shall stamp and mark the plans ready for construction, and ready to be submitted to duly authorized contractors for bids for the construction of such Authorized Improvements.

- *Right of Way/Open Space*

Open space will be provided as shown on the Concept Plan attached to the Development Agreement and will be maintained by an HOA, when applicable. Rights-of-way are within dedicated streets, and include all earthwork, erosion control, retaining walls, intersections, signage, lighting, sod and irrigation, and re-vegetation of all distributed areas within the right-of-way.

#### **D. Improvement Area #3 Improvements**

- *Hardscape and Landscape*

Improvements consist of installation of landscaping, including irrigation, in open spaces, entryway monuments and signs, establishment and improvement of lakes, park and open space.

- *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 #3.

- *Storm Sewer*

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 necessary to provide storm drainage for all Lots within Improvement Area #3.

- *Pavement*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, 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 #3.

- *Miscellaneous*

Improvements including a 4% construction management fee, and engineering and design (inclusive of any revisions that may be necessary for final approval by the City engineer) of the final construction plans necessary for construction of the Authorized Improvements in Improvement Area #3. Once the final plans are approved, the project engineer shall stamp and mark the plans ready for construction, and ready to be submitted to duly authorized contractors for bids for the construction of such Authorized Improvements.

- *Right of Way/Open Space*

Open space will be provided as shown on the Concept Plan attached to the Development Agreement and will be maintained by an HOA, when applicable. Rights-of-way are within



dedicated streets, and include all earthwork, erosion control, retaining walls, intersections, signage, lighting, sod and irrigation, and re-vegetation of all distributed areas within the right-of-way.

#### **E. Bond Issuance Costs**

- *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the amount required to be deposited for the purpose of paying capitalized interest on a series of PID Bonds under an applicable Indenture in connection with the issuance of such PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

#### **F. Other Costs**

- *First Year Annual Collection Costs*

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 current Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix A**.

**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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds 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 equals or 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, developer, and all future owners and developers of the Assessed Property.

### A. Assessment Methodology for the Major Improvement Area

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, the City Council has determined that the costs of the Major Improvement Area Projects shall be allocated to the

Major Improvement Area Assessed Property by spreading the entire Major Improvement Area Assessment across all Major Improvement Area Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Major Improvement Area Assessed Property to the Estimated Buildout Value for all Major Improvement Area Assessed Property.

#### **B. Assessment Methodology for Improvement Area #1**

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, the City Council has determined that the costs of the Improvement Area #1 Projects shall be allocated entirely to the Improvement Area #1 Assessed Property by spreading the entire Improvement Area #1 Assessment across all Improvement Area #1 Assessed Property based on 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.

#### **C. Assessment Methodology for Improvement Area #2**

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, the City Council has determined that the costs of the Improvement Area #2 Authorized Improvements shall be allocated entirely to the Improvement Area #2 Assessed Property by spreading the entire Improvement Area #2 Assessment across all Improvement Area #2 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value for all Improvement Area #2 Assessed Property.

#### **D. Assessment Methodology for Improvement Area #3**

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, the City Council has determined that the costs of the Improvement Area #3 Authorized Improvements shall be allocated entirely to the Improvement Area #3 Assessed Property by spreading the entire Improvement Area #3 Assessment across all Improvement Area #3 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #3 Assessed Property to the Estimated Buildout Value for all Improvement Area #3 Assessed Property. Currently, the Improvement Area #3 Initial Parcel is the only Parcel within Improvement Area #3, and as such, the Improvement Area #3 Initial Parcel is allocated 100% of the Improvement Area #3 Authorized Improvements.

## E. Assessments

The Assessments are levied on the Assessed Property according to the Major Improvement Area Assessment Roll, attached hereto as **Exhibit E-1**, the Improvement Area #1 Assessed Roll, attached hereto as **Exhibit F-1**, the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit G-1**, and the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit H-1**. The projected Major Improvement Area Annual Installments are shown on **Exhibit E-2**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit F-2**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit G-2**. The projected Improvement Area #3 Annual Installments are shown on **Exhibit H-2**. Upon division or subdivision of the Improvement Area #3 Initial Parcel, the Improvement Area Assessment #3 will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type is shown on **Exhibit J**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, or Lot Type 5 respectively, exceed the corresponding Maximum Assessment for each Lot classification.

## F. Findings of Special Benefit

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, the City Council has found and determined the following:

- *Major Improvement Area*
  - The costs of the Major Improvement Area Authorized Improvements equal \$2,630,000, as shown on **Exhibit B**;
  - The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Authorized Improvements equal to or greater than the Actual Cost of the Major Improvement Area Authorized Improvements;
  - With the adoption of the Original Assessment Ordinance, the Major Improvement Area Assessed Property was allocated 100% of the Major Improvement Area Assessment levied for the Major Improvement Area Authorized Improvements, which equals \$2,630,000;
  - The special benefit (  $\geq$  \$2,630,000) received by the Major Improvement Area Assessed Property from the Major Improvement Area Authorized Improvements is greater than or equal to the amount of the Major Improvement Area

Assessment (\$2,630,000) levied on the Major Improvement Area Assessed Property for the Major Improvement Area Authorized Improvements; and

- At the time the City Council approved the Original Service and Assessment Plan, the Owner owned 100% of the Major Improvement Area Assessed Property. The Owner acknowledged that the Major Improvement Area Authorized Improvements confer a special benefit on the Major Improvement Area Assessed Property and consented to the imposition of the Major Improvement Area Assessments to pay for the Actual Costs associated therewith. The Owner has 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 Original Assessment Ordinance; (2) the Original Service and Assessment Plan and the Original Assessment Ordinance; and (3) the levying of Major Improvement Area Assessment on the Major Improvement Area Assessed Property.
- *Improvement Area #1*
  - The costs of the Improvement Area #1 Authorized Improvements equal \$7,285,204, as shown on **Exhibit B**;
  - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #1 Authorized Improvements;
  - With the adoption of the Original Assessment Ordinance, the Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equals \$5,365,000;
  - The special benefit ( $\geq \$7,285,204$ ) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements is greater than or equal to the amount of the Improvement Area #1 Assessment (\$5,365,000) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Authorized Improvements; and
  - At the time the City Council approved the Original Service and Assessment Plan, the Owner owned 100% of the Improvement Area #1 Assessed Property. The Owner acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for

the Actual Costs associated therewith. The Owner has 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 Original Assessment Ordinance; (2) the Original Service and Assessment Plan and the Original Assessment Ordinance; and (3) the levying of Improvement Area #1 Assessment on the Improvement Area #1 Assessed Property.

▪ *Improvement Area #2*

- The costs of the Improvement Area #2 Authorized Improvements equal \$8,134,188, as shown on **Exhibit B**;
- The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #2 Authorized Improvements;
- With the adoption of the 2021 Assessment Ordinance, the Improvement Area #2 Assessed Property was allocated 100% of the Improvement Area #2 Assessment levied for the Improvement Area #2 Authorized Improvements, which equals \$8,058,000;
- The special benefit ( $\geq \$8,134,188$ ) received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Authorized Improvements is greater than or equal to the amount of the Improvement Area #2 Assessment (\$8,058,000) levied on the Improvement Area #2 Assessed Property for the Improvement Area #2 Authorized Improvements; and
- At the time the City Council approved the 2021 Amended and Restated Service and Assessment Plan, the Owner owned 100% of the Improvement Area #2 Assessed Property. The Owner acknowledged that the Improvement Area #2 Authorized Improvements confer a special benefit on the Improvement Area #2 Assessed Property and consented to the imposition of the Improvement Area #2 Assessments to pay for the Actual Costs associated therewith. The Owner has 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 2021 Assessment Ordinance; (2) the 2021 Amended and Restated Service and Assessment Plan and the 2021 Assessment Ordinance; and (3) the levying of Improvement Area #2 Assessment on the Improvement Area #2 Assessed Property.

▪ *Improvement Area #3*

- The costs of the Improvement Area #3 Authorized Improvements equal \$7,054,000 as shown on **Exhibit B**;
- The Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #3 Authorized Improvements;
- With the adoption of the 2022 Assessment Ordinance, the Improvement Area #3 Initial Parcel was allocated 100% of the Improvement Area #3 Assessment levied for the Improvement Area #3 Authorized Improvements, which equals \$7,038,000 as shown on the Improvement Area #3 Assessment Roll attached hereto as **Exhibit H-1**;
- The special benefit (  $\geq$  \$7,054,000) received by the Improvement Area #3 Initial Parcel from the Improvement Area #3 Authorized Improvements is equal to or greater than the amount of the Improvement Area #3 Assessment (\$7,038,000) levied on the Improvement Area #3 Initial Parcel for the Improvement Area #3 Authorized Improvements; and
- At the time the City Council approved the 2022 Amended and Restated Service and Assessment Plan, the Owner owned 100% of the Improvement Area #3 Initial Parcel. The Owner acknowledged that the Improvement Area #3 Authorized Improvements confer a special benefit on the Improvement Area #3 Initial Parcel and consented to the imposition of the Improvement Area #3 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 2022 Assessment Ordinance; (2) the 2022 Amended and Restated Service and Assessment Plan and the 2022 Assessment Ordinance; and (3) the levying of the Improvement Area #3 Assessment on the Improvement Area #3 Initial Parcel.

## **G. Annual Collection Costs**

The Annual Collection Costs shall be paid for annually by the owner of 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.

## H. 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 a 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, relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Values for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4 and Lot Type 5 are shown on **Exhibit J** and will not change in future Annual Service Plan Updates but **Exhibit J** may be updated in future Annual Service Plan Updates to account for additional Lot Types. 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 Annual Service Plan Update immediately following such reallocation.

## *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. 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 Estimated Buildout Values for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4 and Lot Type 5 are shown on **Exhibit J** and will not change in future Annual Service Plan Updates. 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 Annual Service Plan Update immediately following such reallocation.

### *3. Upon Consolidation*

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, 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 or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable “Notice of Assessment Termination,” a form of which is attached hereto as **Exhibit K.**

## **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, or cause to be paid 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. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

## **D. Reduction of Assessments**

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding 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, at any time, pay 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, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll 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 with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment

will be reduced to the extent of the Prepayment made; and (4) the City shall provide the owner with a recordable “Notice of Assessment Termination.”

For purposes of Prepayments, the Improvement Area #2-3 Bonds will be on parity with the Major Improvement Area Bonds.

#### **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 Major Improvement Area Annual Installments, **Exhibit F-2** shows the estimated Improvement Area #1 Annual Installments, **Exhibit G-2** shows the estimated Improvement Area #2 Annual Installments, and **Exhibit H-2** shows the estimated Improvement Area #3 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefitted Property, as shown by the Collin Central Appraisal District for each tax parcel 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 by the owner of 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 due and owing to 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 of the Improvement Area #3 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2023.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

With regard to the payment of Annual Installments, Improvement Area #2-3 Bonds will be on parity with the Major Improvement Area Bonds.

#### **G. Prepayment as a Result of an Eminent Domain Proceeding or Taking**

Subject to applicable law, 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 of the Remaining Property will remain liable to pay, pursuant to the terms of this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds, as updated, and 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 applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable 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 constituting the 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, as applicable, 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 of the Remaining Property 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 applicable 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 required to pay all outstanding debt service requirements on all outstanding PID Bonds.

## SECTION VII: ASSESSMENT ROLL

The Major Improvement Area 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 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 #1 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 Improvement Area #1 Assessment Roll and Improvement Area #1 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.

The Improvement Area #3 Assessment Roll is attached as **Exhibit H-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #3 Assessment Roll and Improvement Area #3 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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds, 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 1<sup>st</sup> of each year following City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days after receipt of such written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the 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 2022 Amended and Restated Service and Assessment Plan for the



Issuance of Improvement Areas #2-3 Bonds, 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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds 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 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds.

## **C. Administration and Interpretation**

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds. Interpretations of this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds 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 developers and their successors and assigns.

## **D. Form of Buyer Disclosure; Filing in Real Property Records**

Within seven days of approval by the City Council, the City Secretary shall file and record in the Official Public Records of the County the executed Ordinance of this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds. In addition, the City Secretary shall similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date of each respective Annual Service Plan Update is approved.

## **E. Severability**



If any provision of this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds 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.

## SECTION IX: ADDITIONAL INFORMATION

### PARCEL SUBDIVISION

#### Improvement Area #1

- The final plat for LakePointe Phase 1, consisting of 223 residential Lots, and 7 open space Lots within Collin County, was recorded in the official public records of the County on July 30, 2020. 114 units are classified as Lot Type 1, 109 units are classified as Lot Type 2, and 7 Lots are classified as Non-Benefitted Property.

The final plat for LakePointe Phase 1 is attached as **Exhibit A-3**.

#### Improvement Area #2

- The final plat for LakePointe Phase IIB, consisting of 79 residential Lots, and 2 open space Lots within Collin County, was recorded in the official public records of the County on December 2, 2021. 79 units are classified as Lot Type 3, and 2 Lots are classified as Non-Benefitted Property.
- The final plat for LakePointe Phase IIA, consisting of 181 residential Lots, and 5 open space Lots within Collin County, was recorded in the official public records of the County on December 9, 2021. 39 units are classified as Lot Type 3, 142 units are classified as Lot Type 4, and 5 Lots are classified as Non-Benefitted Property.

The final plat for LakePointe Phase IIA and IIB is attached as **Exhibit A-4**.

#### Improvement Area #3

No plats have been filed for Improvement Area #3.

### LOT AND HOME SALES

#### Improvement Area #1

Per the Quarterly Report dated June 30, 2022, all the 223 residential Lots within Improvement Area #1 have been closed to homebuilders, 197 have been constructed, 33 are under construction, and 184 have been closed to the end-user. Improvement Area #1 is anticipated to include 114 50' Lots and 109 60' Lots.

See **Appendix A-1** and **A-2** for buyer disclosures for Improvement Area #1.

### **Major Improvement Area**

Per the Quarterly Report dated June 30, 2022, 260 residential Lots within the Major Improvement Area have been closed to homebuilders, 89 have started construction, and none have finished construction. 20 Lots are under contract with the end-user, and 18 have closed with the end-user. The Major Improvement Area is anticipated to include 339 50' Lots and 142 60' Lots.

## **AUTHORIZED IMPROVEMENTS**

The Improvement Area #1 Improvements and the Major Improvements have been completed and accepted by the City.

The budget for the Improvement Area #2 Improvements remains at \$6,753,000. The Improvement Area #2 Improvements completed construction in the fourth quarter of 2021 and were accepted by the City on December 7, 2021. See below for the updated final amounts spent to date for the Improvement Area #2 Improvements.

	Budget	Spent to Date <sup>1</sup>	% Spent to Date
<b><i>Improvement Area #2 Improvements</i></b>			
Hardscape, Irrigation, and Landscape	\$ 635,000	\$ 876,253	137.99%
Sewer	615,000	613,491	99.75%
Storm Sewer	1,423,000	1,299,338	91.31%
Pavement	2,330,000	2,447,079	105.02%
Eng, Design, Fees and Construction Management	925,000	971,355	105.01%
Contingency <sup>4</sup>	300,000	-	0.00%
Water	525,000	796,298	151.68%
<b>Total</b>	<b>\$ 6,753,000</b>	<b>\$ 7,003,814</b>	<b>103.71%</b>

***Notes:***

<sup>1</sup> Per draw request information provided by Owner on June 27, 2022.

The budget for the Improvement Area #3 Improvements remains at \$5,843,847. The Improvement Area #2 Improvements are currently under construction.

	Budget	Spent to Date <sup>1</sup>	% Spent to Date
<b>Improvement Area #3 Improvements</b>			
Hardscape, Irrigation, and Landscape	\$ 227,308	\$ -	0.00%
Sewer	541,545	341,702	63.10%
Storm Sewer	1,105,000	146,852	13.29%
Pavement	1,842,241	236,573	12.84%
Miscellaneous	1,485,214	482,190	32.47%
Right of Way	642,539	-	0.00%
<b>Total</b>	<b>\$ 5,843,847</b>	<b>\$ 1,207,317</b>	<b>20.66%</b>

Notes:

<sup>1</sup> Per information provided by the Owner as of 9/30/2022.

## OUTSTANDING ASSESSMENT

### Improvement Area #1

Improvement Area #1 has an outstanding Assessment of \$5,160,000.00<sup>1</sup>.

### Major Improvement Area

The Major Improvement Area has an outstanding Assessment of \$2,530,000.00<sup>2</sup>. \$1,430,101 of the Major Improvement Area Assessment is allocable to the Lots within Improvement Area #2, and \$1,099,899 of the Major Improvement Area Assessment is allocable to the Lots within Improvement Area #3.

### Improvement Area #2

Improvement Area #2 has an outstanding Assessment of \$8,058,000.00.

### Improvement Area #3

Improvement Area #3 has an outstanding Assessment of \$7,038,000.00.

## ANNUAL INSTALLMENT DUE 1/31/2023

### Major Improvement Area

<sup>1</sup> Net of \$105,000 Improvement Area #1 Bonds principal payment due September 15, 2022 which will be paid using the Annual Installment collected on January 31, 2022.

<sup>2</sup> Net of \$50,000 Major Improvement Area Bonds principal payment due September 15, 2022 which will be paid using the Annual Installment collected on January 31, 2022.

- **Principal and Interest** – The total principal and interest required for the Annual Installment is \$173,937.50.
- **Additional Interest** – The Delinquency and Prepayment Reserve Requirement, as defined in the Indenture, of \$139,150.00 has not been met. As such, the Delinquency and Prepayment Reserve will be funded with Additional Interest on the outstanding Assessment, resulting in a Delinquency and Prepayment Reserve amount due of \$12,650.00.
- **Annual Collection Costs** – The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs due is \$31,594.98.

Major Improvement Area		
Due January 31, 2023		
Principal	\$	50,000.00
Interest	\$	123,937.50
Additional Interest	\$	12,650.00
Annual Collection Costs	\$	31,594.98
<b>Total Annual Installment</b>	<b>\$</b>	<b>218,182.48</b>

#### **Improvement Area #1**

- **Principal and Interest** – The total principal and interest required for the Annual Installment is \$331,025.00.
- **Additional Interest** – The Delinquency and Prepayment Reserve Requirement, as defined in the Indenture, of \$283,800.00 has not been met. As such, the Delinquency and Prepayment Reserve will be funded with Additional Interest on the outstanding Assessment, resulting in a Delinquency and Prepayment Reserve amount due of \$25,800.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs due is \$64,249.17.

Improvement Area #1		
Due January 31, 2023		
Principal	\$	110,000.00
Interest	\$	221,025.00
Additional Interest	\$	25,800.00
Annual Collection Costs	\$	64,249.17
<b>Total Annual Installment</b>	<b>\$</b>	<b>421,074.17</b>

### **Improvement Area #2**

- **Principal and Interest** – The total principal and interest required for the Annual Installment is \$628,525.15.
- **Additional Interest** – the total Additional Interest Reserve Requirement, 0.5% interest charged on the Assessments, due is \$43,255.66.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs due is \$30,000.00.

Improvement Area #2		
Due January 31, 2023		
Principal	\$	109,457.22
Interest	\$	519,067.92
Additional Interest	\$	43,255.66
Annual Collection Costs	\$	30,000.00
<b>Total Annual Installment</b>	<b>\$</b>	<b>701,780.81</b>

### **Improvement Area #3**

- **Principal and Interest** – The total principal and interest required for the Annual Installment is \$468,234.85.
- **Additional Interest** – the total Additional Interest Reserve Requirement, 0.5% interest charged on the Assessments, due is \$37,840.11.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs due is \$30,000.00.

Improvement Area #3		
Due January 31, 2023		
Principal	\$	81,542.78
Interest	\$	386,692.08
Additional Interest	\$	37,840.11
Annual Collection Costs	\$	30,000.00
<b>Total Annual Installment</b>	<b>\$</b>	<b>536,074.96</b>

See **Exhibit L-1** for the debt service schedule for the Major Improvement Area Bonds as shown in the official statement. See **Exhibit L-2** for the debt service schedule for the Improvement Area #1 Bonds as shown in the official statement. See **Exhibit L-3** for the debt service schedule for the Improvement Areas #2-3 Bonds.

See the table below for the allocation of Annual Collection Costs in the District.

	Major Improvement Area	Improvement Area #1	Improvement Area #2	Improvement Area #3
Annual Collection Costs Breakdown				
Administration	\$ 20,434.06	\$ 41,683.94	\$ -	\$ -
City Auditor	3,000.00	3,000.00	3,000.00	-
Filing Fees	328.96	671.04	-	-
County Collection	503.00	1,190.00	-	-
Misc	328.96	671.04	-	-
PID Trustee Fees	3,500.00	3,500.00	-	-
Dissemination Agent	3,500.00	3,500.00	-	-
Draw Request Review	-	-	7,500.00	-
Past due invoices	-	10,033.15	-	-
Deposit to Admin Fund	-	-	19,500.00	30,000.00
<b>Total Annual Collection Costs</b>	<b>\$ 31,594.98</b>	<b>\$ 64,249.17</b>	<b>\$ 30,000.00</b>	<b>\$ 30,000.00</b>

## PREPAYMENT OF ASSESSMENTS IN FULL

### Major Improvement Area

There have been no full prepayments of Assessments in the Major Improvement Area.

### Improvement Area #1

The following is a list of all Improvement Area #1 Lots that have been paid in full:

Improvement Area #1		
Property ID	Lot Type	Prepayment Date
2819706	1	7/12/2021
2819916	2	11/19/2021
2819921	2	11/24/2021

### Improvement Area #2

There have been no full prepayments of Assessments in Improvement Area #2.

### **Improvement Area #3**

There have been no full prepayments of Assessments in Improvement Area #3.

## **PARTIAL PREPAYMENT OF ASSESSMENTS**

### **Major Improvement Area**

There have been no partial prepayments of Assessments in the Major Improvement Area.

### **Improvement Area #1**

There have been no partial prepayments of Assessments in Improvement Area #1.

### **Improvement Area #2**

There have been no partial prepayments of Assessments in Improvement Area #2.

### **Improvement Area #3**

There have been no partial prepayments of Assessments in Improvement Area #3.

## **EXTRAORDINARY OPTIONAL REDEMPTIONS**

### **Major Improvement Area**

No extraordinary optional redemptions have occurred in the Major Improvement Area.

### **Improvement Area #1**

No extraordinary optional redemptions have occurred in Improvement Area #1.

### **Improvement Area #2**

No extraordinary optional redemptions have occurred in Improvement Area #2.

### **Improvement Area #3**

No extraordinary optional redemptions have occurred in Improvement Area #3.

## EXHIBITS

The following Exhibits are attached to and made a part of this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds for all purposes:

<b>Exhibit A-1</b>	Map of the District
<b>Exhibit A-2</b>	Map Major Improvement Area
<b>Exhibit A-3</b>	Map and Plats of Improvement Area #1
<b>Exhibit A-4</b>	Map and Plats of Improvement Area #2
<b>Exhibit A-5</b>	Map of Improvement Area #3
<b>Exhibit B</b>	Project Costs
<b>Exhibit C</b>	Service Plan
<b>Exhibit D</b>	Sources and Uses of Funds
<b>Exhibit E-1</b>	Major Improvement Area Assessment Roll
<b>Exhibit E-2</b>	Major Improvement Area Annual Installments
<b>Exhibit F-1</b>	Improvement Area #1 Assessment Roll
<b>Exhibit F-2</b>	Improvement Area #1 Annual Installments
<b>Exhibit G-1</b>	Improvement Area #2 Assessment Roll
<b>Exhibit G-2</b>	Improvement Area #2 Annual Installments
<b>Exhibit H-1</b>	Improvement Area #3 Assessment Roll
<b>Exhibit H-2</b>	Improvement Area #3 Annual Installments
<b>Exhibit I-1</b>	Maps of Major Improvements
<b>Exhibit I-2</b>	Maps of Water Improvements
<b>Exhibit I-3</b>	Maps of Improvement Area #1 Improvements
<b>Exhibit I-4</b>	Maps of Improvement Area #2 Improvements
<b>Exhibit I-5</b>	Maps of Improvement Area #3 Improvements
<b>Exhibit J</b>	Maximum Assessment and Tax Rate Equivalent
<b>Exhibit K</b>	Form of Notice of Assessment Termination
<b>Exhibit L-1</b>	Debt Service Schedules for Major Improvement Area Bonds
<b>Exhibit L-2</b>	Debt Service Schedule for Improvement Area #1 Bonds
<b>Exhibit L-3</b>	Debt Service Schedule for Improvement Areas #2-3 Bonds
<b>Exhibit M-1</b>	District Boundary Description
<b>Exhibit M-2</b>	Major Improvement Area Boundary Description
<b>Exhibit M-3</b>	Improvement Area #1 Boundary Description
<b>Exhibit M-4</b>	Improvement Area #2 Boundary Description
<b>Exhibit M-5</b>	Improvement Area #3 Boundary Description

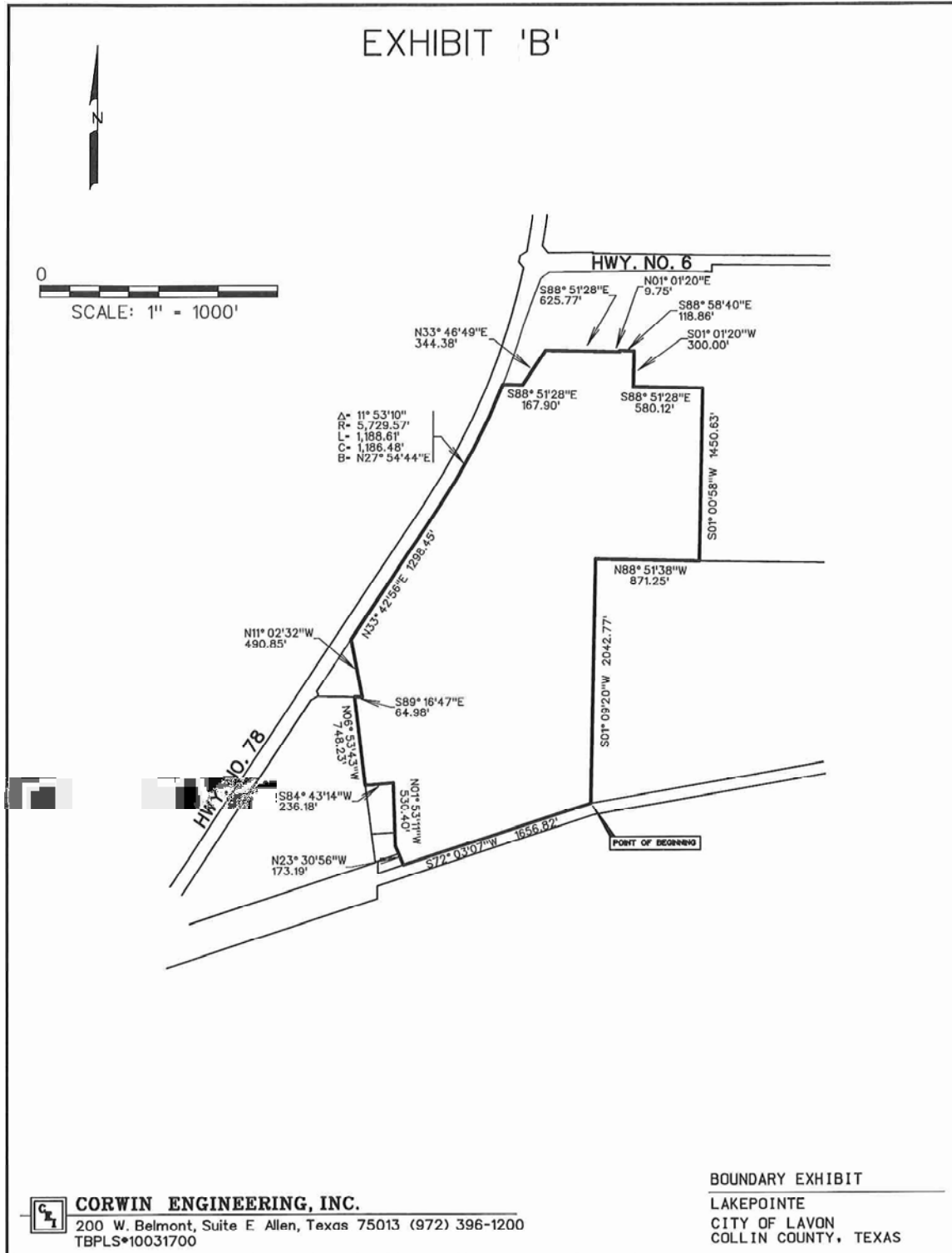


## APPENDICES

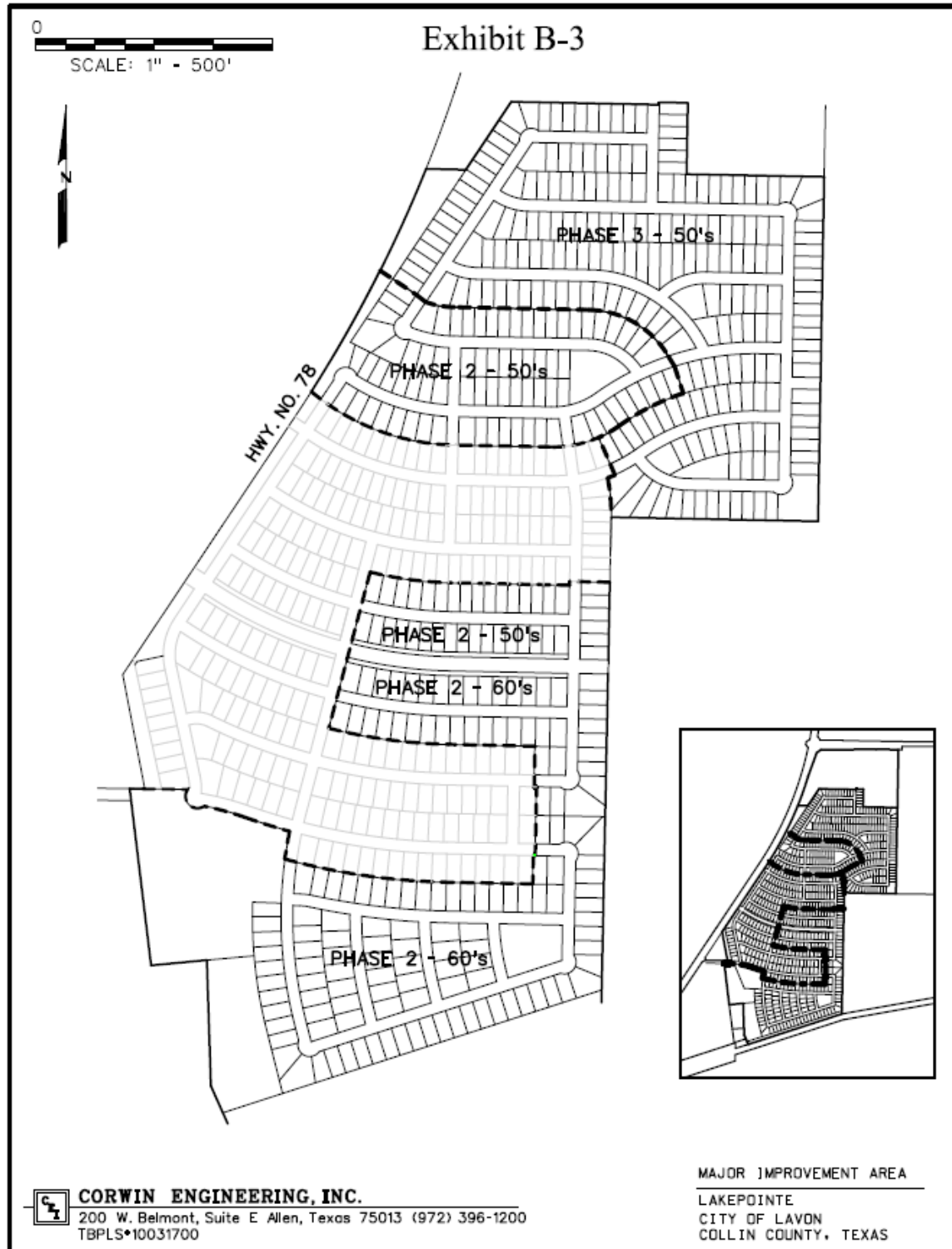
The following Appendices are attached to and made a part of this 2022 Amended and Restated Service and Assessment Plan for the Issuance of Improvement Areas #2-3 Bonds for all purposes:

<b>Appendix A-1</b>	Lot Type 1 Buyer Disclosure
<b>Appendix A-2</b>	Lot Type 2 Buyer Disclosure
<b>Appendix A-3</b>	Lot Type 3 Buyer Disclosure
<b>Appendix A-4</b>	Lot Type 4 Buyer Disclosure
<b>Appendix A-5</b>	Lot Type 5 Buyer Disclosure
<b>Appendix A-6</b>	Improvement Area #3 Initial Parcel Buyer Disclosure

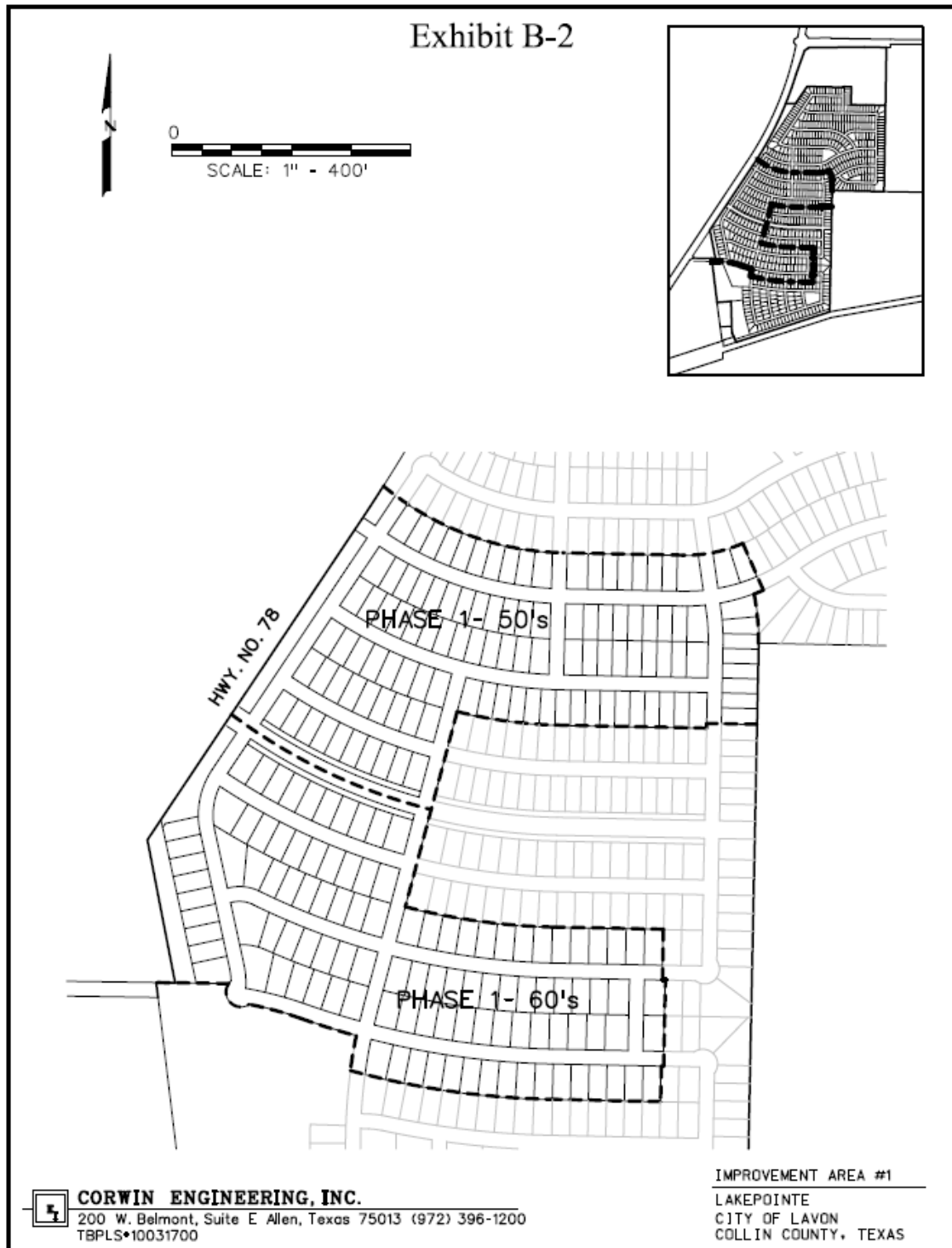
## EXHIBIT A-1 – MAP OF THE DISTRICT



## EXHIBIT A-2 – MAP OF MAJOR IMPROVEMENT AREA



## EXHIBIT A-3 – MAP AND PLAT OF IMPROVEMENT AREA #1

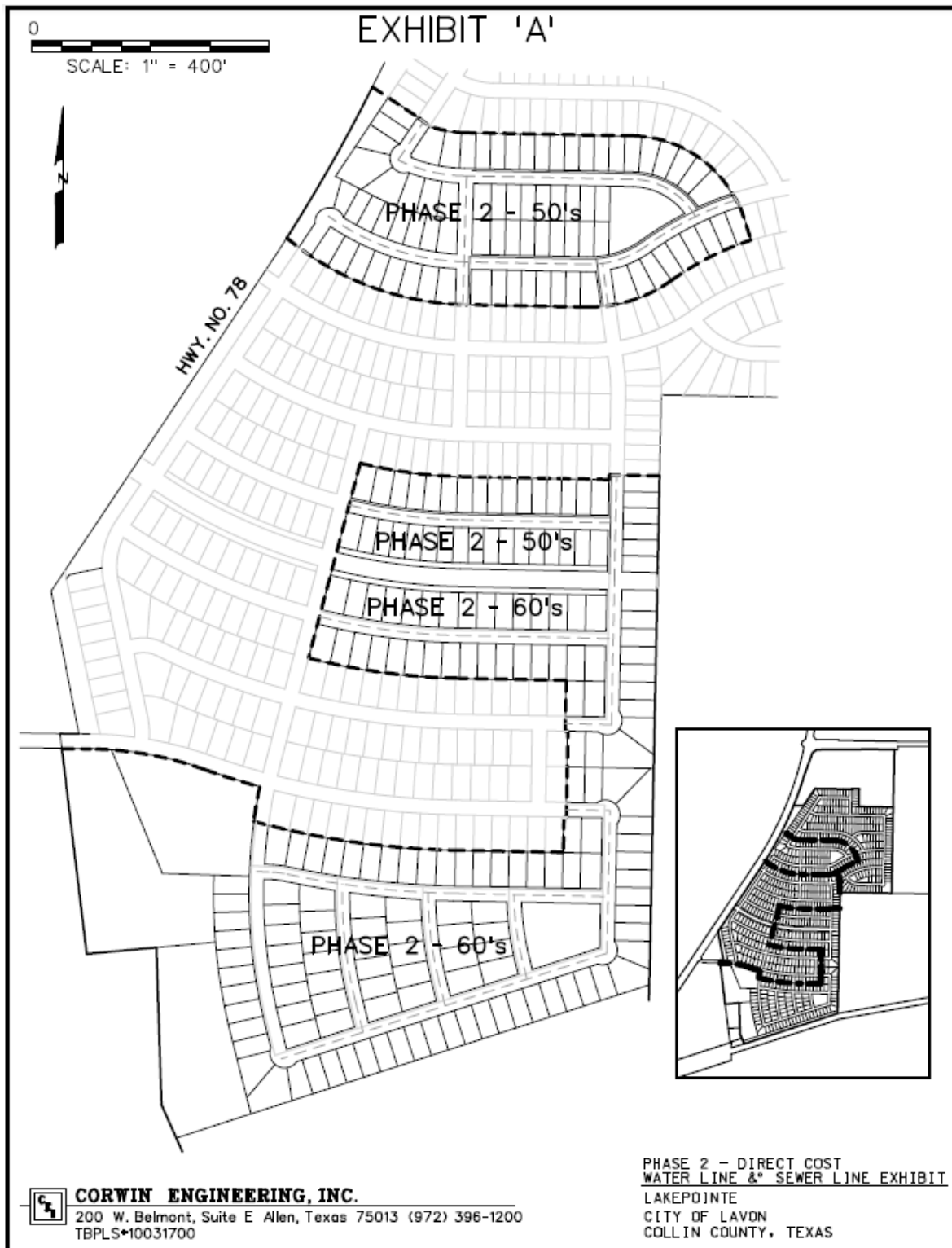






## Appendix C – Page 50

## EXHIBIT A-4 – MAP AND PLATS OF IMPROVEMENT AREA #2







# LEGAL DESCRIPTION

WHEREAS, LDC LAVON, LLC, is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavan, Collin County, Texas, being part of a 200,908 acre tract described in Document No. 2010-02102048570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING, at a 1/2 inch iron rod found at the most easterly southeast corner of Lakepointe Phase I, an addition to the City of Lavan, as described in Doc. No. 2020-485 in the Plat Records of Collin County, Texas and being in the east line of said 200,908 acre tract and being in the west line of a tract of land in deed to Peter Hunt, LLC, as described in Doc. No. 2007020800018500 in said Deed Records;

THENCE, South 01°09'20" West, along the east line of said 200,908 acre tract and the west line of said Peter Hunt, LLC, tract, for a distance of 1752.46 feet, to a 1/2 inch iron rod found at the southeast corner of said 200,908 acre tract and the southwest corner of said Peter Hunt LLC, tract being in the north line of Northeast Texas Rural/Transportation District, as described in Vol. 5385, Pgs. 2680, in said Deed Records;

THENCE, South 72°03'07" West, along the south line of said 200,908 acre tract and the north line of said Northeast Texas Rural/Transportation District tract, for a distance of 1658.82 feet, to a 1/2 inch iron rod found at the southwest corner of said 200,908 acre tract and the southeast corner of North Texas Municipal Water District tract, as described in Doc. No. 2002116001469900, in said Deed Records;

THENCE, North 23°30'50" West, along the west line of said 200,908 acre tract, at 100.05 feet, passing a 1/2 inch iron rod found at the northeast corner of said North Texas Municipal Water District tract and the southeast corner of a tract of land in deed to Mary Evans, as described in Doc. No. 2008040700041460 in said Deed Records and continuing for a total distance of 173.19 feet, to a 1/2 inch iron rod found;

THENCE, North 01°53'11" West, continuing along said west line and said east line, at 111.39 feet, passing a 1/2 inch iron rod found at the northeast corner of said Mary Evans Tract and being the southeast corner of a tract of land in deed to Connie S. Miller, as described in Vol. 4200, Pgs. 347 in said Deed Records, and continuing for a total distance of 535.40 feet, to a 1/2 inch iron rod found at the northeast corner of said Connie S. Miller Tract;

THENCE, South 84°45'14" West, continuing along said west line and along the north line of said Connie S. Miller tract, for a distance of 236.18 feet, to a 1/2 inch iron rod found at the northwest corner of said Connie S. Miller tract and being in the east line of a tract of land in deed to DMP Investments, L.P., as described in Doc. No. 2010060000576500 in said Deed Records;

THENCE, North 08°53'43" West, continuing along said east line and along said east line of said DMP Investments, L.P. tract, for a distance of 748.22 feet, to a 1/2 inch iron rod found at the northeast corner of said DMP Investments, L.P. tract;

THENCE, South 89°16'47" East, continuing along said west line, at 64.98 feet, passing a 1/2 inch iron rod found being a southwest corner of said Lakepointe Phase I and continuing for a total distance of 245.07 feet, to a 1/2 inch iron rod found on a non-tangent curve to the left, having a radius of 50.00 feet, a central angle of 160°29'22";

THENCE, along the south line of said Lakepointe Phase I and with said curve to the left, for an arc distance of 140.04 feet (Chord Bearing South 45°10'47" East, 95.55 feet), to a 1/2 inch iron rod found on a curve to the right, having a radius of 500.00 feet, a central angle of 0°36'33";

THENCE, continuing along said south line and with said curve to the right for an arc distance of 180.25 feet (Chord Bearing South 74°47'36" East, 180.08 feet), to a 1/2 inch iron rod found at the point of reverse curvature of a curve to the left, having a radius of 2895.00 feet, a central angle of 04°08'55";

THENCE, continuing along said curve to the left for an arc distance of 195.92 feet (Chord Bearing South 72°34'22" East, 195.88 feet), to a 1/2 inch iron rod found on a non-tangent curve to the left, having a radius of 1800.00 feet, a central angle of 03°57'57";

THENCE, continuing along said curve to the left for an arc distance of 120.57 feet (Chord Bearing South 09°44'11" West, 120.55 feet), to a 1/2 inch iron rod found on a curve to the left, having a radius of 2895.00 feet, a central angle of 03°57'57";

THENCE, continuing along said curve to the left for an arc distance of 686.07 feet (Chord Bearing South 81°52'58" East, 648.37 feet), to a 1/2 inch iron rod found at the point of tangency;

THENCE, South 88°15'15" East, continuing along said south line, for a distance of 365.96 feet, to a 1/2 inch iron rod found at the most southerly southeast corner of said Lakepointe Phase I;

THENCE, North 01°08'27" East, along the east line of said Lakepointe Phase I, for a distance of 120.00 feet, to a 1/2 inch iron rod found;

THENCE, South 58°57'33" East, continuing along said east line, for a distance of 7.65 feet, to a 1/2 inch iron rod found;

THENCE, North 01°08'27" East, continuing along said east line, for a distance of 340.00 feet, to a 1/2 inch iron rod found;

THENCE, North 88°15'15" West, continuing along said east line, for a distance of 120.00 feet, to a 1/2 inch iron rod found;

THENCE, North 01°08'27" East, continuing along said east line, for a distance of 365.96 feet, to a 1/2 inch iron rod found at the point of curvature of a curve to the right, having a radius of 2235.00 feet, a central angle of 13°05'50";

THENCE, continuing along said east line and with said curve to the right for an arc distance of 510.69 feet (Chord Bearing North 82°18'48" West, 308.58 feet), to a 1/2 inch iron rod found;

THENCE, North 14°52'24" East, continuing along said east line, for a distance of 680.06 feet, to a 1/2 inch iron rod found on a curve to the left, having a radius of 1500.00 feet, a central angle of 12°48'47";

THENCE, continuing along said east line and with said curve to the left for an arc distance of 347.70 feet (Chord Bearing South 82°27'13" East, 346.08 feet), to a 1/2 inch iron rod found at the point of tangency;

THENCE, South 88°57'33" East, continuing along said east line, for a distance of 546.28 feet, to a 1/2 inch iron rod found;

THENCE, North 01°09'20" East, continuing along said east line, for a distance of 10.00 feet, to a 1/2 inch iron rod found;

THENCE, South 88°57'33" East, continuing along said east line, for a distance of 120.00 feet, to the POINT OF BEGINNING and containing 57.456 acres of land.

## SURVEYOR'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS, that I, WARREN L. CORWIN, do hereby certify that I prepared this Final Plat and the fact relies on an actual and accurate survey of the land, that the corner monuments shown thereon were properly placed under my personal supervision in accordance with the Subdivision Regulations of the City of Lavan, Texas.

*Warren L. Corwin*  
WARREN L. CORWIN  
R.L.S. No. 4621



THE STATE OF TEXAS  
COUNTY OF COLLIN

Before me, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared WARREN L. CORWIN, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office, this 12 day of Dec, 2021.



*Marie Howard*  
NOTARY PUBLIC, STATE OF TEXAS

"Recommended for Approval"

*Dale R. Boyett*  
Dale R. Boyett  
Chairman, Planning & Zoning Commission  
City of Lavan, Texas

10/21/2020  
Date

Approved for Construction

*Nick Saen*  
Nick Saen  
Mayor, City of Lavan, Texas

11/3/2020  
Date

Accepted

*Nick Saen*  
Nick Saen  
Mayor, City of Lavan, Texas

12/7/2021  
Date

"The undersigned, the City Secretary of the City of Lavan, Texas, hereby certifies that the foregoing final plat of the LAKEPOINTE PHASE IIA, to the City of Lavan was submitted to the City Council on the 1 day of DECEMBER, 2021 and the Council, by formal action, then and there accepted the dedication of streets, alleys, parks, easements, public places, and water and sewer lines as shown and set forth in and upon said plat and said Council further authorized the Mayor to note the acceptance thereof by signing his name as hereinabove subscribed.

Witness my hand this 7 day of DECEMBER, A.D., 2021.

*Rae Norton*  
Rae Norton  
City Secretary  
City of Lavan, Texas

This plat correctly presents the required easements and certifications required by Bear Creek Special Utility District for this development.

BEAR CREEK SPECIAL UTILITY DISTRICT

NAME/TITLE: Cameron Reagan / GENERAL MANAGER

DATE: December 9, 2021



Notwithstanding any dedicatory language contained in this plat, the City and the Owner acknowledge and confirm that those improvements, including any real estate required for such improvements, identified as public improvements benefiting the Lakepointe Public Improvement District (the "PID"), are not dedicated by this plat. Instead, the City intends to acquire or cause the construction of such improvements with the proceeds of PID assessments and/or PID bond proceeds, the repayment of which is secured by such PID assessments.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT LDC LAVON, LLC, the owner of the property described in this plat, acting by and through its duly authorized agent, does hereby adopt this plat designating the herein described property as "LAKEPOINTE PHASE IIA", on addition to the City of Lavan, Collin County, Texas, and do hereby dedicate to the City in fee simple and to the public use, including the use by or for the streets and alleys shown thereon and do further dedicate to the public use forever the easements shown thereon for the purposes indicated. Easements dedicated by this plat shall be open to, without limitation, all public and private utilities using of desiring to use the same for the purposes indicated. No buildings, fences, trees, shrubs or other structure, improvements or growths shall be constructed, reconstructed or placed upon, over or across any easement dedicated by this plat. Any public or private utility shall have (1) the right to remove and keep removed all parts of any building, fences, trees, shrubs or other structure, improvement or growth, which in any way endanger, or interfere with the construction, reconstruction, maintenance, operation or efficiency of such utility and (2) the right of ingress and egress to or from and upon such utility easements for the purpose of constructing, reconstructing, inspecting, patrolling, maintaining and adding to, enlarging, or removing all or parts of its operation without the necessity of any time of preparing the permission of anyone. The maintenance of paving on utility easements and fire lanes is the responsibility of the property owner.

All utility easements dedicated by this plat shall also include an additional area of working space for construction, reconstruction, additions, enlargements, and maintenance of manholes, cleanouts, fire hydrants, water services and wastewater services from the main to the curb of pavement line.

- 1) All water system is owned and operated by Bear Creek Special Utility District (BSCUD) and all construction related to water service shall be done per BSCUD's specifications and general notes.
- 2) The easements and public use areas, as shown are dedicated for the public use, including specifically for the City of Lavan or Bear Creek Special Utility District, forever for the purposes indicated on the plat.
- 3) The City of Lavan and Bear Creek Special Utility District are not responsible for any improvements in, under or over any easements caused by maintenance or repair.
- 4) Utility easements may also be used for the mutual and accommodation of all public utilities desiring to use or using the same unless the easement limits the use to particular utilities, and use by public utilities as being subordinate to the public and City of Lavan and Bear Creek Special Utility District.
- 5) The City of Lavan, Bear Creek Special Utility District, and public utilities shall have the right to remove and keep removed all or part of any buildings, fences, trees, shrubs or other improvements or growths which may in any way endanger or interfere with construction, maintenance, or efficiency of their respective systems in the easements.
- 6) The City of Lavan, Bear Creek Special Utility District, and public utilities shall at all times have the full right of ingress and egress to or from their respective easements for the purpose of constructing, reconstructing, inspecting, patrolling, respective systems without the necessity of any time of preparing permission from anyone.
- 7) All modifications to this document shall be by means of plat and approved by the City of Lavan, Texas add modifications pertain to Bear Creek Special Utility District facilities, at which time Bear Creek Special Utility District shall also review and approve.

This plat approved subject to all applicable ordinances, rules, regulations and resolutions of the City of Lavan, Texas.

EXECUTED this 2<sup>nd</sup> day of December, 2021.

LDC LAVON, LLC,  
a Texas limited liability company

*Steven H. Lenart*  
By: Steven H. Lenart, Manager

STATE OF TEXAS  
COUNTY OF Collin



Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared STEVEN H. LENART, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same for the purpose and consideration therein expressed.

Given under my hand and seal of office, this 2<sup>nd</sup> day of December, 2021.

*Rae Norton*  
Notary Public in and for the State of Texas  
My commission expires: 05-11-2023

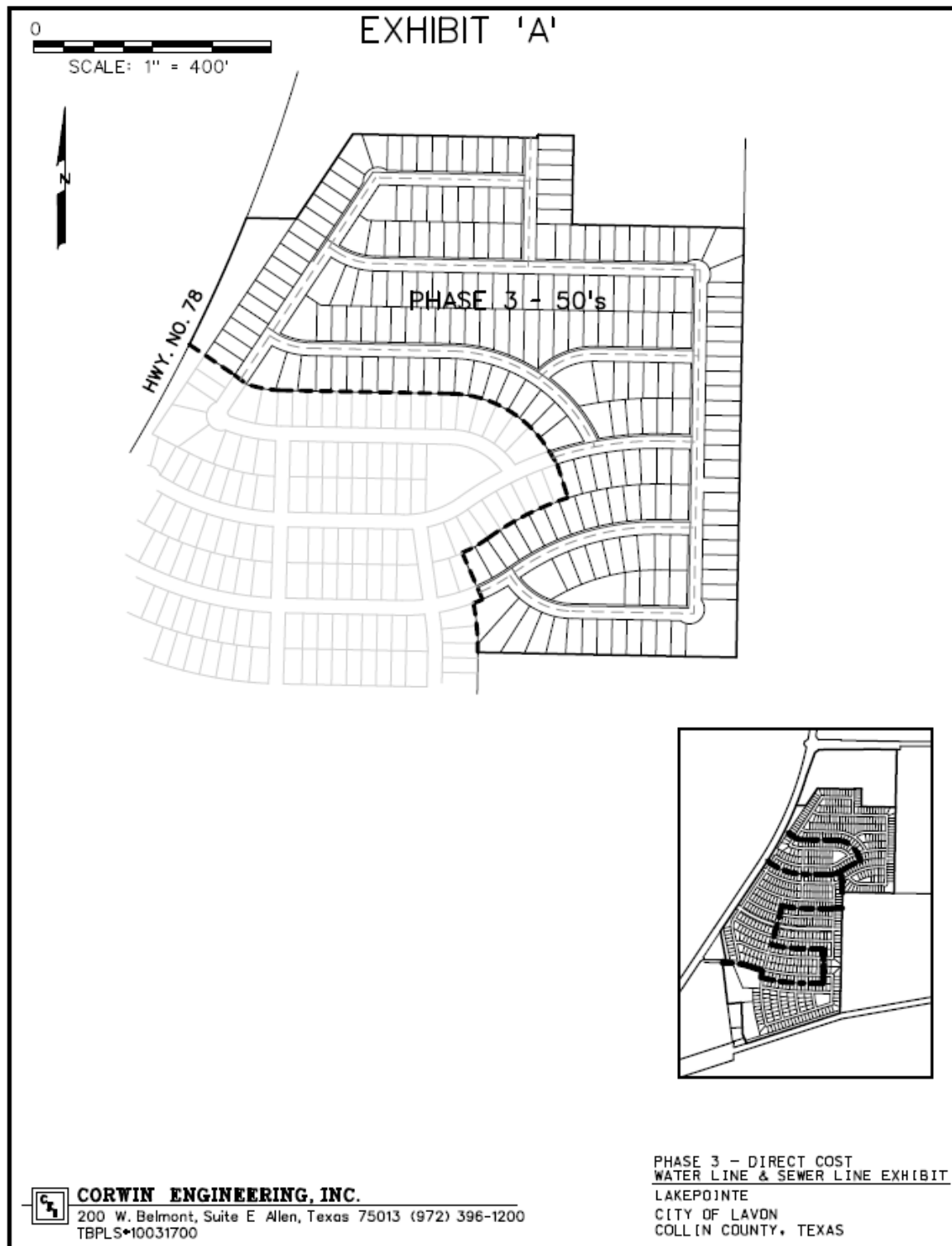
FINAL PLAT  
OF  
**LAKEPOINTE PHASE IIA**  
81 TOTAL RESIDENTIAL LOTS  
5 TOTAL OPEN SPACE TRACTS  
57.456 ACRES  
OUT OF THE  
SAMUEL M. RANIER SURVEY  
ABSTRACT NO. 740  
IN THE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS  
OWNER  
LDC LAVON, LLC  
520 CENTRAL PARKWAY, STE. 104  
PLANO, TEXAS 75074  
(972) 440-2200  
STEVE LENART  
ENGINEER  
CORWIN ENGINEERING, INC.  
1819 L.S. #10031700  
200 W. BELMONT, SUITE E  
ALEX, TEXAS 75003  
972-396-1200  
WARREN CORWIN  
SHEET 2 OF 2  
DECEMBER 2021

## LAKEPOINTE PID

## 2022 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN FOR THE ISSUANCE OF IMPROVEMENT AREAS #2-3 BONDS



## EXHIBIT A-5 – MAP OF IMPROVEMENT AREA #3



## EXHIBIT B – PROJECT COSTS

	Total Costs	Privately Funded	Major Improvement Area		Improvement Area #1		Improvement Area #2		Improvement Area #3	
			%	Cost	%	Cost	%	Cost	%	Cost
<b>Major Improvements<sup>1</sup></b>										
Right of Way <sup>2</sup>	\$ 479,955	\$ -	0.00%	\$ -	100.00%	\$ 479,955	0.00%	\$ -	0.00%	\$ -
Sewer <sup>3</sup>	1,038,148	-	67.78%	703,632	32.22%	334,516	0.00%	-	0.00%	-
Storm Sewer	30,000	-	67.78%	20,333	32.22%	9,667	0.00%	-	0.00%	-
Pavement	632,350	-	67.78%	428,592	32.22%	203,758	0.00%	-	0.00%	-
Eng, Design, Fees & Const. Management	216,457	-	67.78%	146,709	32.22%	69,748	0.00%	-	0.00%	-
Hardscape and Landscape	621,000	-	67.78%	420,899	32.22%	200,101	0.00%	-	0.00%	-
PID Creation Cost	485,000	-	67.78%	328,722	32.22%	156,278	0.00%	-	0.00%	-
	<u>\$ 3,502,910</u>	<u>\$ -</u>		<u>\$ 2,048,887</u>		<u>\$ 1,454,023</u>		<u>\$ -</u>		<u>\$ -</u>
<b>Improvement Area #1 Improvements</b>										
Sewer	\$ 538,770	\$ -	0.00%	\$ -	100.00%	\$ 538,770	0.00%	\$ -	0.00%	\$ -
Storm Sewer	1,224,000	-	0.00%	-	100.00%	1,224,000	0.00%	-	0.00%	-
Pavement	1,761,738	-	0.00%	-	100.00%	1,761,738	0.00%	-	0.00%	-
Eng, Design, Fees & Const. Management	1,250,054	-	0.00%	-	100.00%	1,250,054	0.00%	-	0.00%	-
	<u>\$ 4,774,562</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 4,774,562</u>		<u>\$ -</u>		<u>\$ -</u>
<b>Improvement Area #2 Improvements</b>										
Hardscape, Irrigation, and Landscape	\$ 635,000	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 635,000	0.00%	\$ -
Sewer	615,000	-	0.00%	-	0.00%	-	100.00%	615,000	0.00%	-
Storm Sewer	1,423,000	-	0.00%	-	0.00%	-	100.00%	1,423,000	0.00%	-
Pavement	2,330,000	-	0.00%	-	0.00%	-	100.00%	2,330,000	0.00%	-
Eng, Design, Fees & Const. Management	925,000	-	0.00%	-	0.00%	-	100.00%	925,000	0.00%	-
Contingency <sup>4</sup>	300,000	-	0.00%	-	0.00%	-	100.00%	300,000	0.00%	-
Right of Way/Open Space <sup>8</sup>	525,000	-	0.00%	-	0.00%	-	100.00%	525,000	0.00%	-
	<u>\$ 6,753,000</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 6,753,000</u>		<u>\$ -</u>
<b>Improvement Area #3 Improvements<sup>5</sup></b>										
Hardscape and Landscape	\$ 227,308	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 227,308
Sewer	541,545	-	0.00%	-	0.00%	-	0.00%	-	100.00%	541,545
Storm Sewer	1,105,000	-	0.00%	-	0.00%	-	0.00%	-	100.00%	1,105,000
Pavement	1,842,241	-	0.00%	-	0.00%	-	0.00%	-	100.00%	1,842,241
Miscellaneous <sup>6</sup>	1,485,214	-	0.00%	-	0.00%	-	0.00%	-	100.00%	1,485,214
Right of Way/Open Space <sup>8</sup>	642,539	-	0.00%	-	0.00%	-	0.00%	-	100.00%	642,539
	<u>\$ 5,843,847</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 5,843,847</u>
<b>Private Improvements</b>										
Water	\$ 2,822,960	\$ 2,822,960	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Sewer	817,000	817,000	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Excavation	700,000	700,000	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Gas	445,100	445,100	0.00%	-	0.00%	-	0.00%	-	0.00%	-
CMT	35,000	35,000	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Retaining Walls	1,423,267	1,423,267	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Engineering and Staking	373,803	373,803	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 6,617,130</u>	<u>\$ 6,617,130</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
<b>Bond Issuance Costs<sup>7</sup></b>										
Debt Service Reserve Fund	\$ 1,609,933			\$ 178,313		\$ 334,400		\$ 585,678		\$ 511,542
Capitalized Interest	354,532			127,600		226,932		-		-
Underwriter Discount	692,730			78,900		160,950		241,740		211,140
Cost of Issuance	1,447,535			165,359		300,936		523,770		457,470
	<u>\$ 4,104,729</u>			<u>\$ 550,171</u>		<u>\$ 1,023,218</u>		<u>\$ 1,351,188</u>		<u>\$ 1,180,152</u>
<b>Other Costs</b>										
First Year Annual Collection Costs	\$ 120,000			\$ 30,000		\$ 30,000		\$ 30,000		\$ 30,000
Rounding Amount	4,343			942		3,401		-		-
	<u>\$ 124,343</u>			<u>\$ 30,942</u>		<u>\$ 33,401</u>		<u>\$ 30,000</u>		<u>\$ 30,000</u>
<b>Total<sup>9</sup></b>	<b>\$ 26,945,959</b>	<b>\$ 6,617,130</b>		<b>\$ 2,630,000</b>		<b>\$ 7,285,204</b>		<b>\$ 8,134,188</b>		<b>\$ 7,054,000</b>

**Notes:**

<sup>1</sup> Major Improvements allocated to Improvement Area #1 and the Major Improvement Area based on Estimated Buildout Value at the time of the levy of the Major Improvement Area Assessment.

<sup>2</sup> Right of Way cost in Improvement Area #1 per Appraisal of Real Property LakePointe Public Improvement District East Side of SH-78, South of FM-6.

<sup>3</sup> The Bear Creek Trunk Sewer is oversized to provide sewer to property outside of the District, and the oversized portion is not allocated to Assessed Property. Per the Pwner, of the entire cost of the sewer, only \$1,038,148 benefits the District and is considered an Authorized Improvement cost.

<sup>4</sup> Contingency is calculated at 3.00%.

<sup>5</sup> Per cost summary provided by Corwin Engineering, Inc. attached hereto as **Appendix B**.

<sup>6</sup> Improvement Area #3 Improvements Miscellaneous includes excavation, erosion control, signs, CMT, final soils, city inspection fees, engineering fees, plat fees, maintenance bonds, engineering and staking, fee development, and contingency.

<sup>7</sup> Bond Issuance Costs related to Improvement Area #2 and Improvement Area #3 are estimates only and will be determined at the time Improvement Area #2-3 Bonds are issued.

<sup>8</sup> Since Improvement Area #2-2 Bonds are expected to be issued, water improvements, as defined in Section III, are being replaced with rights-of-way acquisition, open space, and park improvements, which costs shall not exceed (i) the Actual Costs of water improvements, and (ii) the fair market value supported by an independent appraisal as required by Section 252.051 of the Texas Local Government Code.

<sup>9</sup> Totals may not add due to rounding.



## EXHIBIT C – SERVICE PLAN

		Major Improvement Area					
Annual Installment Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027	
Principal		\$ 50,000.00	\$ 55,000.00	\$ 55,000.00	\$ 60,000.00	\$ 60,000.00	
Interest		\$ 123,937.50	\$ 121,750.00	\$ 119,343.76	\$ 116,937.52	\$ 114,312.52	
(1)		\$ 173,937.50	\$ 176,750.00	\$ 174,343.76	\$ 176,937.52	\$ 174,312.52	
Additional Interest		(2)	\$ 12,650.00	\$ 12,400.00	\$ 12,125.00	\$ 11,850.00	\$ 11,550.00
Annual Collection Costs		(3)	\$ 31,594.98	\$ 32,226.88	\$ 32,871.42	\$ 33,528.85	\$ 34,199.42
Total Annual Installment		(4) = (1) + (2) + (3)	\$ 218,182.48	\$ 221,376.88	\$ 219,340.18	\$ 222,316.37	\$ 220,061.94

		Improvement Area #1					
Annual Installment Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027	
Principal		\$ 110,000.00	\$ 115,000.00	\$ 115,000.00	\$ 120,000.00	\$ 125,000.00	
Interest		\$ 221,025.00	\$ 217,175.00	\$ 213,150.00	\$ 208,837.50	\$ 204,337.50	
(1)		\$ 331,025.00	\$ 332,175.00	\$ 328,150.00	\$ 328,837.50	\$ 329,337.50	
Additional Interest		(2)	\$ 25,800.00	\$ 25,250.00	\$ 24,675.00	\$ 24,100.00	\$ 23,500.00
Annual Collection Costs		(3)	\$ 64,249.17	\$ 65,534.15	\$ 66,844.84	\$ 68,181.73	\$ 69,545.37
Total Annual Installment		(4) = (1) + (2) + (3)	\$ 421,074.17	\$ 422,959.15	\$ 419,669.84	\$ 421,119.23	\$ 422,382.87

		Improvement Area #2					
Annual Installment Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027	
Principal		\$ 109,457.22	\$ 115,761.04	\$ 123,211.01	\$ 130,087.90	\$ 138,110.95	
Interest		\$ 519,067.92	\$ 512,500.49	\$ 505,554.83	\$ 498,162.17	\$ 490,356.89	
(1)		\$ 628,525.15	\$ 628,261.53	\$ 628,765.84	\$ 628,250.07	\$ 628,467.84	
Additional Interest		(2)	\$ 43,255.66	\$ 42,708.37	\$ 42,129.57	\$ 41,513.51	\$ 40,863.07
Annual Collection Costs		(3)	\$ 30,000.00	\$ 30,600.00	\$ 31,212.00	\$ 31,836.24	\$ 32,472.96
Total Annual Installment		(4) = (1) + (2) + (3)	\$ 701,780.81	\$ 701,569.91	\$ 702,107.41	\$ 701,599.82	\$ 701,803.88

		Improvement Area #3					
Annual Installment Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027	
Principal		\$ 81,542.78	\$ 86,238.96	\$ 91,788.99	\$ 96,912.10	\$ 102,889.05	
Interest		\$ 386,692.08	\$ 381,799.51	\$ 376,625.17	\$ 371,117.83	\$ 365,303.11	
(1)		\$ 468,234.85	\$ 468,038.47	\$ 468,414.16	\$ 468,029.93	\$ 468,192.16	
Additional Interest		(2)	\$ 32,224.34	\$ 31,816.63	\$ 31,385.43	\$ 30,926.49	\$ 30,441.93
Annual Collection Costs		(3)	\$ 30,000.00	\$ 30,600.00	\$ 31,212.00	\$ 31,836.24	\$ 32,472.96
Total Annual Installment		(4) = (1) + (2) + (3)	\$ 530,459.19	\$ 530,455.09	\$ 531,011.59	\$ 530,792.66	\$ 531,107.05

## EXHIBIT D – SOURCES AND USES

	Privately Funded	Major Improvement Area	Improvement Area #1	Improvement Area #2	Improvement Area #3
<b>Sources of Funds</b>					
Major Improvement Area Bond Par <sup>1</sup>	\$ -	\$ 2,630,000	\$ -	\$ -	\$ -
Improvement Area #1 Bond Par <sup>2</sup>	-	-	5,365,000	-	-
Improvement Area #1 Bond Original Issuer Discount	-	-	(11,306)	-	-
Improvement Area #2-3 Bond Par	-	-	-	8,058,000	7,038,000
Owner Contribution <sup>3</sup>	-	-	1,931,510	76,188	16,000
Owner Contribution - Private Improvements <sup>3</sup>	6,617,130	-	-	-	-
<b>Total Sources</b>	<b>\$ 6,617,130</b>	<b>\$ 2,630,000</b>	<b>\$ 7,285,204</b>	<b>\$ 8,134,188</b>	<b>\$ 7,054,000</b>
<b>Uses of Funds</b>					
Major Improvements	\$ -	\$ 2,048,887	\$ 1,454,023	\$ -	\$ -
Improvement Area #1 Improvements	-	-	4,774,562	-	-
Improvement Area #2 Improvements <sup>4</sup>	-	-	-	6,753,000	-
Improvement Area #3 Improvements <sup>5</sup>	-	-	-	-	5,843,847
Private Improvements	6,617,130	-	-	-	-
	<b>\$ 6,617,130</b>	<b>\$ 2,048,887</b>	<b>\$ 6,228,585</b>	<b>\$ 6,753,000</b>	<b>\$ 5,843,847</b>
<b>Bond Issuance Costs<sup>6</sup></b>					
Debt Service Reserve Fund	\$ -	\$ 178,313	\$ 334,400	\$ 585,678	\$ 511,542
Capitalized Interest	-	127,600	226,932	-	-
Underwriter Discount	-	78,900	160,950	241,740	211,140
Cost of Issuance	-	165,359	300,936	523,770	457,470
	<b>\$ -</b>	<b>\$ 550,171</b>	<b>\$ 1,023,218</b>	<b>\$ 1,351,188</b>	<b>\$ 1,180,152</b>
<b>Other Costs</b>					
First Year Annual Collection Costs	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Rounding Amount	-	942	3,401	-	-
	<b>\$ -</b>	<b>\$ 30,942</b>	<b>\$ 33,401</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>
<b>Total Uses<sup>7</sup></b>	<b>\$ 6,617,130</b>	<b>\$ 2,630,000</b>	<b>\$ 7,285,204</b>	<b>\$ 8,134,188</b>	<b>\$ 7,054,000</b>

**Notes:**

<sup>1</sup> Represents Major Improvement Area Assessment at time of levy. Current outstanding Major Improvement Area Assessment is \$2,530,000 due to collection of Annual Installments.

<sup>2</sup> Represents Improvement Area #1 Assessment at time of levy. Current outstanding Improvement Area #1 Assessment is \$5,160,000 due to collection of Annual Installments.

<sup>3</sup> Not reimburseable to the Owner through Assessments.

<sup>4</sup> A portion of the Improvement Areas #2-3 Bonds will be used to pay all or a portion of the reimbursement amount owed to the Developer under the Reimbursement Agreement dated November 16, 2021 between the Developer and the City for reimbursement of costs of the Improvement Area #2 Improvements.

<sup>5</sup> A portion of the Improvement Areas #2-3 Bonds will be used to pay all or a portion of the reimbursement amount owed to the Developer under the Reimbursement Agreement dated November 16, 2021 between the Developer and the City for reimbursement of costs of the Improvement Area #3 Improvements.

<sup>6</sup> Bond Issuance Costs related to Improvement Area #2 and Improvement Area #3 are estimates only and will be determined at the time Improvement Area #2-3 Bonds are issued.

<sup>7</sup> Totals may not add due to rounding.

## EXHIBIT E-1 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848300	Lot Type 3	\$ 4,976.92	\$ 429.20
2848303	Lot Type 3	\$ 4,976.92	\$ 429.20
2848304	Lot Type 3	\$ 4,976.92	\$ 429.20
2848305	Lot Type 3	\$ 4,976.92	\$ 429.20
2848306	Lot Type 3	\$ 4,976.92	\$ 429.20
2848308	Lot Type 3	\$ 4,976.92	\$ 429.20
2848309	Lot Type 3	\$ 4,976.92	\$ 429.20
2848310	Lot Type 3	\$ 4,976.92	\$ 429.20
2848311	Lot Type 3	\$ 4,976.92	\$ 429.20
2848312	Lot Type 3	\$ 4,976.92	\$ 429.20
2848313	Lot Type 3	\$ 4,976.92	\$ 429.20
2848314	Lot Type 3	\$ 4,976.92	\$ 429.20
2848315	Lot Type 3	\$ 4,976.92	\$ 429.20
2848316	Lot Type 3	\$ 4,976.92	\$ 429.20
2848317	Lot Type 3	\$ 4,976.92	\$ 429.20
2848318	Lot Type 3	\$ 4,976.92	\$ 429.20
2848319	Lot Type 3	\$ 4,976.92	\$ 429.20
2848320	Non-Benefitted	\$ -	\$ -
2848321	Lot Type 3	\$ 4,976.92	\$ 429.20
2848322	Lot Type 3	\$ 4,976.92	\$ 429.20
2848323	Lot Type 3	\$ 4,976.92	\$ 429.20
2848324	Lot Type 3	\$ 4,976.92	\$ 429.20
2848325	Lot Type 3	\$ 4,976.92	\$ 429.20
2848326	Lot Type 3	\$ 4,976.92	\$ 429.20
2848327	Lot Type 3	\$ 4,976.92	\$ 429.20
2848328	Lot Type 3	\$ 4,976.92	\$ 429.20
2848329	Lot Type 3	\$ 4,976.92	\$ 429.20
2848330	Lot Type 3	\$ 4,976.92	\$ 429.20
2848331	Lot Type 3	\$ 4,976.92	\$ 429.20
2848332	Lot Type 3	\$ 4,976.92	\$ 429.20
2848333	Lot Type 3	\$ 4,976.92	\$ 429.20
2848334	Lot Type 3	\$ 4,976.92	\$ 429.20
2848335	Lot Type 3	\$ 4,976.92	\$ 429.20
2848336	Lot Type 3	\$ 4,976.92	\$ 429.20
2848337	Lot Type 3	\$ 4,976.92	\$ 429.20
2848338	Lot Type 3	\$ 4,976.92	\$ 429.20
2848339	Lot Type 3	\$ 4,976.92	\$ 429.20
2848341	Lot Type 3	\$ 4,976.92	\$ 429.20
2848342	Lot Type 3	\$ 4,976.92	\$ 429.20
2848343	Lot Type 3	\$ 4,976.92	\$ 429.20

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848344	Lot Type 3	\$ 4,976.92	\$ 429.20
2848345	Lot Type 3	\$ 4,976.92	\$ 429.20
2848346	Lot Type 3	\$ 4,976.92	\$ 429.20
2848347	Lot Type 3	\$ 4,976.92	\$ 429.20
2848348	Lot Type 3	\$ 4,976.92	\$ 429.20
2848349	Lot Type 3	\$ 4,976.92	\$ 429.20
2848350	Lot Type 3	\$ 4,976.92	\$ 429.20
2848351	Lot Type 3	\$ 4,976.92	\$ 429.20
2848352	Lot Type 3	\$ 4,976.92	\$ 429.20
2848353	Lot Type 3	\$ 4,976.92	\$ 429.20
2848354	Lot Type 3	\$ 4,976.92	\$ 429.20
2848355	Lot Type 3	\$ 4,976.92	\$ 429.20
2848356	Lot Type 3	\$ 4,976.92	\$ 429.20
2848357	Lot Type 3	\$ 4,976.92	\$ 429.20
2848358	Lot Type 3	\$ 4,976.92	\$ 429.20
2848359	Lot Type 3	\$ 4,976.92	\$ 429.20
2848360	Lot Type 3	\$ 4,976.92	\$ 429.20
2848361	Lot Type 3	\$ 4,976.92	\$ 429.20
2848362	Lot Type 3	\$ 4,976.92	\$ 429.20
2848363	Lot Type 3	\$ 4,976.92	\$ 429.20
2848364	Lot Type 3	\$ 4,976.92	\$ 429.20
2848365	Lot Type 3	\$ 4,976.92	\$ 429.20
2848366	Lot Type 3	\$ 4,976.92	\$ 429.20
2848367	Lot Type 3	\$ 4,976.92	\$ 429.20
2848368	Non-Benefitted	\$ -	\$ -
2848369	Lot Type 3	\$ 4,976.92	\$ 429.20
2848370	Lot Type 3	\$ 4,976.92	\$ 429.20
2848371	Lot Type 3	\$ 4,976.92	\$ 429.20
2848372	Lot Type 3	\$ 4,976.92	\$ 429.20
2848373	Lot Type 3	\$ 4,976.92	\$ 429.20
2848374	Lot Type 3	\$ 4,976.92	\$ 429.20
2848375	Lot Type 3	\$ 4,976.92	\$ 429.20
2848376	Lot Type 3	\$ 4,976.92	\$ 429.20
2848377	Lot Type 3	\$ 4,976.92	\$ 429.20
2848378	Lot Type 3	\$ 4,976.92	\$ 429.20
2848379	Lot Type 3	\$ 4,976.92	\$ 429.20
2848380	Lot Type 3	\$ 4,976.92	\$ 429.20
2848381	Lot Type 3	\$ 4,976.92	\$ 429.20
2848382	Lot Type 3	\$ 4,976.92	\$ 429.20
2848383	Lot Type 3	\$ 4,976.92	\$ 429.20



Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848384	Lot Type 3	\$ 4,976.92	\$ 429.20
2848386	Lot Type 3	\$ 4,976.92	\$ 429.20
2848392	Lot Type 3	\$ 4,976.92	\$ 429.20
2848393	Lot Type 3	\$ 4,976.92	\$ 429.20
2848394	Lot Type 3	\$ 4,976.92	\$ 429.20
2848395	Lot Type 3	\$ 4,976.92	\$ 429.20
2848396	Lot Type 3	\$ 4,976.92	\$ 429.20
2848397	Lot Type 3	\$ 4,976.92	\$ 429.20
2848398	Lot Type 3	\$ 4,976.92	\$ 429.20
2848399	Lot Type 3	\$ 4,976.92	\$ 429.20
2848400	Lot Type 3	\$ 4,976.92	\$ 429.20
2848401	Lot Type 3	\$ 4,976.92	\$ 429.20
2848402	Lot Type 3	\$ 4,976.92	\$ 429.20
2848403	Lot Type 3	\$ 4,976.92	\$ 429.20
2848404	Lot Type 3	\$ 4,976.92	\$ 429.20
2848405	Lot Type 3	\$ 4,976.92	\$ 429.20
2848406	Lot Type 3	\$ 4,976.92	\$ 429.20
2848407	Lot Type 3	\$ 4,976.92	\$ 429.20
2848408	Lot Type 3	\$ 4,976.92	\$ 429.20
2848409	Lot Type 3	\$ 4,976.92	\$ 429.20
2848410	Lot Type 3	\$ 4,976.92	\$ 429.20
2848411	Lot Type 3	\$ 4,976.92	\$ 429.20
2848412	Lot Type 3	\$ 4,976.92	\$ 429.20
2848414	Lot Type 3	\$ 4,976.92	\$ 429.20
2848415	Lot Type 3	\$ 4,976.92	\$ 429.20
2848416	Lot Type 3	\$ 4,976.92	\$ 429.20
2848417	Lot Type 3	\$ 4,976.92	\$ 429.20
2848418	Lot Type 3	\$ 4,976.92	\$ 429.20
2848419	Lot Type 3	\$ 4,976.92	\$ 429.20
2848420	Lot Type 3	\$ 4,976.92	\$ 429.20
2848421	Lot Type 3	\$ 4,976.92	\$ 429.20
2848422	Lot Type 3	\$ 4,976.92	\$ 429.20
2848423	Lot Type 3	\$ 4,976.92	\$ 429.20
2848424	Lot Type 3	\$ 4,976.92	\$ 429.20
2848425	Lot Type 3	\$ 4,976.92	\$ 429.20
2848426	Lot Type 3	\$ 4,976.92	\$ 429.20
2848427	Lot Type 3	\$ 4,976.92	\$ 429.20
2848428	Lot Type 3	\$ 4,976.92	\$ 429.20
2848429	Lot Type 3	\$ 4,976.92	\$ 429.20
2848430	Lot Type 3	\$ 4,976.92	\$ 429.20

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848431	Non-Benefitted	\$ -	\$ -
2848432	Lot Type 4	\$ 5,935.38	\$ 511.86
2848433	Lot Type 4	\$ 5,935.38	\$ 511.86
2848434	Lot Type 4	\$ 5,935.38	\$ 511.86
2848435	Lot Type 4	\$ 5,935.38	\$ 511.86
2848436	Lot Type 4	\$ 5,935.38	\$ 511.86
2848437	Lot Type 4	\$ 5,935.38	\$ 511.86
2848438	Lot Type 4	\$ 5,935.38	\$ 511.86
2848439	Lot Type 4	\$ 5,935.38	\$ 511.86
2848440	Lot Type 4	\$ 5,935.38	\$ 511.86
2848441	Lot Type 4	\$ 5,935.38	\$ 511.86
2848442	Lot Type 4	\$ 5,935.38	\$ 511.86
2848443	Lot Type 4	\$ 5,935.38	\$ 511.86
2848444	Lot Type 4	\$ 5,935.38	\$ 511.86
2848445	Lot Type 4	\$ 5,935.38	\$ 511.86
2848446	Lot Type 4	\$ 5,935.38	\$ 511.86
2848447	Non-Benefitted	\$ -	\$ -
2848449	Lot Type 4	\$ 5,935.38	\$ 511.86
2848450	Lot Type 4	\$ 5,935.38	\$ 511.86
2848451	Lot Type 4	\$ 5,935.38	\$ 511.86
2848452	Lot Type 4	\$ 5,935.38	\$ 511.86
2848453	Lot Type 4	\$ 5,935.38	\$ 511.86
2848454	Lot Type 4	\$ 5,935.38	\$ 511.86
2848455	Lot Type 4	\$ 5,935.38	\$ 511.86
2848456	Lot Type 4	\$ 5,935.38	\$ 511.86
2848457	Lot Type 4	\$ 5,935.38	\$ 511.86
2848458	Lot Type 4	\$ 5,935.38	\$ 511.86
2848459	Lot Type 4	\$ 5,935.38	\$ 511.86
2848460	Lot Type 4	\$ 5,935.38	\$ 511.86
2848461	Lot Type 4	\$ 5,935.38	\$ 511.86
2848462	Lot Type 4	\$ 5,935.38	\$ 511.86
2848463	Lot Type 4	\$ 5,935.38	\$ 511.86
2848465	Lot Type 4	\$ 5,935.38	\$ 511.86
2848466	Lot Type 4	\$ 5,935.38	\$ 511.86
2848467	Lot Type 4	\$ 5,935.38	\$ 511.86
2848468	Lot Type 4	\$ 5,935.38	\$ 511.86
2848469	Lot Type 4	\$ 5,935.38	\$ 511.86
2848470	Lot Type 4	\$ 5,935.38	\$ 511.86
2848471	Lot Type 4	\$ 5,935.38	\$ 511.86
2848472	Lot Type 4	\$ 5,935.38	\$ 511.86

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848473	Lot Type 4	\$ 5,935.38	\$ 511.86
2848474	Lot Type 4	\$ 5,935.38	\$ 511.86
2848475	Lot Type 4	\$ 5,935.38	\$ 511.86
2848476	Lot Type 4	\$ 5,935.38	\$ 511.86
2848477	Lot Type 4	\$ 5,935.38	\$ 511.86
2848478	Lot Type 4	\$ 5,935.38	\$ 511.86
2848479	Lot Type 4	\$ 5,935.38	\$ 511.86
2848480	Lot Type 4	\$ 5,935.38	\$ 511.86
2848481	Lot Type 4	\$ 5,935.38	\$ 511.86
2848482	Lot Type 4	\$ 5,935.38	\$ 511.86
2848483	Lot Type 4	\$ 5,935.38	\$ 511.86
2848484	Lot Type 4	\$ 5,935.38	\$ 511.86
2848485	Lot Type 4	\$ 5,935.38	\$ 511.86
2848486	Lot Type 4	\$ 5,935.38	\$ 511.86
2848487	Lot Type 4	\$ 5,935.38	\$ 511.86
2848488	Lot Type 4	\$ 5,935.38	\$ 511.86
2848489	Lot Type 4	\$ 5,935.38	\$ 511.86
2848490	Lot Type 4	\$ 5,935.38	\$ 511.86
2848491	Lot Type 4	\$ 5,935.38	\$ 511.86
2848492	Lot Type 4	\$ 5,935.38	\$ 511.86
2848493	Lot Type 4	\$ 5,935.38	\$ 511.86
2848494	Lot Type 4	\$ 5,935.38	\$ 511.86
2848495	Lot Type 4	\$ 5,935.38	\$ 511.86
2848496	Lot Type 4	\$ 5,935.38	\$ 511.86
2848497	Lot Type 4	\$ 5,935.38	\$ 511.86
2848498	Lot Type 4	\$ 5,935.38	\$ 511.86
2848499	Lot Type 4	\$ 5,935.38	\$ 511.86
2848500	Lot Type 4	\$ 5,935.38	\$ 511.86
2848501	Lot Type 4	\$ 5,935.38	\$ 511.86
2848502	Lot Type 4	\$ 5,935.38	\$ 511.86
2848504	Lot Type 4	\$ 5,935.38	\$ 511.86
2848505	Lot Type 4	\$ 5,935.38	\$ 511.86
2848506	Non-Benefitted	\$ -	\$ -
2848507	Non-Benefitted	\$ -	\$ -
2848508	Lot Type 4	\$ 5,935.38	\$ 511.86
2848509	Lot Type 4	\$ 5,935.38	\$ 511.86
2848510	Lot Type 4	\$ 5,935.38	\$ 511.86
2848511	Lot Type 4	\$ 5,935.38	\$ 511.86
2848512	Lot Type 4	\$ 5,935.38	\$ 511.86
2848513	Lot Type 4	\$ 5,935.38	\$ 511.86

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848514	Lot Type 4	\$ 5,935.38	\$ 511.86
2848515	Lot Type 4	\$ 5,935.38	\$ 511.86
2848516	Lot Type 4	\$ 5,935.38	\$ 511.86
2848517	Lot Type 4	\$ 5,935.38	\$ 511.86
2848518	Lot Type 4	\$ 5,935.38	\$ 511.86
2848519	Lot Type 4	\$ 5,935.38	\$ 511.86
2848520	Lot Type 4	\$ 5,935.38	\$ 511.86
2848521	Lot Type 4	\$ 5,935.38	\$ 511.86
2848522	Lot Type 4	\$ 5,935.38	\$ 511.86
2848523	Lot Type 4	\$ 5,935.38	\$ 511.86
2848524	Lot Type 4	\$ 5,935.38	\$ 511.86
2848525	Lot Type 4	\$ 5,935.38	\$ 511.86
2848527	Lot Type 4	\$ 5,935.38	\$ 511.86
2848528	Lot Type 4	\$ 5,935.38	\$ 511.86
2848529	Lot Type 4	\$ 5,935.38	\$ 511.86
2848530	Lot Type 4	\$ 5,935.38	\$ 511.86
2848531	Lot Type 4	\$ 5,935.38	\$ 511.86
2848532	Lot Type 4	\$ 5,935.38	\$ 511.86
2848533	Lot Type 4	\$ 5,935.38	\$ 511.86
2848534	Lot Type 4	\$ 5,935.38	\$ 511.86
2848535	Lot Type 4	\$ 5,935.38	\$ 511.86
2848536	Lot Type 4	\$ 5,935.38	\$ 511.86
2848537	Lot Type 4	\$ 5,935.38	\$ 511.86
2848538	Lot Type 4	\$ 5,935.38	\$ 511.86
2848539	Lot Type 4	\$ 5,935.38	\$ 511.86
2848540	Lot Type 4	\$ 5,935.38	\$ 511.86
2848541	Lot Type 4	\$ 5,935.38	\$ 511.86
2848542	Lot Type 4	\$ 5,935.38	\$ 511.86
2848543	Lot Type 4	\$ 5,935.38	\$ 511.86
2848544	Lot Type 4	\$ 5,935.38	\$ 511.86
2848545	Lot Type 4	\$ 5,935.38	\$ 511.86
2848546	Lot Type 4	\$ 5,935.38	\$ 511.86
2848547	Non-Benefitted	\$ -	\$ -
2848548	Lot Type 4	\$ 5,935.38	\$ 511.86
2848549	Lot Type 4	\$ 5,935.38	\$ 511.86
2848550	Lot Type 4	\$ 5,935.38	\$ 511.86
2848551	Lot Type 4	\$ 5,935.38	\$ 511.86
2848552	Lot Type 4	\$ 5,935.38	\$ 511.86
2848553	Lot Type 4	\$ 5,935.38	\$ 511.86
2848554	Lot Type 4	\$ 5,935.38	\$ 511.86

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848555	Lot Type 4	\$ 5,935.38	\$ 511.86
2848556	Lot Type 4	\$ 5,935.38	\$ 511.86
2848558	Lot Type 4	\$ 5,935.38	\$ 511.86
2848559	Lot Type 4	\$ 5,935.38	\$ 511.86
2848560	Lot Type 4	\$ 5,935.38	\$ 511.86
2848561	Lot Type 4	\$ 5,935.38	\$ 511.86
2848562	Lot Type 4	\$ 5,935.38	\$ 511.86
2848563	Lot Type 4	\$ 5,935.38	\$ 511.86
2848564	Lot Type 4	\$ 5,935.38	\$ 511.86
2848565	Lot Type 4	\$ 5,935.38	\$ 511.86
2848566	Lot Type 4	\$ 5,935.38	\$ 511.86
2848567	Lot Type 4	\$ 5,935.38	\$ 511.86
2848568	Lot Type 4	\$ 5,935.38	\$ 511.86
2848569	Lot Type 4	\$ 5,935.38	\$ 511.86
2848570	Lot Type 4	\$ 5,935.38	\$ 511.86
2848571	Lot Type 4	\$ 5,935.38	\$ 511.86
2848572	Lot Type 4	\$ 5,935.38	\$ 511.86
2848573	Lot Type 4	\$ 5,935.38	\$ 511.86
2848574	Lot Type 4	\$ 5,935.38	\$ 511.86
2848575	Lot Type 4	\$ 5,935.38	\$ 511.86
2848576	Lot Type 4	\$ 5,935.38	\$ 511.86
2848577	Lot Type 4	\$ 5,935.38	\$ 511.86
2848578	Lot Type 4	\$ 5,935.38	\$ 511.86
2848579	Lot Type 4	\$ 5,935.38	\$ 511.86
2848580	Lot Type 4	\$ 5,935.38	\$ 511.86
2848581	Lot Type 4	\$ 5,935.38	\$ 511.86
2848582	Lot Type 4	\$ 5,935.38	\$ 511.86
2849278	Improvement Area #3 Initial Parcel	\$ 1,099,899.46	\$ 94,853.28
<b>Total<sup>2</sup></b>		<b>\$ 2,529,999.98</b>	<b>\$ 218,183.00</b>

Notes:

<sup>1</sup> The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January 31, 2023.

<sup>2</sup> Total may not match Service Plan or Installment Schedules due to Prepayments or rounding.

## EXHIBIT E-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Installments Due	Principal	Interest <sup>1</sup>	Additional Interest Reserve	Annual Collection Costs	Total Annual Installment
1/31/2023	\$ 50,000.00	\$ 123,937.50	\$ 12,650.00	\$ 31,594.98	\$ 218,182.48
1/31/2024	\$ 55,000.00	\$ 121,750.00	\$ 12,400.00	\$ 32,226.88	\$ 221,376.88
1/31/2025	\$ 55,000.00	\$ 119,343.76	\$ 12,125.00	\$ 32,871.42	\$ 219,340.18
1/31/2026	\$ 60,000.00	\$ 116,937.52	\$ 11,850.00	\$ 33,528.85	\$ 222,316.37
1/31/2027	\$ 60,000.00	\$ 114,312.52	\$ 11,550.00	\$ 34,199.42	\$ 220,061.94
1/31/2028	\$ 65,000.00	\$ 111,687.52	\$ 11,250.00	\$ 34,883.41	\$ 222,820.93
1/31/2029	\$ 65,000.00	\$ 108,843.76	\$ 10,925.00	\$ 35,581.08	\$ 220,349.84
1/31/2030	\$ 65,000.00	\$ 106,000.00	\$ 10,600.00	\$ 36,292.70	\$ 217,892.70
1/31/2031	\$ 70,000.00	\$ 102,750.00	\$ 10,275.00	\$ 37,018.55	\$ 220,043.55
1/31/2032	\$ 75,000.00	\$ 99,250.00	\$ 9,925.00	\$ 37,758.93	\$ 221,933.93
1/31/2033	\$ 75,000.00	\$ 95,500.00	\$ 9,550.00	\$ 38,514.10	\$ 218,564.10
1/31/2034	\$ 80,000.00	\$ 91,750.00	\$ 9,175.00	\$ 39,284.39	\$ 220,209.39
1/31/2035	\$ 85,000.00	\$ 87,750.00	\$ 8,775.00	\$ 40,070.07	\$ 221,595.07
1/31/2036	\$ 85,000.00	\$ 83,500.00	\$ 8,350.00	\$ 40,871.48	\$ 217,721.48
1/31/2037	\$ 90,000.00	\$ 79,250.00	\$ 7,925.00	\$ 41,688.91	\$ 218,863.91
1/31/2038	\$ 95,000.00	\$ 74,750.00	\$ 7,475.00	\$ 42,522.68	\$ 219,747.68
1/31/2039	\$ 100,000.00	\$ 70,000.00	\$ 7,000.00	\$ 43,373.14	\$ 220,373.14
1/31/2040	\$ 105,000.00	\$ 65,000.00	\$ 6,500.00	\$ 44,240.60	\$ 220,740.60
1/31/2041	\$ 110,000.00	\$ 59,750.00	\$ 5,975.00	\$ 45,125.41	\$ 220,850.41
1/31/2042	\$ 115,000.00	\$ 54,250.00	\$ 5,425.00	\$ 46,027.92	\$ 220,702.92
1/31/2043	\$ 120,000.00	\$ 48,500.00	\$ 4,850.00	\$ 46,948.48	\$ 220,298.48
1/31/2044	\$ 125,000.00	\$ 42,500.00	\$ 4,250.00	\$ 47,887.45	\$ 219,637.45
1/31/2045	\$ 130,000.00	\$ 36,250.00	\$ 3,625.00	\$ 48,845.20	\$ 218,720.20
1/31/2046	\$ 140,000.00	\$ 29,750.00	\$ 2,975.00	\$ 49,822.10	\$ 222,547.10
1/31/2047	\$ 145,000.00	\$ 22,750.00	\$ 2,275.00	\$ 50,818.54	\$ 220,843.54
1/31/2048	\$ 150,000.00	\$ 15,500.00	\$ 1,550.00	\$ 51,834.91	\$ 218,884.91
1/31/2049	\$ 160,000.00	\$ 8,000.00	\$ 800.00	\$ 52,871.61	\$ 221,671.61
<b>Total</b>	<b>\$ 2,530,000.00</b>	<b>\$ 2,089,562.58</b>	<b>\$ 210,025.00</b>	<b>\$ 1,116,703.20</b>	<b>\$ 5,946,290.78</b>

<sup>1</sup> Interest rate on Major Improvement Area Bonds equals 4.375%, and 5.00% for bonds maturing in 2029, and 2049 respectively.

*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 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Lot Type	Note	Outstanding Assessment	Annual Installment Due 1/31/2022 <sup>1</sup>
2819698	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819699	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819700	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819701	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819702	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819703	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819704	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819705	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819706	Lot Type 1	[a]	\$ -	\$ -
2819707	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819708	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819711	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819712	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819713	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819714	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819715	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819716	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819717	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819718	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819719	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819720	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819721	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819722	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819723	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819724	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819725	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819726	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819727	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819728	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819729	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819730	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819731	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819732	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819733	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819734	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819735	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819736	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819737	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819738	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819739	Lot Type 1		\$ 22,154.57	\$ 1,811.71

Property ID	Lot Type	Note	Outstanding Assessment	Annual Installment Due 1/31/2022 <sup>1</sup>
2819740	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819741	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819742	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819743	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819744	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819745	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819746	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819747	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819748	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819749	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819750	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819751	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819752	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819753	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819754	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819755	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819756	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819757	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819758	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819759	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819760	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819761	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819762	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819763	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819764	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819765	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819766	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819767	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819768	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819769	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819770	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819771	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819772	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819773	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819774	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819775	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819776	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819777	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819778	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819779	Lot Type 1		\$ 22,154.57	\$ 1,811.71



Property ID	Lot Type	Note	Outstanding Assessment	Annual Installment Due 1/31/2022 <sup>1</sup>
2819780	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819781	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819782	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819783	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819784	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819785	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819786	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819787	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819788	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819789	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819790	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819791	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819792	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819793	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819794	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819795	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819796	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819797	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819798	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819799	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819800	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819801	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819802	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819803	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819804	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819805	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819806	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819807	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819808	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819809	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819810	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819811	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819812	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819813	Lot Type 1		\$ 22,154.57	\$ 1,811.71
2819814	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819815	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819816	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819817	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819818	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819819	Lot Type 2		\$ 24,168.62	\$ 1,976.41

Property ID	Lot Type	Note	Outstanding Assessment	Annual Installment Due 1/31/2022 <sup>1</sup>
2819820	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819821	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819822	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819823	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819824	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819825	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819826	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819827	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819828	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819829	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819830	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819831	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819832	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819833	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819834	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819835	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819836	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819837	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819838	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819839	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819840	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819841	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819842	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819843	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819844	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819845	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819846	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819847	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819848	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819849	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819850	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819851	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819852	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819853	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819854	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819855	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819856	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819857	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819858	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819859	Lot Type 2		\$ 24,168.62	\$ 1,976.41

Property ID	Lot Type	Note	Outstanding Assessment	Annual Installment Due 1/31/2022 <sup>1</sup>
2819860	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819861	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819862	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819863	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819864	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819865	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819866	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819867	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819868	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819869	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819870	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819871	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819872	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819873	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819874	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819875	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819876	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819877	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819878	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819879	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819880	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819881	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819882	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819884	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819885	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819886	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819887	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819888	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819889	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819890	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819891	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819892	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819893	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819894	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819895	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819896	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819897	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819898	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819899	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819900	Lot Type 2		\$ 24,168.62	\$ 1,976.41

Property ID	Lot Type	Note	Outstanding Assessment	Annual Installment Due 1/31/2022 <sup>1</sup>
2819901	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819902	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819903	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819904	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819905	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819906	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819907	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819908	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819909	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819910	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819911	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819912	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819913	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819914	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819915	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819916	Lot Type 2	[a]	\$ -	\$ -
2819917	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819918	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819919	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819920	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819921	Lot Type 2	[a]	\$ -	\$ -
2819922	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819923	Lot Type 2		\$ 24,168.62	\$ 1,976.41
2819924	Non-Benefitted Property		\$ -	\$ -
2819926	Non-Benefitted Property		\$ -	\$ -
2819927	Non-Benefitted Property		\$ -	\$ -
2819928	Non-Benefitted Property		\$ -	\$ -
2819929	Non-Benefitted Property		\$ -	\$ -
2819930	Non-Benefitted Property		\$ -	\$ -
2819931	Non-Benefitted Property		\$ -	\$ -
<b>Total<sup>2</sup></b>			<b>\$ 5,089,508.75</b>	<b>\$ 416,199.10</b>

<sup>1</sup> The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January

<sup>2</sup> Total may not match Service Plan or Installment Schedules due to Prepayments or rounding.

**Note:**

[a] Prepaid in full

## EXHIBIT F-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installments Due	Principal	Interest <sup>1</sup>	Additional Interest Reserve	Annual Collection Costs	Total Annual Installment
1/31/2023	\$ 110,000.00	\$ 221,025.00	\$ 25,800.00	\$ 64,249.17	\$ 421,074.17
1/31/2024	\$ 115,000.00	\$ 217,175.00	\$ 25,250.00	\$ 65,534.15	\$ 422,959.15
1/31/2025	\$ 115,000.00	\$ 213,150.00	\$ 24,675.00	\$ 66,844.84	\$ 419,669.84
1/31/2026	\$ 120,000.00	\$ 208,837.50	\$ 24,100.00	\$ 68,181.73	\$ 421,119.23
1/31/2027	\$ 125,000.00	\$ 204,337.50	\$ 23,500.00	\$ 69,545.37	\$ 422,382.87
1/31/2028	\$ 130,000.00	\$ 199,650.00	\$ 22,875.00	\$ 70,936.28	\$ 423,461.28
1/31/2029	\$ 135,000.00	\$ 194,775.00	\$ 22,225.00	\$ 72,355.00	\$ 424,355.00
1/31/2030	\$ 140,000.00	\$ 189,712.50	\$ 21,550.00	\$ 73,802.10	\$ 425,064.60
1/31/2031	\$ 145,000.00	\$ 183,762.50	\$ 20,850.00	\$ 75,278.14	\$ 424,890.64
1/31/2032	\$ 150,000.00	\$ 177,600.00	\$ 20,125.00	\$ 76,783.71	\$ 424,508.71
1/31/2033	\$ 160,000.00	\$ 171,225.00	\$ 19,375.00	\$ 78,319.38	\$ 428,919.38
1/31/2034	\$ 165,000.00	\$ 164,425.00	\$ 18,575.00	\$ 79,885.77	\$ 427,885.77
1/31/2035	\$ 170,000.00	\$ 157,412.50	\$ 17,750.00	\$ 81,483.48	\$ 426,645.98
1/31/2036	\$ 180,000.00	\$ 150,187.50	\$ 16,900.00	\$ 83,113.15	\$ 430,200.65
1/31/2037	\$ 185,000.00	\$ 142,537.50	\$ 16,000.00	\$ 84,775.42	\$ 428,312.92
1/31/2038	\$ 195,000.00	\$ 134,675.00	\$ 15,075.00	\$ 86,470.92	\$ 431,220.92
1/31/2039	\$ 205,000.00	\$ 126,387.50	\$ 14,100.00	\$ 88,200.34	\$ 433,687.84
1/31/2040	\$ 210,000.00	\$ 117,675.00	\$ 13,075.00	\$ 89,964.35	\$ 430,714.35
1/31/2041	\$ 220,000.00	\$ 108,225.00	\$ 12,025.00	\$ 91,763.64	\$ 432,013.64
1/31/2042	\$ 230,000.00	\$ 98,325.00	\$ 10,925.00	\$ 93,598.91	\$ 432,848.91
1/31/2043	\$ 240,000.00	\$ 87,975.00	\$ 9,775.00	\$ 95,470.89	\$ 433,220.89
1/31/2044	\$ 255,000.00	\$ 77,175.00	\$ 8,575.00	\$ 97,380.30	\$ 438,130.30
1/31/2045	\$ 265,000.00	\$ 65,700.00	\$ 7,300.00	\$ 99,327.91	\$ 437,327.91
1/31/2046	\$ 280,000.00	\$ 53,775.00	\$ 5,975.00	\$ 101,314.47	\$ 441,064.47
1/31/2047	\$ 290,000.00	\$ 41,175.00	\$ 4,575.00	\$ 103,340.76	\$ 439,090.76
1/31/2048	\$ 305,000.00	\$ 28,125.00	\$ 3,125.00	\$ 105,407.57	\$ 441,657.57
1/31/2049	\$ 320,000.00	\$ 14,400.00	\$ 1,600.00	\$ 107,515.72	\$ 443,515.72
<b>Total</b>	<b>\$ 5,160,000.00</b>	<b>\$ 3,749,425.00</b>	<b>\$ 425,675.00</b>	<b>\$ 2,270,843.47</b>	<b>\$ 11,605,943.47</b>

<sup>1</sup> Interest rate on Improvement Area #1 Bonds equals 3.500%, 3.750%, 4.250% and 4.500% for bonds maturing in 2024, 2029, 2039 and 2049 respectively.

*Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

## EXHIBIT G-1 –IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848300	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848303	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848304	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848305	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848306	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848308	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848309	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848310	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848311	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848312	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848313	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848314	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848315	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848316	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848317	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848318	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848319	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848320	Non-Benefitted	\$ -	\$ -
2848321	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848322	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848323	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848324	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848325	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848326	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848327	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848328	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848329	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848330	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848331	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848332	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848333	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848334	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848335	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848336	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848337	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848338	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848339	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848341	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848342	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848343	Lot Type 3	\$ 28,042.80	\$ 2,442.28

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848344	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848345	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848346	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848347	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848348	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848349	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848350	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848351	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848352	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848353	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848354	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848355	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848356	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848357	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848358	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848359	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848360	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848361	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848362	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848363	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848364	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848365	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848366	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848367	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848368	Non-Benefitted	\$ -	\$ -
2848369	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848370	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848371	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848372	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848373	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848374	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848375	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848376	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848377	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848378	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848379	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848380	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848381	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848382	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848383	Lot Type 3	\$ 28,042.80	\$ 2,442.28

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848384	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848386	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848392	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848393	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848394	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848395	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848396	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848397	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848398	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848399	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848400	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848401	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848402	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848403	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848404	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848405	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848406	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848407	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848408	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848409	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848410	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848411	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848412	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848414	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848415	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848416	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848417	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848418	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848419	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848420	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848421	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848422	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848423	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848424	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848425	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848426	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848427	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848428	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848429	Lot Type 3	\$ 28,042.80	\$ 2,442.28
2848430	Lot Type 3	\$ 28,042.80	\$ 2,442.28



Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848431	Non-Benefitted	\$ -	\$ -
2848432	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848433	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848434	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848435	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848436	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848437	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848438	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848439	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848440	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848441	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848442	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848443	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848444	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848445	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848446	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848447	Non-Benefitted	\$ -	\$ -
2848449	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848450	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848451	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848452	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848453	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848454	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848455	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848456	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848457	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848458	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848459	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848460	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848461	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848462	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848463	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848465	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848466	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848467	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848468	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848469	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848470	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848471	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848472	Lot Type 4	\$ 33,443.31	\$ 2,912.62

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848473	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848474	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848475	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848476	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848477	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848478	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848479	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848480	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848481	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848482	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848483	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848484	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848485	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848486	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848487	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848488	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848489	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848490	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848491	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848492	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848493	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848494	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848495	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848496	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848497	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848498	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848499	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848500	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848501	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848502	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848504	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848505	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848506	Non-Benefitted	\$ -	\$ -
2848507	Non-Benefitted	\$ -	\$ -
2848508	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848509	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848510	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848511	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848512	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848513	Lot Type 4	\$ 33,443.31	\$ 2,912.62

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848514	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848515	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848516	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848517	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848518	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848519	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848520	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848521	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848522	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848523	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848524	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848525	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848527	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848528	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848529	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848530	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848531	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848532	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848533	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848534	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848535	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848536	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848537	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848538	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848539	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848540	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848541	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848542	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848543	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848544	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848545	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848546	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848547	Non-Benefitted	\$ -	\$ -
2848548	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848549	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848550	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848551	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848552	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848553	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848554	Lot Type 4	\$ 33,443.31	\$ 2,912.62

Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>1</sup>
2848555	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848556	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848558	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848559	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848560	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848561	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848562	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848563	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848564	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848565	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848566	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848567	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848568	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848569	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848570	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848571	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848572	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848573	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848574	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848575	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848576	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848577	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848578	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848579	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848580	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848581	Lot Type 4	\$ 33,443.31	\$ 2,912.62
2848582	Lot Type 4	\$ 33,443.31	\$ 2,912.62
<b>Total<sup>2</sup></b>		<b>\$ 8,058,000.42</b>	<b>\$ 701,781.08</b>

Notes:

<sup>1</sup> The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January 31, 2023. Parcels in Improvement Area #2 are also subject to Major Improvement Area Assessments. See **Exhibit E-1** for the Major Improvement Area Assessment Roll. Annual Installment and components thereof due 1/31/2023 to be adjusted to match Assessment Roll approved in the 2022 Amended and Restated Service and Assessment Plan.

<sup>2</sup> Total may not match Service Plan or Installment Schedules due to Prepayments or rounding.

## EXHIBIT G-2 –IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Installments Due	Improvement Areas #2-3 Bonds					Total Installment <sup>2</sup>
	Principal	Interest <sup>1</sup>	Additional Interest	Annual Collection Costs		
1/31/2023	\$ 109,457.22	\$ 519,067.92	\$ 43,255.66	\$ 30,000.00	\$	701,780.81
1/31/2024	\$ 115,761.04	\$ 512,500.49	\$ 42,708.37	\$ 30,600.00	\$	701,569.91
1/31/2025	\$ 123,211.01	\$ 505,554.83	\$ 42,129.57	\$ 31,212.00	\$	702,107.41
1/31/2026	\$ 130,087.90	\$ 498,162.17	\$ 41,513.51	\$ 31,836.24	\$	701,599.82
1/31/2027	\$ 138,110.95	\$ 490,356.89	\$ 40,863.07	\$ 32,472.96	\$	701,803.88
1/31/2028	\$ 146,707.06	\$ 482,070.24	\$ 40,172.52	\$ 33,122.42	\$	702,072.24
1/31/2029	\$ 155,303.18	\$ 473,267.81	\$ 39,438.98	\$ 33,784.87	\$	701,794.85
1/31/2030	\$ 164,472.37	\$ 463,949.62	\$ 38,662.47	\$ 34,460.57	\$	701,545.03
1/31/2031	\$ 174,214.64	\$ 454,081.28	\$ 37,840.11	\$ 35,149.78	\$	701,285.80
1/31/2032	\$ 185,103.05	\$ 443,628.40	\$ 36,969.03	\$ 35,852.78	\$	701,553.26
1/31/2033	\$ 195,991.47	\$ 432,522.22	\$ 36,043.52	\$ 36,569.83	\$	701,127.04
1/31/2034	\$ 208,026.03	\$ 420,762.73	\$ 35,063.56	\$ 37,301.23	\$	701,153.55
1/31/2035	\$ 220,060.59	\$ 408,281.17	\$ 34,023.43	\$ 38,047.25	\$	700,412.45
1/31/2036	\$ 233,241.31	\$ 395,077.53	\$ 32,923.13	\$ 38,808.20	\$	700,050.17
1/31/2037	\$ 247,568.17	\$ 381,083.06	\$ 31,756.92	\$ 39,584.36	\$	699,992.51
1/31/2038	\$ 262,468.10	\$ 366,228.97	\$ 30,519.08	\$ 40,376.05	\$	699,592.20
1/31/2039	\$ 277,941.11	\$ 350,480.88	\$ 29,206.74	\$ 41,183.57	\$	698,812.30
1/31/2040	\$ 294,560.27	\$ 333,804.41	\$ 27,817.03	\$ 42,007.24	\$	698,188.96
1/31/2041	\$ 312,325.58	\$ 316,130.80	\$ 26,344.23	\$ 42,847.39	\$	697,648.00
1/31/2042	\$ 331,237.04	\$ 297,391.26	\$ 24,782.61	\$ 43,704.34	\$	697,115.24
1/31/2043	\$ 350,721.57	\$ 277,517.04	\$ 23,126.42	\$ 44,578.42	\$	695,943.45
1/31/2044	\$ 371,925.33	\$ 256,473.74	\$ 21,372.81	\$ 45,469.99	\$	695,241.87
1/31/2045	\$ 394,275.23	\$ 234,158.22	\$ 19,513.19	\$ 46,379.39	\$	694,326.03
1/31/2046	\$ 417,771.28	\$ 210,501.71	\$ 17,541.81	\$ 47,306.98	\$	693,121.78
1/31/2047	\$ 442,986.56	\$ 185,435.43	\$ 15,452.95	\$ 48,253.12	\$	692,128.06
1/31/2048	\$ 469,347.98	\$ 158,856.24	\$ 13,238.02	\$ 49,218.18	\$	690,660.42
1/31/2049	\$ 498,001.71	\$ 130,695.36	\$ 10,891.28	\$ 50,202.54	\$	689,790.89
1/31/2050	\$ 527,801.58	\$ 100,815.26	\$ 8,401.27	\$ 51,206.59	\$	688,224.70
1/31/2051	\$ 559,320.67	\$ 69,147.16	\$ 5,762.26	\$ 52,230.73	\$	686,460.83
<b>Total</b>	<b>\$ 8,058,000.00</b>	<b>\$ 10,168,002.86</b>	<b>\$ 847,333.57</b>	<b>\$ 1,163,767.04</b>	<b>\$</b>	<b>20,237,103.47</b>

<sup>1</sup> Interest on Improvement Areas #2-3 Bonds is calculated at a 6.00% rate for illustrative purposes. The Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments will be updated upon determination of the actual interest rates on Improvement Areas #2-3 Bonds.

<sup>2</sup> Parcels in Improvement Area #2 are also subject to the Major Improvement Area Assessments. Annual Installment and components thereof due 1/31/2023 to be adjusted to match Assessment Roll approved in the 2022 Amended and Restated Service and Assessment Plan.

*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 H-1 –IMPROVEMENT AREA #3 ASSESSMENT ROLL

Property ID <sup>1</sup>	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2023 <sup>2</sup>
2849278	Improvement Area #3 Initial Parcel	\$ 7,038,000.00	\$ 530,459.19
<b>Total</b>		<b>\$ 7,038,000.00</b>	<b>\$ 530,459.19</b>

<sup>1</sup> Per Collin County Appraisal District. Preliminary and subject to change.

<sup>2</sup> The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January 31, 2023. Parcels in Improvement Area #3 are also subject to Major Improvement Area Assessments. See **Exhibit E-1** for the Major Improvement Area Assessment Roll. Annual Installment and components thereof due 1/31/2023 to be adjusted to match Assessment Roll approved in the 2022 Amended and Restated Service and Assessment Plan.

## EXHIBIT H-2 –IMPROVEMENT AREA #3 ANNUAL INSTALLMENTS

Installments Due	Improvement Areas #2-3 Bonds					Total Installment <sup>2</sup>
	Principal	Interest <sup>1</sup>	Additional Interest	Annual Collection Costs		
1/31/2023	\$ 81,542.78	\$ 386,692.08	\$ 32,224.34	\$ 30,000.00	\$	530,459.19
1/31/2024	\$ 86,238.96	\$ 381,799.51	\$ 31,816.63	\$ 30,600.00	\$	530,455.09
1/31/2025	\$ 91,788.99	\$ 376,625.17	\$ 31,385.43	\$ 31,212.00	\$	531,011.59
1/31/2026	\$ 96,912.10	\$ 371,117.83	\$ 30,926.49	\$ 31,836.24	\$	530,792.66
1/31/2027	\$ 102,889.05	\$ 365,303.11	\$ 30,441.93	\$ 32,472.96	\$	531,107.05
1/31/2028	\$ 109,292.94	\$ 359,129.76	\$ 29,927.48	\$ 33,122.42	\$	531,472.61
1/31/2029	\$ 115,696.82	\$ 352,572.19	\$ 29,381.02	\$ 33,784.87	\$	531,434.90
1/31/2030	\$ 122,527.63	\$ 345,630.38	\$ 28,802.53	\$ 34,460.57	\$	531,421.11
1/31/2031	\$ 129,785.36	\$ 338,278.72	\$ 28,189.89	\$ 35,149.78	\$	531,403.76
1/31/2032	\$ 137,896.95	\$ 330,491.60	\$ 27,540.97	\$ 35,852.78	\$	531,782.29
1/31/2033	\$ 146,008.53	\$ 322,217.78	\$ 26,851.48	\$ 36,569.83	\$	531,647.63
1/31/2034	\$ 154,973.97	\$ 313,457.27	\$ 26,121.44	\$ 37,301.23	\$	531,853.91
1/31/2035	\$ 163,939.41	\$ 304,158.83	\$ 25,346.57	\$ 38,047.25	\$	531,492.06
1/31/2036	\$ 173,758.69	\$ 294,322.47	\$ 24,526.87	\$ 38,808.20	\$	531,416.23
1/31/2037	\$ 184,431.83	\$ 283,896.94	\$ 23,658.08	\$ 39,584.36	\$	531,571.22
1/31/2038	\$ 195,531.90	\$ 272,831.03	\$ 22,735.92	\$ 40,376.05	\$	531,474.90
1/31/2039	\$ 207,058.89	\$ 261,099.12	\$ 21,758.26	\$ 41,183.57	\$	531,099.84
1/31/2040	\$ 219,439.73	\$ 248,675.59	\$ 20,722.97	\$ 42,007.24	\$	530,845.52
1/31/2041	\$ 232,674.42	\$ 235,509.20	\$ 19,625.77	\$ 42,847.39	\$	530,656.78
1/31/2042	\$ 246,762.96	\$ 221,548.74	\$ 18,462.39	\$ 43,704.34	\$	530,478.43
1/31/2043	\$ 261,278.43	\$ 206,742.96	\$ 17,228.58	\$ 44,578.42	\$	529,828.39
1/31/2044	\$ 277,074.67	\$ 191,066.26	\$ 15,922.19	\$ 45,469.99	\$	529,533.11
1/31/2045	\$ 293,724.77	\$ 174,441.78	\$ 14,536.81	\$ 46,379.39	\$	529,082.75
1/31/2046	\$ 311,228.72	\$ 156,818.29	\$ 13,068.19	\$ 47,306.98	\$	528,422.18
1/31/2047	\$ 330,013.44	\$ 138,144.57	\$ 11,512.05	\$ 48,253.12	\$	527,923.17
1/31/2048	\$ 349,652.02	\$ 118,343.76	\$ 9,861.98	\$ 49,218.18	\$	527,075.94
1/31/2049	\$ 370,998.29	\$ 97,364.64	\$ 8,113.72	\$ 50,202.54	\$	526,679.19
1/31/2050	\$ 393,198.42	\$ 75,104.74	\$ 6,258.73	\$ 51,206.59	\$	525,768.48
1/31/2051	\$ 416,679.33	\$ 51,512.84	\$ 4,292.74	\$ 52,230.73	\$	524,715.62
1/31/2052	\$ 1,035,000.00	\$ 62,100.00	\$ 5,175.00	\$ 53,275.34	\$	1,155,550.34
<b>Total</b>	<b>\$ 7,038,000.00</b>	<b>\$ 7,636,997.14</b>	<b>\$ 636,416.43</b>	<b>\$ 1,217,042.38</b>	<b>\$</b>	<b>16,528,455.95</b>

<sup>1</sup> Interest on Improvement Areas #2-3 Bonds is calculated at a 6.00% rate for illustrative purposes. The Improvement Area #3 Assessment Roll and Improvement Area #3 Annual Installments will be updated upon determination of the actual interest rates

<sup>2</sup> Parcels in Improvement Area #3 are also subject to Major Improvement Area Assessments. Annual Installment and components thereof due 1/31/2023 to be adjusted to match Assessment Roll approved in the 2022 Amended and Restated Service and Assessment Plan.

*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 H-3 –IMPROVEMENT AREAS #2-3 ANNUAL INSTALLMENTS

	Improvement Areas #2-3 Bonds					
Installments Due	Principal	Interest <sup>1</sup>	Additional Interest	Annual Collection Costs	Total Installment <sup>2</sup>	
1/31/2023	\$ 191,000.00	\$ 905,760.00	\$ 75,480.00	\$ 60,000.00	\$ 1,232,240.00	
1/31/2024	\$ 202,000.00	\$ 894,300.00	\$ 74,525.00	\$ 61,200.00	\$ 1,232,025.00	
1/31/2025	\$ 215,000.00	\$ 882,180.00	\$ 73,515.00	\$ 62,424.00	\$ 1,233,119.00	
1/31/2026	\$ 227,000.00	\$ 869,280.00	\$ 72,440.00	\$ 63,672.48	\$ 1,232,392.48	
1/31/2027	\$ 241,000.00	\$ 855,660.00	\$ 71,305.00	\$ 64,945.93	\$ 1,232,910.93	
1/31/2028	\$ 256,000.00	\$ 841,200.00	\$ 70,100.00	\$ 66,244.85	\$ 1,233,544.85	
1/31/2029	\$ 271,000.00	\$ 825,840.00	\$ 68,820.00	\$ 67,569.75	\$ 1,233,229.75	
1/31/2030	\$ 287,000.00	\$ 809,580.00	\$ 67,465.00	\$ 68,921.14	\$ 1,232,966.14	
1/31/2031	\$ 304,000.00	\$ 792,360.00	\$ 66,030.00	\$ 70,299.56	\$ 1,232,689.56	
1/31/2032	\$ 323,000.00	\$ 774,120.00	\$ 64,510.00	\$ 71,705.55	\$ 1,233,335.55	
1/31/2033	\$ 342,000.00	\$ 754,740.00	\$ 62,895.00	\$ 73,139.67	\$ 1,232,774.67	
1/31/2034	\$ 363,000.00	\$ 734,220.00	\$ 61,185.00	\$ 74,602.46	\$ 1,233,007.46	
1/31/2035	\$ 384,000.00	\$ 712,440.00	\$ 59,370.00	\$ 76,094.51	\$ 1,231,904.51	
1/31/2036	\$ 407,000.00	\$ 689,400.00	\$ 57,450.00	\$ 77,616.40	\$ 1,231,466.40	
1/31/2037	\$ 432,000.00	\$ 664,980.00	\$ 55,415.00	\$ 79,168.73	\$ 1,231,563.73	
1/31/2038	\$ 458,000.00	\$ 639,060.00	\$ 53,255.00	\$ 80,752.10	\$ 1,231,067.10	
1/31/2039	\$ 485,000.00	\$ 611,580.00	\$ 50,965.00	\$ 82,367.14	\$ 1,229,912.14	
1/31/2040	\$ 514,000.00	\$ 582,480.00	\$ 48,540.00	\$ 84,014.49	\$ 1,229,034.49	
1/31/2041	\$ 545,000.00	\$ 551,640.00	\$ 45,970.00	\$ 85,694.77	\$ 1,228,304.77	
1/31/2042	\$ 578,000.00	\$ 518,940.00	\$ 43,245.00	\$ 87,408.67	\$ 1,227,593.67	
1/31/2043	\$ 612,000.00	\$ 484,260.00	\$ 40,355.00	\$ 89,156.84	\$ 1,225,771.84	
1/31/2044	\$ 649,000.00	\$ 447,540.00	\$ 37,295.00	\$ 90,939.98	\$ 1,224,774.98	
1/31/2045	\$ 688,000.00	\$ 408,600.00	\$ 34,050.00	\$ 92,758.78	\$ 1,223,408.78	
1/31/2046	\$ 729,000.00	\$ 367,320.00	\$ 30,610.00	\$ 94,613.96	\$ 1,221,543.96	
1/31/2047	\$ 773,000.00	\$ 323,580.00	\$ 26,965.00	\$ 96,506.23	\$ 1,220,051.23	
1/31/2048	\$ 819,000.00	\$ 277,200.00	\$ 23,100.00	\$ 98,436.36	\$ 1,217,736.36	
1/31/2049	\$ 869,000.00	\$ 228,060.00	\$ 19,005.00	\$ 100,405.09	\$ 1,216,470.09	
1/31/2050	\$ 921,000.00	\$ 175,920.00	\$ 14,660.00	\$ 102,413.19	\$ 1,213,993.19	
1/31/2051	\$ 976,000.00	\$ 120,660.00	\$ 10,055.00	\$ 104,461.45	\$ 1,211,176.45	
1/31/2052	\$ 1,035,000.00	\$ 62,100.00	\$ 5,175.00	\$ 53,275.34	\$ 1,155,550.34	
Total	\$ 15,096,000.00	\$ 17,805,000.00	\$ 1,483,750.00	\$ 2,380,809.41	\$ 36,765,559.41	

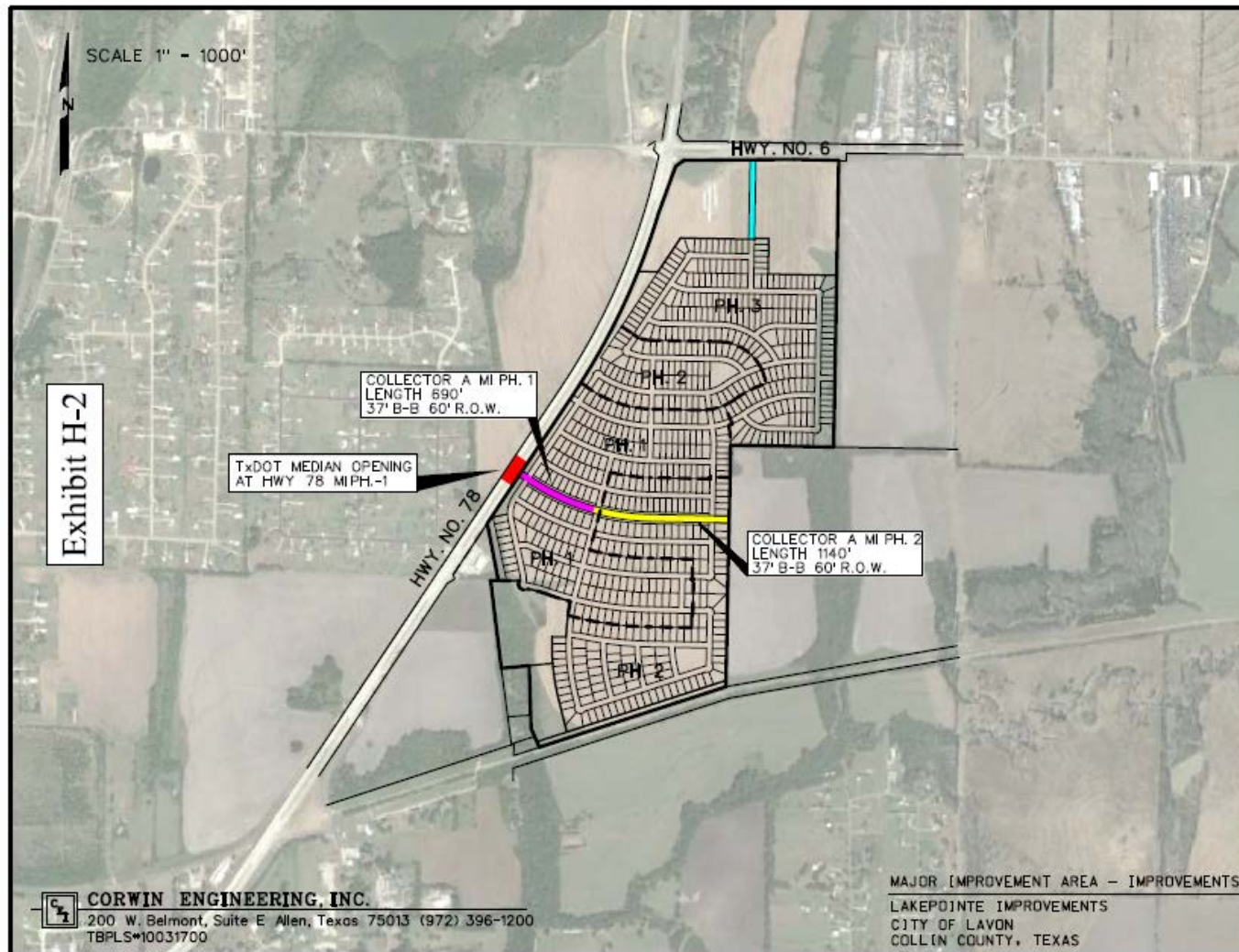
<sup>1</sup> Interest on Improvement Areas #2-3 Bonds is calculated at a 6.00% rate for illustrative purposes. The Improvement Areas #2-3 Annual Installments will be updated upon determination of the actual interest rates on Improvement Areas #2-3 Bonds.

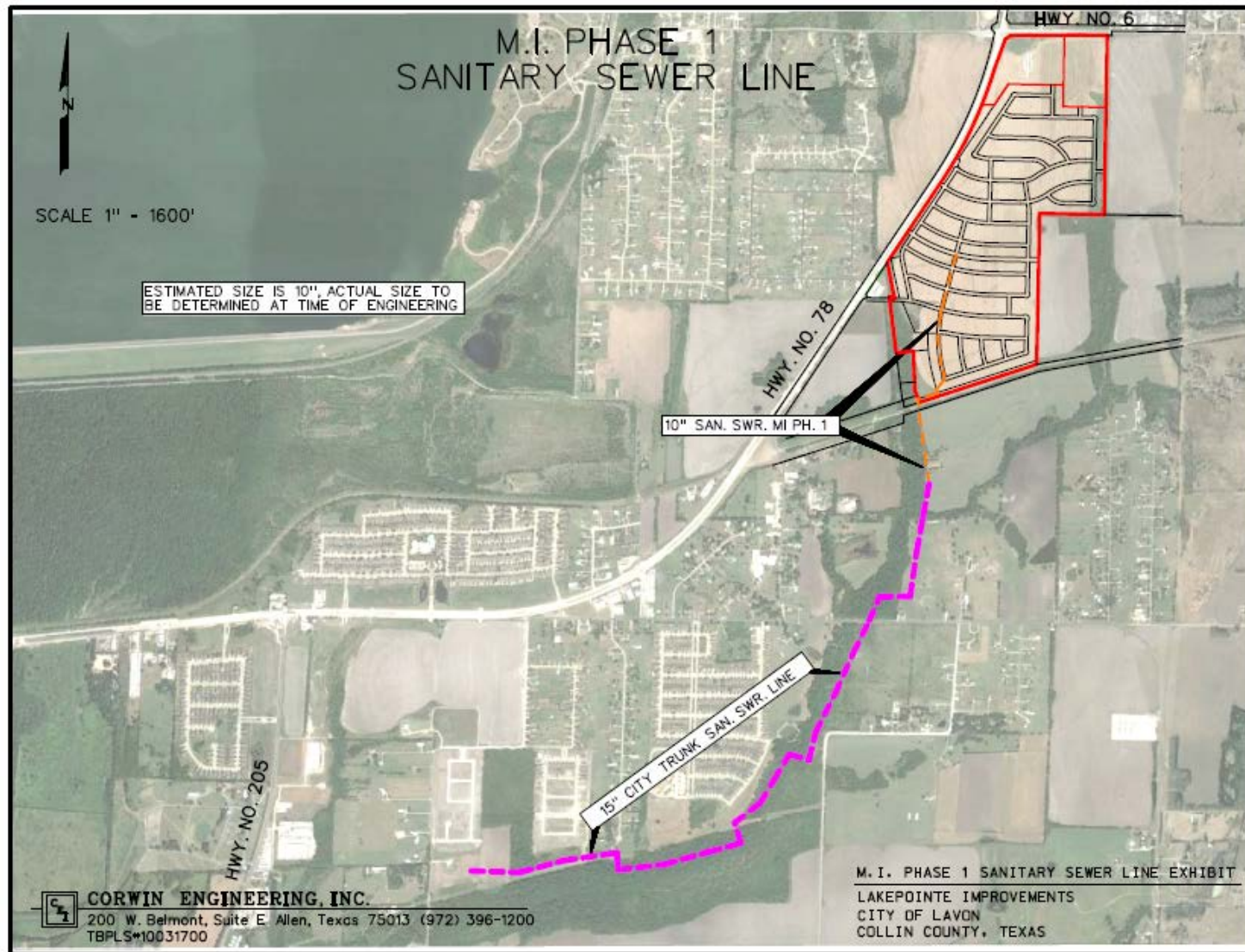
<sup>2</sup> Parcels in Improvement Area #2 & 3 are also subject to Major Improvement Area Assessments. Annual Installment and components thereof due 1/31/2023 to be adjusted to match Assessment Roll approved in the 2022 Amended and Restated Service and Assessment Plan.

*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.*



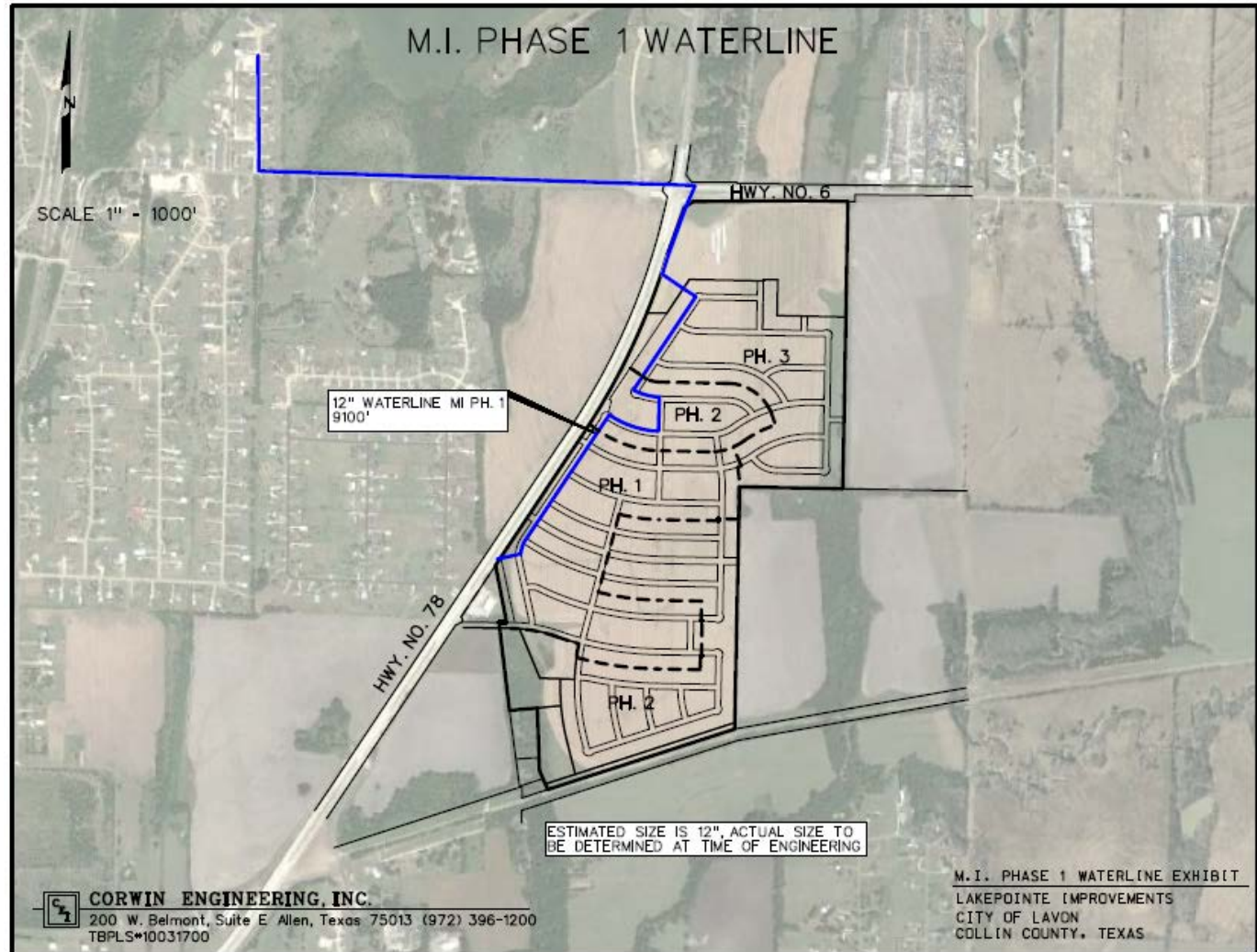
## EXHIBIT I-1 – MAPS OF MAJOR IMPROVEMENTS



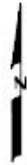




## EXHIBIT I-2 – MAPS OF WATER IMPROVEMENTS



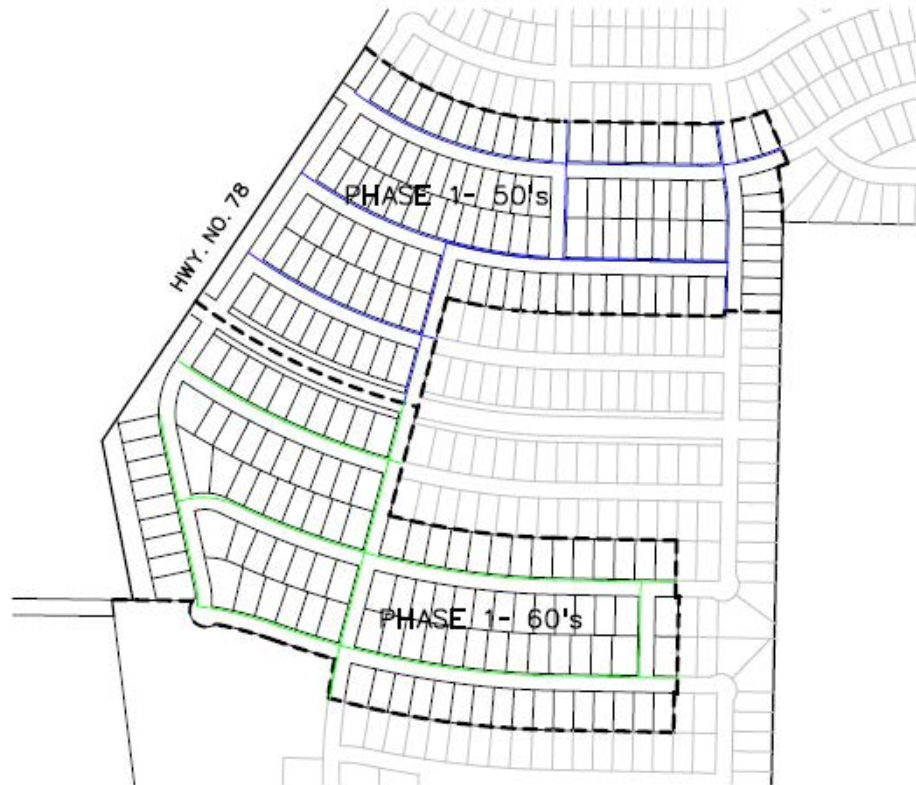
## Exhibit H-3B



0  
SCALE: 1" = 400'

### LEGEND

- PHASE 1 - 60's 8" WATERLINE
- PHASE 1 - 50's 8" WATERLINE

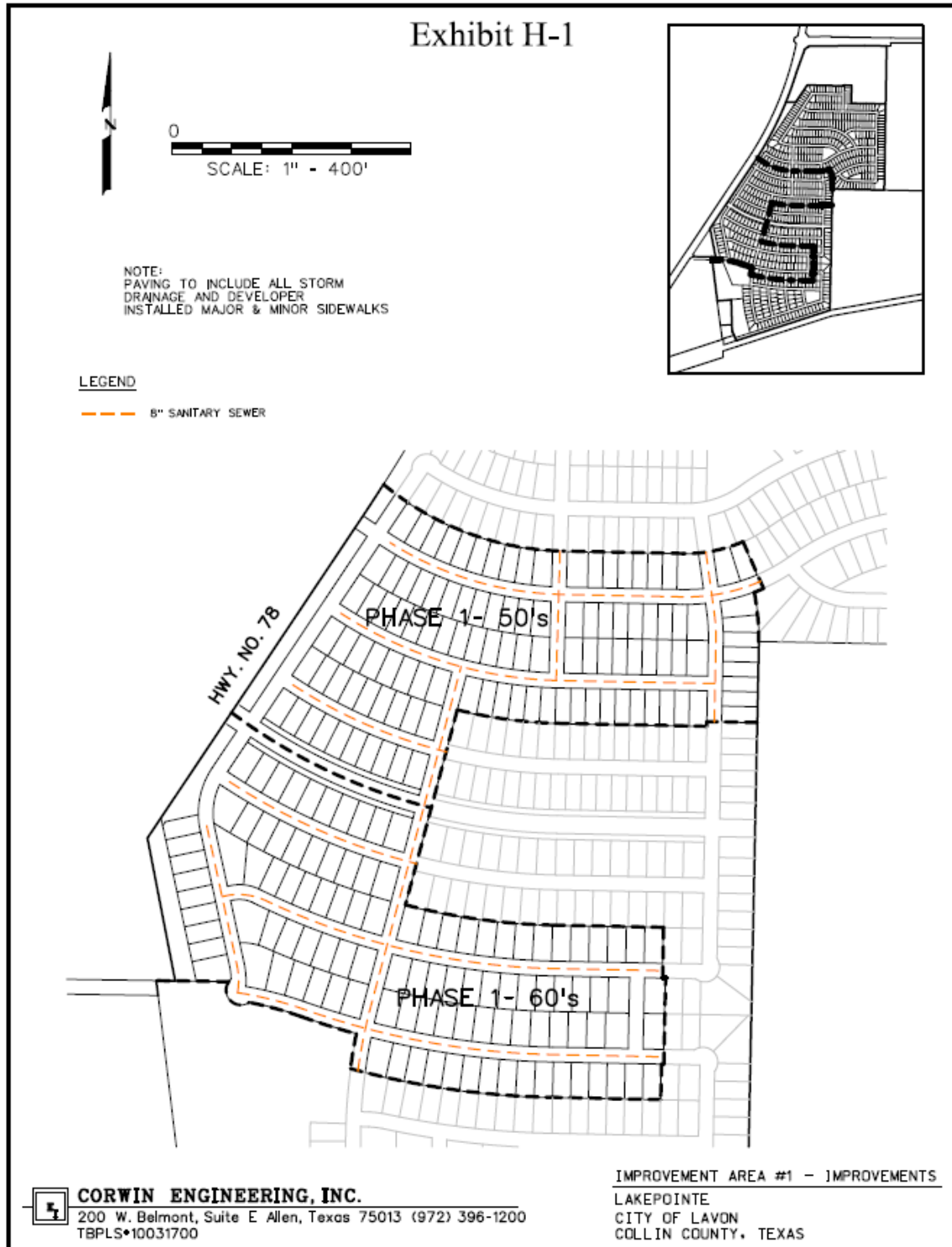


**CORWIN ENGINEERING, INC.**

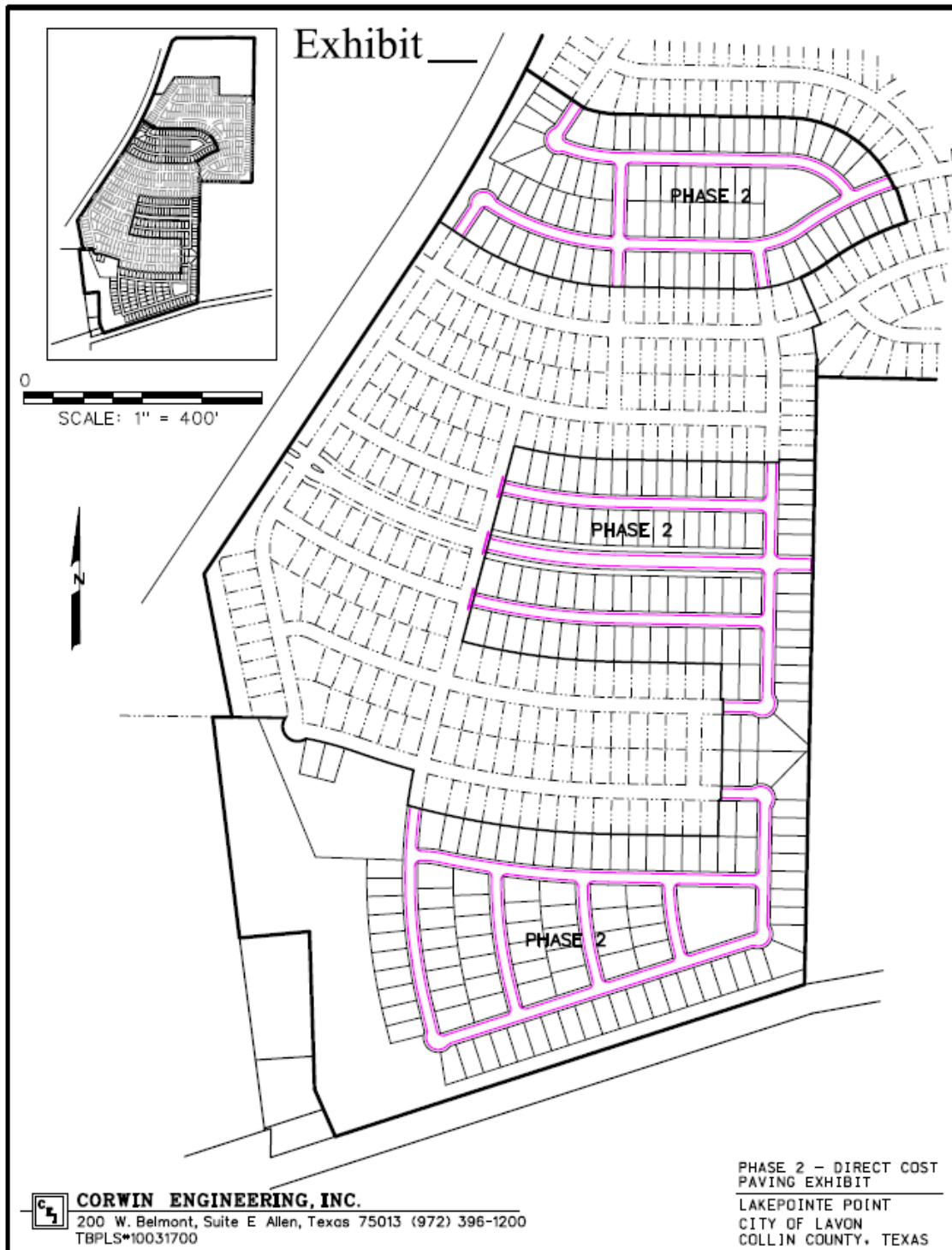
200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS•10031700

PHASE 1 - DIRECT COST  
WATER IMPROVEMENTS  
LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

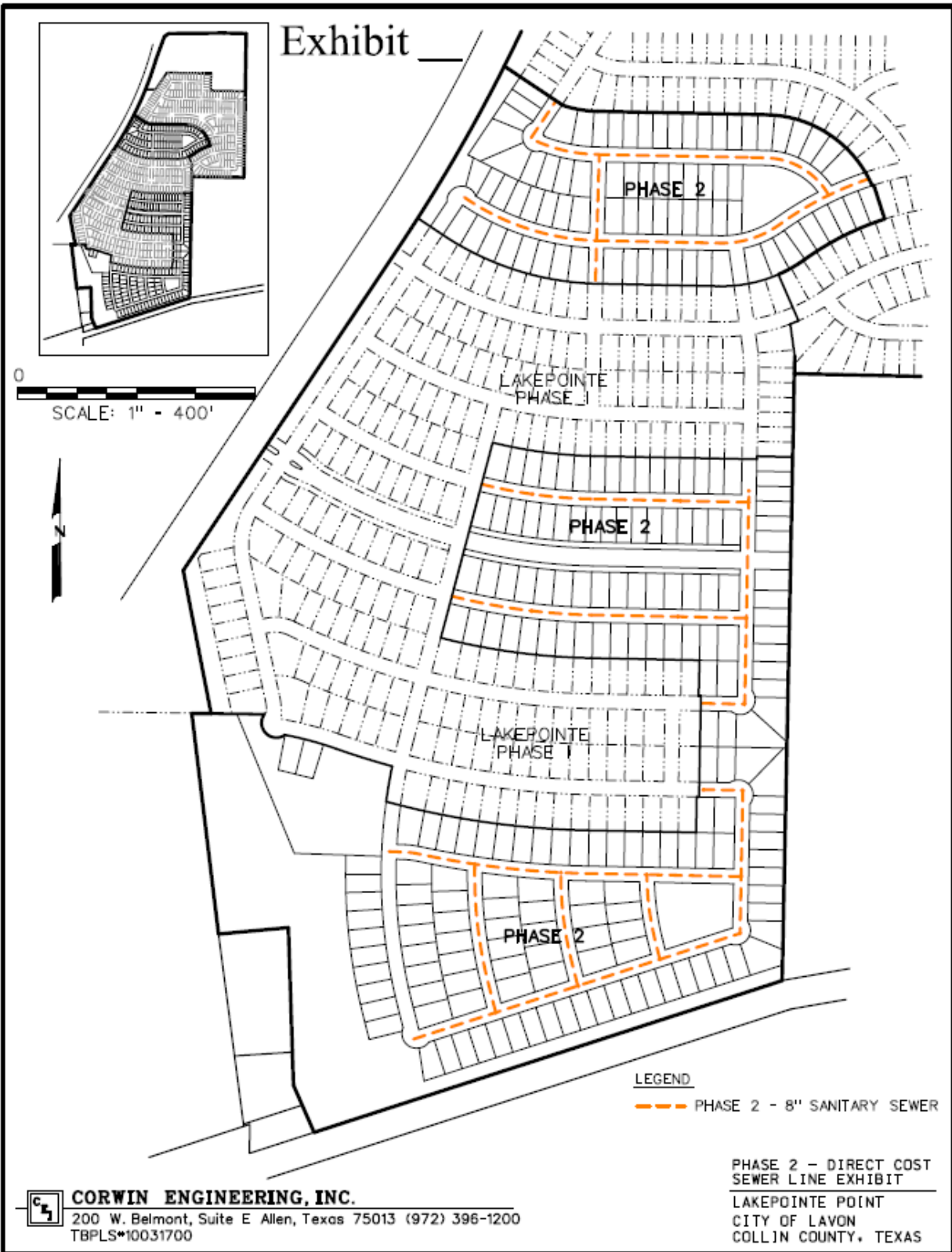
## EXHIBIT I-3 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS

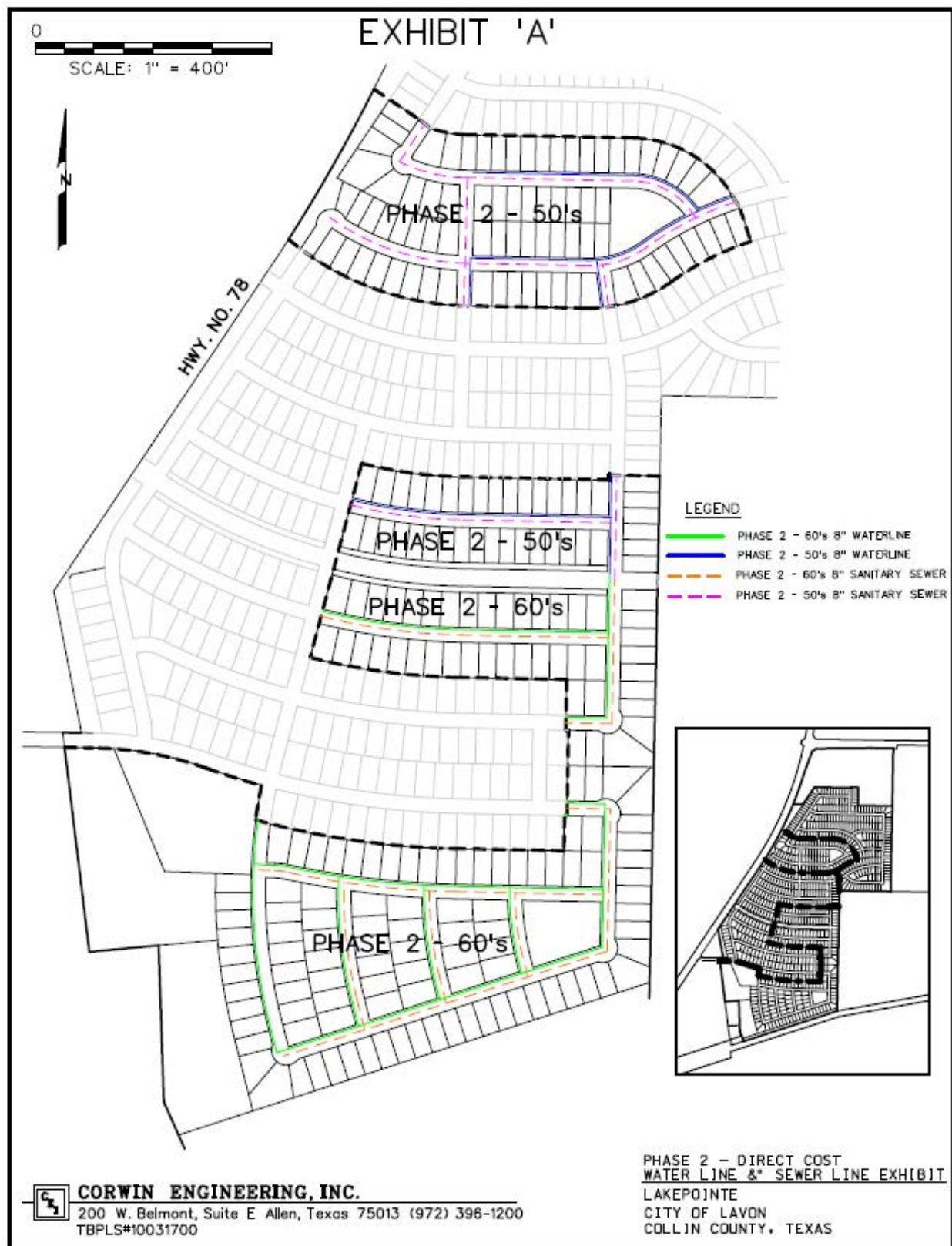


## EXHIBIT I-4 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS



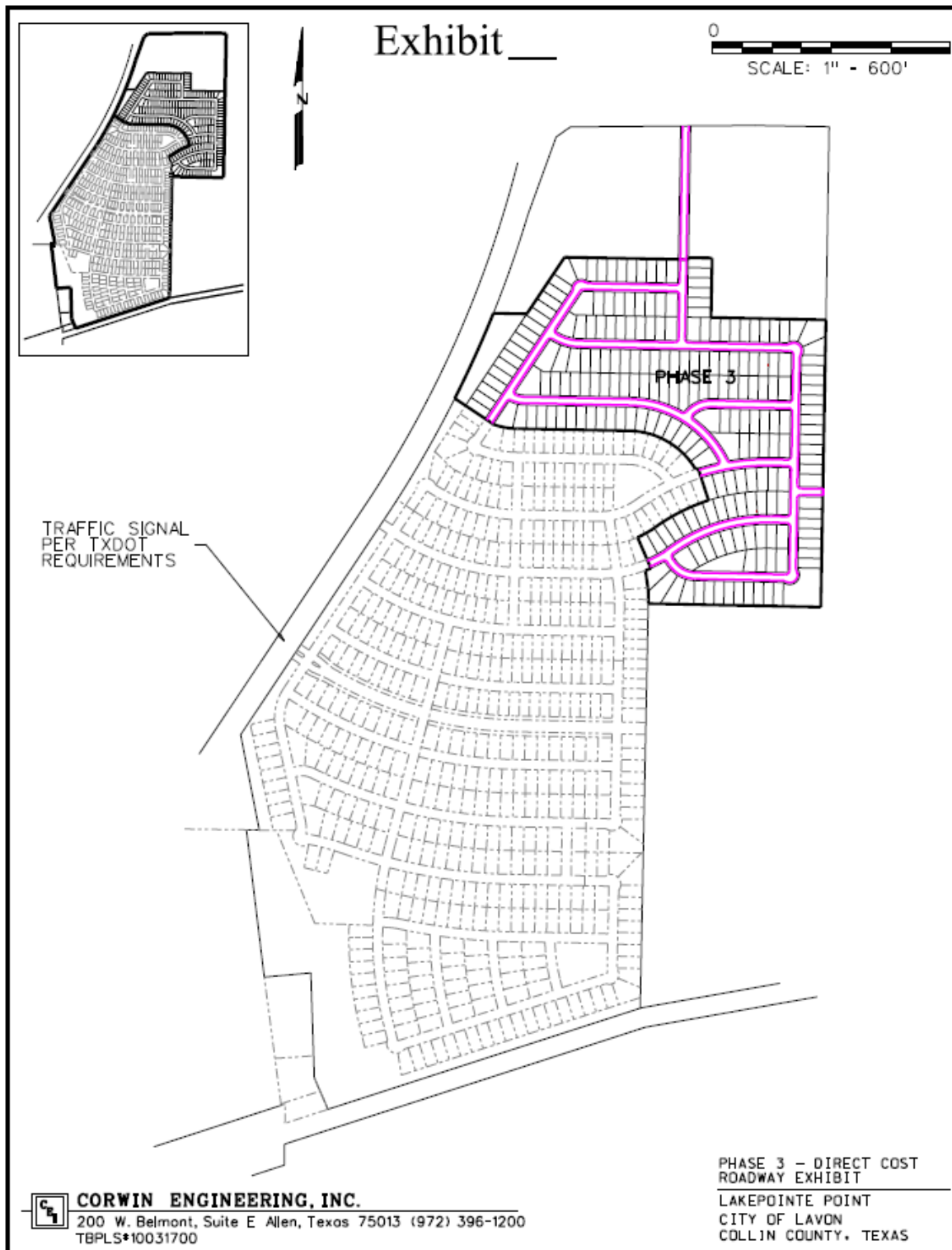


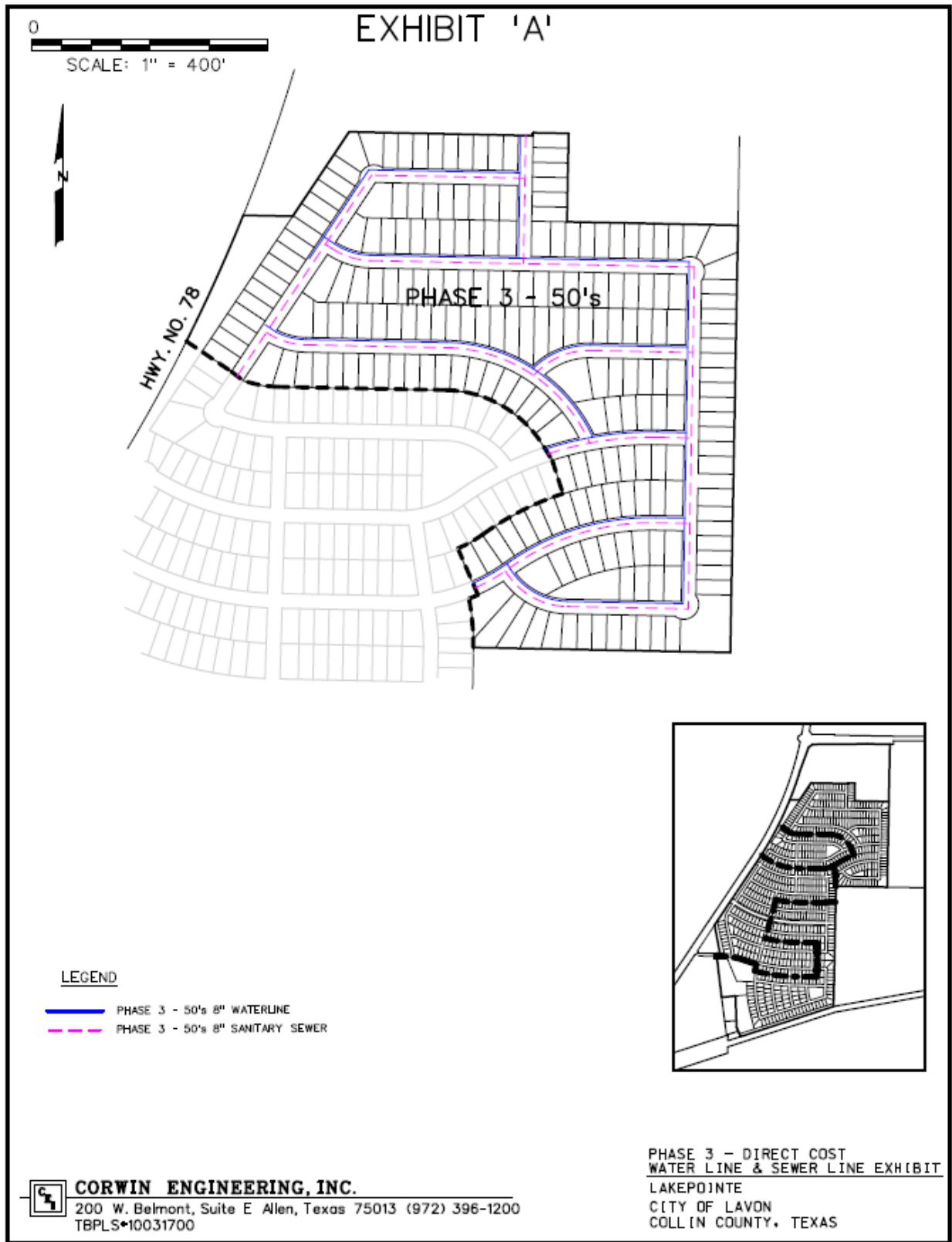




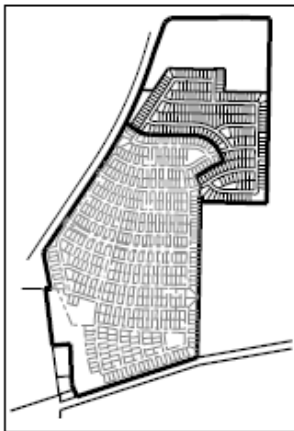


## EXHIBIT I-5 – MAPS OF IMPROVEMENT AREA #3 IMPROVEMENTS

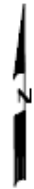




# Exhibit \_\_\_\_



0  
SCALE: 1" = 300'



## LEGEND

— PHASE 3 - 8" SANITARY SEWER



**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

PHASE 3 - DIRECT COST  
SEWER LINE EXHIBIT  
LAKEPOINTE POINT  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

## EXHIBIT J – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

					2019 Assessment Ordinance (IA#1 & MIA)					2021 & 2022 Assessment Ordinance (IA#2 & IA#3)				
Lot Type	Original Lot Count	Prepaid	Estimated Buildout Value per Unit	Total Estimated Buildout Value	Assessment	Maximum Assessment per Unit	Average Annual Installment	Average Annual Installment per Unit	PID TRE	Assessment	Maximum Assessment per Unit	Average Annual Installment	Average Annual Installment per Unit	PID TRE
Improvement Area #1														
Lot Type 1	114	1	\$ 275,000	\$ 31,350,000	\$ 2,525,621	\$ 22,155	\$ 209,920	\$ 1,841	\$0.6696	\$ -	\$ -	\$ -	\$ -	\$ -
Lot Type 2	109	2	\$ 300,000	\$ 32,700,000	\$ 2,634,379	\$ 24,169	\$ 218,960	\$ 2,009	\$0.6696	\$ -	\$ -	\$ -	\$ -	\$ -
Improvement Area #1 Total	223			\$ 64,050,000	\$ 5,160,000		\$ 428,880			\$ -		\$ -		
Major Improvement Area														
Improvement Area #2														
Lot Type 3	118	0	\$ 330,469	\$ 38,995,346	\$ 587,277	\$ 4,976.92	\$ 51,053	\$ 432.65	\$0.1309	\$ 3,309,051	\$ 28,042.80	\$ 286,886	\$ 2,431.24	\$ 0.7357
Lot Type 4	142	0	\$ 394,111	\$ 55,963,762	\$ 842,824	\$ 5,935.38	\$ 73,268	\$ 515.97	\$0.1309	\$ 4,748,949	\$ 33,443.31	\$ 411,722	\$ 2,899.45	\$ 0.7357
Improvement Area #2 Total	260			\$ 94,959,108	\$ 1,430,101		\$ 124,320			\$ 8,058,000		\$ 698,608		
Improvement Area #3														
Lot Type 5	221	0	\$ 330,469	\$ 73,033,656	\$ 1,099,899	\$ 4,976.92	\$ 95,616	\$ 432.65	\$0.1309	\$ 7,038,000	\$ 31,846.15	\$ 530,460	\$ 2,400.27	\$ 0.7263
Improvement Area #3 Total	221			\$ 73,033,656	\$ 1,099,899		\$ 95,616			\$ 7,038,000		\$ 530,460		
Major Improvement Area Total	481			\$167,992,763	\$ 2,530,000		\$ 219,936							
Total	704			\$232,042,763	\$ 7,690,000		\$ 648,816			\$ 15,096,000		\$ 1,229,068		

LAKEPOINTE PID

2022 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN FOR THE ISSUANCE OF IMPROVEMENT AREAS #2-3  
BONDS

95

## EXHIBIT K – FORM OF NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC  
9284 Huntington Square, Suite 100  
North Richland Hills, TX 76182

[Date]  
Collin County Clerk's Office  
Honorable [County Clerk]  
Collin County Administration Building  
2300 Bloomdate Rd  
Suite 2106  
McKinney, TX 75071

**Re: City of Lavon Lien Release documents for filing**

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Lavon is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of Lavon  
Attn: City Secretary  
PO Box 340  
120 School Road  
Lavon, TX 75166

Please contact me if you have any questions or need additional information.

Sincerely,  
[Signature]

P3Works, LLC  
(817) 393-0353  
Admin@P3-Works.com  
www.P3-Works.com





# EXHIBIT L-1 – DEBT SERVICE SCHEDULE FOR MAJOR IMPROVEMENT AREA BONDS

## DEBT SERVICE REQUIREMENTS

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

<b><u>Year Ending (September 15)</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2020	\$-	\$127,600	\$127,600
2021	50,000	128,313	178,313
2022	50,000	126,125	176,125
2023	50,000	123,938	173,938
2024	55,000	121,750	176,750
2025	55,000	119,344	174,344
2026	60,000	116,938	176,938
2027	60,000	114,313	174,313
2028	65,000	111,688	176,688
2029	65,000	108,844	173,844
2030	65,000	106,000	171,000
2031	70,000	102,750	172,750
2032	75,000	99,250	174,250
2033	75,000	95,500	170,500
2034	80,000	91,750	171,750
2035	85,000	87,750	172,750
2036	85,000	83,500	168,500
2037	90,000	79,250	169,250
2038	95,000	74,750	169,750
2039	100,000	70,000	170,000
2040	105,000	65,000	170,000
2041	110,000	59,750	169,750
2042	115,000	54,250	169,250
2043	120,000	48,500	168,500
2044	125,000	42,500	167,500
2045	130,000	36,250	166,250
2046	140,000	29,750	169,750
2047	145,000	22,750	167,750
2048	150,000	15,500	165,500
2049	160,000	8,000	168,000
<b>Total</b>	<b><u>\$2,630,000</u></b>	<b><u>\$2,471,600</u></b>	<b><u>\$5,101,600</u></b>

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## EXHIBIT L-2 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 BONDS

### DEBT SERVICE REQUIREMENTS

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

<b><u>Year Ending (September 15)</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2020	\$-	\$226,932	\$226,932
2021	100,000	228,200	328,200
2022	105,000	224,700	329,700
2023	110,000	221,025	331,025
2024	115,000	217,175	332,175
2025	115,000	213,150	328,150
2026	120,000	208,838	328,838
2027	125,000	204,338	329,338
2028	130,000	199,650	329,650
2029	135,000	194,775	329,775
2030	140,000	189,713	329,713
2031	145,000	183,763	328,763
2032	150,000	177,600	327,600
2033	160,000	171,225	331,225
2034	165,000	164,425	329,425
2035	170,000	157,413	327,413
2036	180,000	150,188	330,188
2037	185,000	142,538	327,538
2038	195,000	134,675	329,675
2039	205,000	126,388	331,388
2040	210,000	117,675	327,675
2041	220,000	108,225	328,225
2042	230,000	98,325	328,325
2043	240,000	87,975	327,975
2044	255,000	77,175	332,175
2045	265,000	65,700	330,700
2046	280,000	53,775	333,775
2047	290,000	41,175	331,175
2048	305,000	28,125	333,125
2049	320,000	14,400	334,400
<b>Total</b>	<b><u>\$5,365,000</u></b>	<b><u>\$4,429,257</u></b>	<b><u>\$9,794,257</u></b>

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## **EXHIBIT L-3 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREAS #2-3 BONDS**

## EXHIBIT M-1 – DISTRICT LEGAL DESCRIPTION

### LEGAL DESCRIPTION

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 470, in the City of Lavon, Collin County, Texas, being part of a tract of land described in a deed to Meredith M. Roark and Margaret M. Arnold, recorded in Document No. 2010526000533270, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the southeast corner of said Roark and Arnold tract, being the southwest corner of a called 140.22 acre tract of land described in a deed to Petro Hunt, LLC, as recorded in Document No. 20070208000186500, in said Deed Records, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE South 72 degrees 03 minutes 07 seconds West, with the south line of said Roark and Arnold tract and the north line of said Northeast Texas Rural Rail Transportation District tract, a distance of 1,656.82 feet to a 1/2-inch iron rod with red cap stamped “PJB SURVEYING” set at the southwest corner of said Roark and Arnold tract, being southeast corner of a 0.478 acre tract of land described in a deed to North Texas Municipal Water District, recorded in Document No. 20121116001469900, in said Deed Records;

THENCE North 23 degrees 30 minutes 56 seconds West, departing the north line of said Northeast Texas Rural Rail Transportation District tract, with the west line of said Roark and Arnold tract, and with the east lines of said 0.478 acre tract and a called 0.91 acre tract described in a deed to Mary Evans, recorded in Document No. 200804070014460, in said Deed Records, a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01 degree 53 minutes 11 seconds West, continuing with the west line of said Roark and Arnold tract, and with the east lines of said 0.91 acre tract and a called 2.062 acre tract of land described in a deed to Connie S. Miller, recorded in Volume 4001, Page 947, in said Deed Records, a distance of 530.40 feet to a 1/2-inch iron rod found at the northeast corner of said 2.062 acre tract;

THENCE South 84 degrees 43 minutes 14 seconds West, continuing with the west line of said Roark and Arnold tract and with the north line of said 2.062 acre tract, a distance of 236.18 feet to a 1/2-inch iron rod found at the northwest corner of said 2.062 acre tract, being in the east line of a tract of land described as Tract Two in a deed to 78 Straddle, LP, recorded in Volume 5571, Page 3351, in said Deed Records, also being the approximate center of Bois D’Arc Lane (no recording information found);

THENCE North 06 degrees 53 minutes 43 seconds West, continuing with the west line of said Roark and Arnold tract, with the east lines of said Tract Two and a tract of land described as Tract No. 2 in a deed to DPB Investments, LP, recorded in Document No. 20110606000576510, in said Deed Records, and along said Bois D’Arc Lane, a distance of 748.23 feet to a 1/2-inch iron rod with red cap stamped “PJB SURVEYING” set at the northeast corner of said Tract No. 2, being in the south line of a called 2.25 acre tract of land described in a deed to MJKMart, LLC, recorded in Document No. 20120906001115340, in said Deed Records;

THENCE South 89 degrees 16 minutes 47 seconds East, continuing with the west line of said Roark and Arnold tract and with the south line of said 2.25 acre tract, a distance of 64.98 feet to a 1/2-inch iron rod found at the southeast corner of said 2.25 acre tract;

THENCE North 11 degrees 02 minutes 32 seconds West, continuing with the west line of said Roark and Arnold tract and with the east line of said 2.25 acre tract, a distance of 490.85 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the north corner of said 2.25 acre tract, being in the east line of State Highway 78 (variable width right-of-way);

THENCE North 33 degrees 42 minutes 56 seconds East, continuing with the west line of said Roark and Arnold tract and with the east line of said State Highway 78, a distance of 1,298.45 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found on a non-tangent curve to the left, having a radius of 5,729.57 feet and a central angle of 11 degrees 53 minutes 10 seconds;

THENCE continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, and with said curve to the left, an arc distance of 1,188.61 feet (Chord Bearing North 27 degrees 54 minutes 44 seconds East – 1,186.48 feet);

THENCE, South 88 degrees 51 minutes 28 seconds East, departing said east and west lines, for a distance of 167.90 feet;

THENCE, North 33 degrees 46 minutes 49 seconds East, for a distance of 344.38 feet;

THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 625.77 feet;

THENCE, North 01 degrees 01 minutes 20 seconds East, for a distance of 9.75 feet;

THENCE, South 88 degrees 58 minutes 40 seconds East, for a distance of 118.86 feet;

THENCE, South 01 degrees 01 minutes 20 seconds West, for a distance of 300.00 feet;

THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 580.12 feet, in the east line of said Roark and Arnold tract, being in the west line of called 59.757 acre tract described in a deed to Petro Hunt LLC, records in Document No. 20070208000183240, in said Deed Records;

THENCE South 01 degree 00 minutes 58 seconds West, with the east line of said Roark and Arnold tract, and with the west line of said 59.757 acre tract, a distance of 1,450.63 feet to the southwest corner of said 59.757 acre tract, being in the north line of the aforementioned 140.22 acre tract;

THENCE North 88 degrees 51 minutes 38 seconds West, continuing with the east line of said Roark and Arnold tract and with the north line said 140.22 acre tract, a distance of 871.25 feet to a 1/2-inch iron rod found at the northwest corner of said 140.22 acre tract;

THENCE South 01 degree 09 minutes 20 seconds West, continuing with the east line of said Roark and Arnold tract and with the west line said 140.22 acre tract, a distance of 2,042.77 feet to the POINT OF BEGINNING and containing 173.037 acres of land.

## EXHIBIT M-2 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

### MAJOR IMPROVEMENTS AREA LEGAL DESCRIPTION Lakepointe Phase II (North) & Phase III

WHEREAS, LDC LAVON, LLC., is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavon, Collin County, Texas, being part of a 200.9089 acre tract of land described in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING, at a ½ inch iron rod found at the most easterly southeast corner of said 200.9089 acre tract; THENCE, North 88°51'38" West, along a south line of said 200.9089 acre tract, for a distance of 871.25 feet, to a ½ inch iron rod found at an interior ell corner of said 200.9089 acre tract; THENCE, North 01°09'20" East, for a distance of 59.54 feet, to a point; THENCE, North 07°55'56" West, for a distance of 108.68 feet, to a point on a non-tangent curve to the left, having a radius of 650.00 feet, a central angle of 02°37'39"; THENCE, along said curve to the left for an arc distance of 29.81 feet (Chord Bearing North 67°51'51" East – 29.81 feet), to a point; THENCE, North 23°26'58" West, for a distance of 170.00 feet, to a point on a curve to the right, having a radius of 480.00 feet, a central angle of 24°35'24"; THENCE, along said curve to the right for an arc distance of 206.01 feet (Chord Bearing South 78°50'44" West – 204.43 feet), to a point at the point of tangency;

THENCE, North 88°51'33" West, for a distance of 406.13 feet, to a point at the point of curvature of a curve to the right, having a radius of 975.00 feet, a central angle of 32°34'29";

THENCE, with said curve to the right for an arc distance of 554.32 feet (Chord Bearing North 72°34'19" West – 546.89 feet), to a point at the point of tangency;

THENCE, North 56°17'04" West, for a distance of 103.06 feet, to a point in the east line of said Highway 78 (120' R.O.W.) and the west line of said 200.9089 acre tract, being on a curve to the left, having a radius of 5729.58 feet, a central angle of 10°36'49";

THENCE, continuing along said east and west lines and with said curve to the left for an arc distance of 1061.36 feet (Chord Bearing North 27°17'01" East – 1059.84 feet), to a point;

THENCE, South 88°51'33" East, departing said east and west lines, for a distance of 168.46 feet, to a point;

THENCE, North 33°46'44" East, for a distance of 344.38 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 624.63 feet, to a point;

THENCE, North 01°01'15" East, for a distance of 9.75 feet, to a point;

THENCE, South 88°58'45" East, for a distance of 120.00 feet, to a point;

THENCE, South 01°01'15" West, for a distance of 300.00 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 579.95 feet, to a point in the east line of said 200.9089 acre tract;

THENCE, South 01°00'58" West, along the east line of said 200.9089 acre tract, for a distance of 1449.67 feet, to the POINT OF BEGINNING and containing 62.157 acres of land.

**LEGAL DESCRIPTION**  
**Lakepointe Phase II (South)**

WHEREAS, LDC LAVON, LLC., is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavon, Collin County, Texas, being part of a 200.9089 acre tract of land described in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING, at a ½ inch iron rod found at the southeast corner of said 200.9089 acre tract, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE, South 72°03'07" West, along the south line of said 200.9089 acre and the north line of said Northeast Texas Rural Rail Transportation District, for a distance of 1656.82 feet, to a ½ inch iron rod found at the most southerly southwest corner of said 200.9089 acre tract;

THENCE, North 23°30'56" West, departing said north line and along the west line of said 200.9089 acre tract, for a distance of 173.19 feet, to a ½ inch iron rod found;

THENCE, North 01°53'11" West, continuing along said west line, for a distance of 530.40 feet, to a ½ inch iron rod found;

THENCE, South 84°43'14" West, continuing along said west line, for a distance of 236.18 feet, to a ½ inch iron rod found;

THENCE, North 06°53'43" West, continuing along said west line, for a distance of 748.23 feet, to a ½ inch iron rod found;

THENCE, South 89°16'47" East, continuing along said west line, at 64.98 feet passing a ½ inch iron rod found at an interior ell corner of said 200.9089 acre tract and continuing for a total distance of 244.07 feet, to a point being on a non-tangent curve to the left, having a radius of 50.00 feet, a central angle of 160°28'31";

THENCE, continuing along said curve to the left for an arc distance of 140.04 feet (Chord Bearing South 45°16'41" East – 98.55 feet), to a point on a curve to the right, having a radius of 1200.00 feet, a central angle of 08°36'23";

THENCE, continuing along said curve to the right for an arc distance of 180.25 feet (Chord Bearing South 74°47'36" East – 180.08 feet), to a point at the point of reverse curvature of a curve to the left, having a radius of 2695.00 feet, a central angle of 04°09'55";

THENCE, continuing along said curve to the left for an arc distance of 195.92 feet (Chord Bearing South 72°34'22" East – 195.88 feet), to a point on a non-tangent curve to the left, having a radius of 1800.00 feet, a central angle of 03°50'16";

THENCE, continuing along said curve to the left for an arc distance of 120.57 feet (Chord Bearing South 09°44'11" West – 120.55 feet), to a point on a curve to the left, having a radius of 2815.00 feet, a central angle of 13°57'50";

THENCE, continuing along said curve to the left for an arc distance of 686.07 feet (Chord Bearing South 81°52'38" East – 648.37 feet), to a point at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 365.96 feet, to a point;

THENCE, North 01°08'27" East, for a distance of 120.00 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 7.65 feet, to a point;

THENCE, North 01°08'27" East, for a distance of 340.00 feet, to a point;

THENCE, North 88°51'33" West, for a distance of 7.73 feet, to a point;

THENCE, North 01°08'27" East, for a distance of 120.00 feet, to a point;

THENCE, North 88°51'33" West, for a distance of 365.88 feet, to a point of curvature of a curve to the right, having a radius of 2235.00 feet, a central angle of 13°05'30";

THENCE, along said curve to the right for an arc distance of 510.69 feet (Chord Bearing North 82°18'48" West – 509.58 feet), to a point;

THENCE, North 14°52'24" East, for a distance of 680.06 feet, to a point on a curve to the left, having a radius of 1550.00 feet, a central angle of 12°48'41";

THENCE, along said curve to the left for an arc distance of 347.70 feet (Chord Bearing South 82°27'13" East – 346.98 feet), to a point at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 546.28 feet, to a point;

THENCE, North 01°09'20" East, for a distance of 10.00 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 120.00 feet, to a point in the east line of said 200.9089 acre tract;

THENCE, South 01°09'20" West, along the east line of said 200.9089 acre tract, for a distance of 1762.46 feet, to the POINT OF BEGINNING and containing 57.455 acres of land.



## EXHIBIT M-3 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

### IMPROVEMENT AREA # 1 LEGAL DESCRIPTION - Lakepointe Phase I

WHEREAS, LDC LAVON, LLC., is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavon, Collin County, Texas, being part of a 200.9089 acre tract of land described in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING, at a ½ inch iron rod found at the northerly corner of MJKART tract, as described in Doc. No. 20120906001115340 in said Deed Records, and being in the east line of said Highway 78 (120' R.O.W.) same being in the west line of said 200.9089 acre tract;  
THENCE, North 33°42'56" East, along the east line of said Highway 78 and the west line of said 200.9089 acre tract, for a distance of 1289.45 feet, to a 5/8 inch iron found with a Txdot Aluminum cap at the point of curvature of a curve to the left, having a radius of 5729.58, a central angle of 01°15'53";  
THENCE, continuing along said east and west lines and with curve to the left for an arc distance of 126.48 feet (Chord Bearing North 33°13'22" East – 126.48 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.",

THENCE, South 56°17'04" East, departing said lines, for a distance of 103.06 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", at the point of curvature of a curve to the left, having a radius of 975.00 feet, a central angle of 32°34'29";

THENCE, continuing along said curve to the left for an arc distance of 554.32 feet (Chord Bearing South 72°34'19" East – 546.89 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 406.13 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", at the point of curvature of a curve to the left for an arc distance of 480.00 feet, a central angle of 24°35'24";

THENCE, continuing along said curve to the left for an arc distance of 206.01 feet (Chord Bearing North 78°50'44" East – 204.43 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, South 23°26'58" East, for a distance of 170.00 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", on a non-tangent curve to the right, having a radius of 650.00 feet, a central angle of 02°37'39";

THENCE, continuing along said curve to the right for an arc distance of 29.81 feet (Chord Bearing South 67°51'51" West – 29.81 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, South 07°55'56" East, for a distance of 108.68 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.",



THENCE, South 01°09'20" West, at 59.54 feet, passing a ½ inch iron rod found at an ell corner in the east line of said 200.9089 acre tract, for a total distance of 339.85 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, North 88°51'33" West, departing said east line, for a distance of 120.00 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, South 01°09'20" West, for a distance of 10.00 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, North 88°51'33" West, for a distance of 546.28 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", at the point of curvature of a curve to the right, having a radius of 1550.00 feet, a central angle of 12°48'41";

THENCE, along said curve to the right for an arc distance of 347.70 feet (Chord Bearing North 82°27'13" West – 346.98), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, South 14°52'24" West, for a distance of 680.06 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", on a non-tangent curve to the left having a radius of 2235.00 feet, a central angle of 13°05'30";

THENCE, along said curve to the left for an arc distance of 510.69 feet (Chord Bearing South 82°18'48" East – 509.58 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 365.88 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, South 01°08'27" West, for a distance of 120.00 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, South 88°51'33" East, for a distance of 7.73 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, South 01°08'27" West, for a distance of 340.00 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, North 88°51'33" West, for a distance of 7.65 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, South 01°08'27" West, for a distance of 120.00 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, North 88°51'33" West, for a distance of 365.96 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", at the point of curvature of a curve to the right, having a radius of 2815.00 feet, a central angle of 13°57'50";

THENCE, continuing along said curve to the right for an arc distance of 686.07 feet (Chord Bearing North 81°52'38" West – 648.37 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", on a non-tangent curve to the right, having a radius of 1800.00 feet, a central angle of 03°50'16";

THENCE, continuing along said curve to the right for an arc distance of 120.57 feet (Chord Bearing North 09°44'11" East – 120.55 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", on a non-tangent curve to the right, having a radius of 2695.00 feet, a central angle of 04°09'55";

THENCE, continuing along said curve to the right for an arc distance of 195.92 feet (Chord Bearing North 72°34'22" West – 195.88 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", at the point of reverse curvature of a curve to the left, having a radius of 1200.00 feet, a central angle of 08°36'23";

THENCE, continuing along said curve to the left for an arc distance of 180.25 feet (Chord Bearing North 74°47'36" West – 180.08 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", on a non-tangent curve to the right, having a radius of 50.00 feet, a central angle of 160°28'31";

THENCE, continuing along said curve to the right for an arc distance of 140.04 feet (Chord Bearing North 45°16'41" West – 98.55 feet), to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.";

THENCE, North 89°16'47" West, for a distance of 179.09 feet, to a ½ inch iron rod set with a yellow cap stamped "Corwin Eng. Inc.", in the west line of said 200.9089 acre tract;

THENCE, North 11°02'32" West, along the west line of said 200.9089 acre tract, for a distance of 490.85 feet, to the POINT OF BEGINNING and containing 53.425 acres of land.

## EXHIBIT M-4 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

### LEGAL DESCRIPTION

#### Lakepointe Phase II (North)

WHEREAS, LDC LAVON, LLC., is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavon, Collin County, Texas, being part of a 200.9089 acre tract of land described in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

COMMECNING, at a ½ inch iron rod found at the most westerly northwest corner of said 200.9089 acre tract, being in the east line of Highway 78 (120' R.O.W.);

THENCE, South 19°58'32" West, along the west line of said 200.9089 acre tract and the east line of said Highway 78, for a distance of 419.76 feet, to a 5/8 inch iron rod found with a Txdot Aluminum cap found at the point of curvature of a curve to the right, having a radius of 5729.58 feet, a central angle of 09°58'17";

THENCE, continuing along said east and west lines and with said curve to the right for an arc distance of 997.15 feet (Chord Bearing South 21°42'53" West – 995.90 feet), to the POINT OF BEGINNING;

THENCE, South 56°13'16" East, departing said east and west lines, for a distance of 234.46 feet, to a point on a non-tangent curve to the left, having a radius of 395.00 feet, a central angle of 17°52'25";

THENCE, along said curve to the left for an arc distance of 123.22 feet (Chord Bearing South 79°55'21" East – 122.72 feet), to a point at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 568.53 feet, to a point at the point of curvature of a curve to the right, having a radius of 395.00 feet, a central angle of 58°11'51";

THENCE, along said curve to the right for an arc distance of 401.22 feet (Chord Bearing South 59°45'37" East – 384.19 feet), to a point on a non-tangent curve to the right, having a radius of 1140.00 feet, a central angle of 00°42'28";

THENCE, along said curve to the right for an arc distance of 14.09 feet (Chord Bearing North 71°46'39" East – 14.09 feet), to a point;

THENCE, South 17°52'06" East, for a distance of 170.00 feet, to a point on a non-tangent curve to the left, having a radius of 970.00 feet, a central angle of 17°51'38";

THENCE, along said curve to the left for an arc distance of 302.38 feet (Chord Bearing South 63°12'04" West – 301.15 feet), to a point at the point reverse curvature of a curve to the right, having a radius of 480.00 feet, a central angle of 36°52'11";

THENCE, along said curve to the right for an arc distance of 308.88 feet (Chord Bearing South 72°42'21" West – 303.58 feet), to a point at the point of tangency;

THENCE, North 88°51'33" West, for a distance of 406.13 feet, to a point at the point of curvature of a curve to the right, having a radius of 975.00 feet, a central angle of 32°34'29";

THENCE, with said curve to the right for an arc distance of 554.32 feet (Chord Bearing North 72°34'19" West – 546.89 feet), to a point at the point of tangency;

THENCE, North 56°17'04" West, for a distance of 103.06 feet, to a point in the east line of said Highway 78 (120' R.O.W.) and the west line of said 200.9089 acre tract, being on a curve to the left, having a radius of 5729.58 feet, a central angle of 05°53'23";

THENCE, along the west line of said 200.9089 acre tract and the east line of Highway 78 with said curve to the left, for an arc distance of 588.97 feet (Chord Bearing North 29°38'44" East – 588.72 feet), to the POINT OF BEGINNING and containing 17.524 acres of land.

#### LEGAL DESCRIPTION Lakepointe Phase II (South)

WHEREAS, LDC LAVON, LLC., is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavon, Collin County, Texas, being part of a 200.9089 acre tract of land described in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING, at a ½ inch iron rod found at the southeast corner of said 200.9089 acre tract, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE, South 72°03'07" West, along the south line of said 200.9089 acre and the north line of said Northeast Texas Rural Rail Transportation District, for a distance of 1656.82 feet, to a ½ inch iron rod found at the most southerly southwest corner of said 200.9089 acre tract;

THENCE, North 23°30'56" West, departing said north line and along the west line of said 200.9089 acre tract, for a distance of 173.19 feet, to a ½ inch iron rod found;

THENCE, North 01°53'11" West, continuing along said west line, for a distance of 530.40 feet, to a ½ inch iron rod found;

THENCE, South 84°43'14" West, continuing along said west line, for a distance of 236.18 feet, to a ½ inch iron rod found;

THENCE, North 06°53'43" West, continuing along said west line, for a distance of 748.23 feet, to a ½ inch iron rod found;

THENCE, South 89°16'47" East, continuing along said west line, at 64.98 feet passing a ½ inch iron rod found at an interior ell corner of said 200.9089 acre tract and continuing for a total distance of 244.07 feet, to a point being on a non-tangent curve to the left, having a radius of 50.00 feet, a central angle of 160°28'31";

THENCE, continuing along said curve to the left for an arc distance of 140.04 feet (Chord Bearing South 45°16'41" East – 98.55 feet), to a point on a curve to the right, having a radius of 1200.00 feet, a central angle of 08°36'23";

THENCE, continuing along said curve to the right for an arc distance of 180.25 feet (Chord Bearing South 74°47'36" East – 180.08 feet), to a point at the point of reverse curvature of a curve to the left, having a radius of 2695.00 feet, a central angle of 04°09'55";

THENCE, continuing along said curve to the left for an arc distance of 195.92 feet (Chord Bearing South 72°34'22" East – 195.88 feet), to a point on a non-tangent curve to the left, having a radius of 1800.00 feet, a central angle of 03°50'16";

THENCE, continuing along said curve to the left for an arc distance of 120.57 feet (Chord Bearing South 09°44'11" West – 120.55 feet), to a point on a curve to the left, having a radius of 2815.00 feet, a central angle of 13°57'50";

THENCE, continuing along said curve to the left for an arc distance of 686.07 feet (Chord Bearing South 81°52'38" East – 648.37 feet), to a point at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 365.96 feet, to a point;

THENCE, North 01°08'27" East, for a distance of 120.00 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 7.65 feet, to a point;

THENCE, North 01°08'27" East, for a distance of 340.00 feet, to a point;

THENCE, North 88°51'33" West, for a distance of 7.73 feet, to a point;

THENCE, North 01°08'27" East, for a distance of 120.00 feet, to a point;

THENCE, North 88°51'33" West, for a distance of 365.88 feet, to a point of curvature of a curve to the right, having a radius of 2235.00 feet, a central angle of 13°05'30";

THENCE, along said curve to the right for an arc distance of 510.69 feet (Chord Bearing North 82°18'48" West – 509.58 feet), to a point;

THENCE, North 14°52'24" East, for a distance of 680.06 feet, to a point on a curve to the left, having a radius of 1550.00 feet, a central angle of 12°48'41";

THENCE, along said curve to the left for an arc distance of 347.70 feet (Chord Bearing South 82°27'13" East – 346.98 feet), to a point at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 546.28 feet, to a point;

THENCE, North 01°09'20" East, for a distance of 10.00 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 120.00 feet, to a point in the east line of said 200.9089 acre tract;

THENCE, South 01°09'20" West, along the east line of said 200.9089 acre tract, for a distance of 1762.46 feet, to the POINT OF BEGINNING and containing 57.455 acres of land.

## EXHIBIT M-5 – IMPROVEMENT AREA #3 LEGAL DESCRIPTION

### LEGAL DESCRIPTION

#### Lakepoint Phase III

WHEREAS, LDC LAVON, LLC., is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavon, Collin County, Texas, being part of a 200.9089 acre tract of land described in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING, at a ½ inch iron rod found at the most easterly southeast corner of said 200.9089 acre tract;

THENCE, North 88°51'38" West, along a south line of said 200.9089 acre tract, for a distance of 871.25 feet, to a ½ inch iron rod found at an interior ell corner of said 200.9089 acre tract;

THENCE, North 01°09'20" East, for a distance of 59.54 feet, to a point;

THENCE, North 07°55'56" West, for a distance of 108.68 feet, to a point on a non-tangent curve to the left, having a radius of 650.00 feet, a central angle of 02°37'39";

THENCE, along said curve to the left for an arc distance of 29.81 feet (Chord Bearing North 67°51'51" East – 29.81 feet), to a point;

THENCE, North 23°26'58" West, for a distance of 170.00 feet, to a point on a curve to the left, having a radius of 480.00 feet, a central angle of 12°16'46";

THENCE, along said curve to the left for an arc distance of 102.87 feet (Chord Bearing North 60°24'38" East – 102.68 feet), to a point at the point of reverse curvature of a curve to the right, having a radius of 970.00 feet, a central angle of 17°51'38";

THENCE, along said curve to the right for an arc distance of 302.38 feet (Chord Bearing North 63°12'04" East – 301.15 feet), to a point;

THENCE, North 17°52'06" West, for a distance of 170.00 feet, to a point on a non-tangent curve to the left, having a radius of 1140.00 feet, a central angle of 00°42'28";

THENCE, along said curve to the left for an arc distance of 14.09 feet (Chord Bearing South 71°46'39" West – 14.09 feet), to a point on a curve to the left, having a radius of 395.00 feet, central angle of 58°11'51";

THENCE, along said curve to the left for an arc distance of 401.22 feet (Chord Bearing North 59°45'37" West – 384.19 feet), to a point at the point of tangency;

THENCE, North 88°51'33" West, for a distance of 568.53 feet, to a point at the point of curvature of a curve to the right, having a radius 395.00 feet, a central angle of 17°52'25";

THENCE, along said curve to the right for an arc distance of 123.22 feet (Chord Bearing North 79°55'21" West – 122.72 feet), to a point;

THENCE, North 56°13'16" West, for a distance of 234.46 feet, to a point in the west line of said 200.9089 acre tract and being in the east line of Highway 78 (120' R.O.W.), being on a curve to the left, having a radius of 5729.58 feet, a central angle of 04°43'15";

THENCE, continuing along said east and west lines and with said curve to the left for an arc distance of 472.08 feet (Chord Bearing North 24°20'25" East – 471.95 feet), to a point;

THENCE, South 88°51'33" East, departing said east and west lines, for a distance of 168.46 feet, to a point;

THENCE, North 33°46'44" East, for a distance of 344.38 feet, to a point;  
THENCE, South 88°51'33" East, for a distance of 624.63 feet, to a point;  
THENCE, North 01°01'15" East, for a distance of 9.75 feet, to a point;  
THENCE, South 88°58'45" East, for a distance of 120.00 feet, to a point;  
THENCE, South 01°01'15" West, for a distance of 300.00 feet, to a point;  
THENCE, South 88°51'33" East, for a distance of 579.95 feet, to a point in the east line of said 200.9089 acre tract;  
THENCE, South 01°00'58" West, along the east line of said 200.9089 acre tract, for a distance of 1449.67 feet, to the POINT OF BEGINNING and containing 44.633 acres of land.



## **APPENDIX A-1 – IMPROVEMENT AREA #1 LOT TYPE 1 BUYER DISCLOSURE**

### **NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT**

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

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING<sup>1</sup> RETURN TO:

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

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STREET ADDRESS

**IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: \$22,154.57**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, 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 *LakePointe Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Lavon.

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.

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<sup>1</sup> 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 Collin 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:

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SIGNATURE OF PURCHASER

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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:

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SIGNATURE OF SELLER

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SIGNATURE OF SELLER]<sup>2</sup>

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<sup>2</sup> 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 \_\_\_\_\_

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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]<sup>3</sup>

<sup>3</sup> 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 Collin 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 \_\_\_\_\_

§

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]<sup>4</sup>

<sup>4</sup> 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 Collin County.

## ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 1 INITIAL PARCEL

### LakePointe PID - Improvement Area #1 Lot Type 1 Projected Annual Installments

Installments Due 1/31	Principal	Interest <sup>1</sup>	Additional Interest	Annual Collection Costs	Annual Installment
2023	\$ 472.29	\$ 948.98	\$ 110.77	\$ 279.68	\$ 1,811.71
2024	\$ 493.75	\$ 932.45	\$ 108.41	\$ 285.27	\$ 1,819.88
2025	\$ 493.75	\$ 915.16	\$ 105.94	\$ 290.97	\$ 1,805.84
2026	\$ 515.22	\$ 896.65	\$ 103.47	\$ 296.79	\$ 1,812.14
2027	\$ 536.69	\$ 877.33	\$ 100.90	\$ 302.73	\$ 1,817.65
2028	\$ 558.16	\$ 857.20	\$ 98.21	\$ 308.78	\$ 1,822.36
2029	\$ 579.63	\$ 836.27	\$ 95.42	\$ 314.96	\$ 1,826.28
2030	\$ 601.09	\$ 814.53	\$ 92.53	\$ 321.26	\$ 1,829.41
2031	\$ 622.56	\$ 788.99	\$ 89.52	\$ 327.68	\$ 1,828.75
2032	\$ 644.03	\$ 762.53	\$ 86.41	\$ 334.24	\$ 1,827.20
2033	\$ 686.96	\$ 735.16	\$ 83.19	\$ 340.92	\$ 1,846.23
2034	\$ 708.43	\$ 705.96	\$ 79.75	\$ 347.74	\$ 1,841.89
2035	\$ 729.90	\$ 675.85	\$ 76.21	\$ 354.70	\$ 1,836.66
2036	\$ 772.83	\$ 644.83	\$ 72.56	\$ 361.79	\$ 1,852.02
2037	\$ 794.30	\$ 611.99	\$ 68.70	\$ 369.03	\$ 1,844.01
2038	\$ 837.24	\$ 578.23	\$ 64.72	\$ 376.41	\$ 1,856.60
2039	\$ 880.17	\$ 542.65	\$ 60.54	\$ 383.94	\$ 1,867.29
2040	\$ 901.64	\$ 505.24	\$ 56.14	\$ 391.61	\$ 1,854.63
2041	\$ 944.57	\$ 464.67	\$ 51.63	\$ 399.45	\$ 1,860.32
2042	\$ 987.51	\$ 422.16	\$ 46.91	\$ 407.43	\$ 1,864.01
2043	\$ 1,030.44	\$ 377.72	\$ 41.97	\$ 415.58	\$ 1,865.72
2044	\$ 1,094.85	\$ 331.35	\$ 36.82	\$ 423.90	\$ 1,886.91
2045	\$ 1,137.78	\$ 282.08	\$ 31.34	\$ 432.37	\$ 1,883.58
2046	\$ 1,202.19	\$ 230.88	\$ 25.65	\$ 441.02	\$ 1,899.74
2047	\$ 1,245.12	\$ 176.79	\$ 19.64	\$ 449.84	\$ 1,891.39
2048	\$ 1,309.52	\$ 120.76	\$ 13.42	\$ 458.84	\$ 1,902.53
2049	\$ 1,373.93	\$ 61.83	\$ 6.87	\$ 468.01	\$ 1,910.64
<b>Total</b>	<b>\$ 22,154.57</b>	<b>\$ 16,098.23</b>	<b>\$ 1,827.64</b>	<b>\$ 9,884.95</b>	<b>\$ 49,965.40</b>

<sup>1</sup> Interest rate is 3.500%, 3.750%, 4.250%, and 4.500% for term bonds due September 15, 2024, 2029, 2039 and 2049 respectively.

*Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

Annual Installment Schedule to Notice  
of Obligation to Pay Improvement District Assessment

## **APPENDIX A-2 – IMPROVEMENT AREA #1 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 RECORDING<sup>1</sup> RETURN TO:

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

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STREET ADDRESS

**IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: \$24,168.62**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, 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 *LakePointe Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Lavon.

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.

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<sup>1</sup> 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 Collin 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]<sup>2</sup>

<sup>2</sup> 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 \_\_\_\_\_

§

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]<sup>3</sup>

<sup>3</sup> 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 Collin 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 \_\_\_\_\_

§

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]<sup>4</sup>

<sup>4</sup> 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 Collin County.

## ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 2

### LakePointe PID - Improvement Area #1 Lot Type 2 Projected Annual Installments

Installments Due 1/31	Principal	Interest <sup>1</sup>	Additional Interest	Annual Collection Costs	Annual Installment
2023	\$ 515.22	\$ 1,035.25	\$ 120.84	\$ 305.10	\$ 1,976.41
2024	\$ 538.64	\$ 1,017.21	\$ 118.27	\$ 311.20	\$ 1,985.32
2025	\$ 538.64	\$ 998.36	\$ 115.57	\$ 317.43	\$ 1,970.00
2026	\$ 562.06	\$ 978.16	\$ 112.88	\$ 323.78	\$ 1,976.88
2027	\$ 585.48	\$ 957.08	\$ 110.07	\$ 330.25	\$ 1,982.89
2028	\$ 608.90	\$ 935.13	\$ 107.14	\$ 336.86	\$ 1,988.03
2029	\$ 632.32	\$ 912.30	\$ 104.10	\$ 343.59	\$ 1,992.31
2030	\$ 655.74	\$ 888.58	\$ 100.94	\$ 350.47	\$ 1,995.72
2031	\$ 679.16	\$ 860.71	\$ 97.66	\$ 357.47	\$ 1,995.00
2032	\$ 702.58	\$ 831.85	\$ 94.26	\$ 364.62	\$ 1,993.31
2033	\$ 749.41	\$ 801.99	\$ 90.75	\$ 371.92	\$ 2,014.07
2034	\$ 772.83	\$ 770.14	\$ 87.00	\$ 379.35	\$ 2,009.33
2035	\$ 796.25	\$ 737.30	\$ 83.14	\$ 386.94	\$ 2,003.63
2036	\$ 843.09	\$ 703.45	\$ 79.16	\$ 394.68	\$ 2,020.38
2037	\$ 866.51	\$ 667.62	\$ 74.94	\$ 402.57	\$ 2,011.65
2038	\$ 913.35	\$ 630.80	\$ 70.61	\$ 410.63	\$ 2,025.38
2039	\$ 960.19	\$ 591.98	\$ 66.04	\$ 418.84	\$ 2,037.05
2040	\$ 983.61	\$ 551.17	\$ 61.24	\$ 427.21	\$ 2,023.23
2041	\$ 1,030.44	\$ 506.91	\$ 56.32	\$ 435.76	\$ 2,029.44
2042	\$ 1,077.28	\$ 460.54	\$ 51.17	\$ 444.47	\$ 2,033.47
2043	\$ 1,124.12	\$ 412.06	\$ 45.78	\$ 453.36	\$ 2,035.33
2044	\$ 1,194.38	\$ 361.48	\$ 40.16	\$ 462.43	\$ 2,058.45
2045	\$ 1,241.22	\$ 307.73	\$ 34.19	\$ 471.68	\$ 2,054.82
2046	\$ 1,311.48	\$ 251.87	\$ 27.99	\$ 481.11	\$ 2,072.45
2047	\$ 1,358.31	\$ 192.86	\$ 21.43	\$ 490.74	\$ 2,063.34
2048	\$ 1,428.57	\$ 131.73	\$ 14.64	\$ 500.55	\$ 2,075.49
2049	\$ 1,498.83	\$ 67.45	\$ 7.49	\$ 510.56	\$ 2,084.33
<b>Total</b>	<b>\$ 24,168.62</b>	<b>\$ 17,561.71</b>	<b>\$ 1,993.79</b>	<b>\$ 10,783.59</b>	<b>\$ 54,507.71</b>

<sup>1</sup> Interest rate is 3.500%, 3.750%, 4.250%, and 4.500% for term bonds due September 15, 2024, 2029, 2039 and 2049 respectively.

*Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

Annual Installment Schedule to Notice  
of Obligation to Pay Improvement District Assessment

## **APPENDIX A-3 – IMPROVEMENT AREA #2 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 RECORDING<sup>1</sup> RETURN TO:

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

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STREET ADDRESS

**IMPROVEMENT AREA #2 LOT TYPE 3 PRINCIPAL ASSESSMENT: \$33,019.72**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, 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 *LakePointe Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Lavon.

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.

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<sup>1</sup> 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 Collin 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]<sup>2</sup>

<sup>2</sup> 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 \_\_\_\_\_

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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]<sup>3</sup>

<sup>3</sup> 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 Collin 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

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COUNTY OF \_\_\_\_\_

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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]<sup>4</sup>

<sup>4</sup> 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 Collin County.

## ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 LOT TYPE 3

LakePointe PID - Improvement Area #2 Lot Type 3 Projected Annual Installments								
	Improvement Areas #2-3 Bonds		Major Improvement Area Bonds		Total			
Installments Due 1/31	Principal	Interest <sup>1</sup>	Principal	Interest <sup>2</sup>	Additional Interest	Annual Collection Costs	Annual Installment <sup>3</sup>	
2023	\$ 380.92	\$ 1,806.42	\$ 98.36	\$ 243.81	\$ 175.42	\$ 166.56	\$ 2,871.48	
2024	\$ 402.86	\$ 1,783.56	\$ 108.19	\$ 239.50	\$ 173.02	\$ 169.89	\$ 2,877.03	
2025	\$ 428.79	\$ 1,759.39	\$ 108.19	\$ 234.77	\$ 170.47	\$ 173.28	\$ 2,874.90	
2026	\$ 452.72	\$ 1,733.66	\$ 118.03	\$ 230.04	\$ 167.78	\$ 176.75	\$ 2,878.98	
2027	\$ 480.64	\$ 1,706.50	\$ 118.03	\$ 224.87	\$ 164.93	\$ 180.29	\$ 2,875.26	
2028	\$ 510.56	\$ 1,677.66	\$ 127.87	\$ 219.71	\$ 161.94	\$ 183.89	\$ 2,881.62	
2029	\$ 540.47	\$ 1,647.03	\$ 127.87	\$ 214.11	\$ 158.74	\$ 187.57	\$ 2,875.79	
2030	\$ 572.38	\$ 1,614.60	\$ 127.87	\$ 208.52	\$ 155.40	\$ 191.32	\$ 2,870.09	
2031	\$ 606.29	\$ 1,580.26	\$ 137.70	\$ 202.13	\$ 151.90	\$ 195.15	\$ 2,873.42	
2032	\$ 644.18	\$ 1,543.88	\$ 147.54	\$ 195.24	\$ 148.18	\$ 199.05	\$ 2,878.07	
2033	\$ 682.07	\$ 1,505.23	\$ 147.54	\$ 187.86	\$ 144.22	\$ 203.03	\$ 2,869.96	
2034	\$ 723.96	\$ 1,464.30	\$ 157.37	\$ 180.49	\$ 140.07	\$ 207.09	\$ 2,873.29	
2035	\$ 765.84	\$ 1,420.87	\$ 167.21	\$ 172.62	\$ 135.67	\$ 211.23	\$ 2,873.43	
2036	\$ 811.71	\$ 1,374.92	\$ 167.21	\$ 164.26	\$ 131.00	\$ 215.46	\$ 2,864.55	
2037	\$ 861.57	\$ 1,326.21	\$ 177.04	\$ 155.90	\$ 126.11	\$ 219.77	\$ 2,866.60	
2038	\$ 913.42	\$ 1,274.52	\$ 186.88	\$ 147.05	\$ 120.91	\$ 224.16	\$ 2,866.94	
2039	\$ 967.27	\$ 1,219.72	\$ 196.72	\$ 137.70	\$ 115.41	\$ 228.65	\$ 2,865.46	
2040	\$ 1,025.10	\$ 1,161.68	\$ 206.55	\$ 127.87	\$ 109.59	\$ 233.22	\$ 2,864.01	
2041	\$ 1,086.93	\$ 1,100.17	\$ 216.39	\$ 117.54	\$ 103.43	\$ 237.88	\$ 2,862.35	
2042	\$ 1,152.74	\$ 1,034.96	\$ 226.22	\$ 106.72	\$ 96.92	\$ 242.64	\$ 2,860.20	
2043	\$ 1,220.55	\$ 965.79	\$ 236.06	\$ 95.41	\$ 90.02	\$ 247.49	\$ 2,855.33	
2044	\$ 1,294.34	\$ 892.56	\$ 245.90	\$ 83.60	\$ 82.74	\$ 252.44	\$ 2,851.59	
2045	\$ 1,372.12	\$ 814.90	\$ 255.73	\$ 71.31	\$ 75.04	\$ 257.49	\$ 2,846.60	
2046	\$ 1,453.89	\$ 732.57	\$ 275.40	\$ 58.52	\$ 66.90	\$ 262.64	\$ 2,849.93	
2047	\$ 1,541.65	\$ 645.34	\$ 285.24	\$ 44.75	\$ 58.25	\$ 267.89	\$ 2,843.12	
2048	\$ 1,633.39	\$ 552.84	\$ 295.07	\$ 30.49	\$ 49.12	\$ 273.25	\$ 2,834.16	
2049	\$ 1,733.11	\$ 454.84	\$ 314.75	\$ 15.74	\$ 39.48	\$ 278.72	\$ 2,836.62	
2050	\$ 1,836.81	\$ 350.85	\$ -	\$ -	\$ 29.24	\$ 178.21	\$ 2,395.10	
2051	\$ 1,946.50	\$ 240.64	\$ -	\$ -	\$ 20.05	\$ 181.77	\$ 2,388.97	
Total	\$ 28,042.80	\$ 35,385.86	\$ 4,976.92	\$ 4,110.51	\$ 3,361.98	\$ 6,246.78	\$ 82,124.85	

<sup>1</sup>Interest on Improvement Areas #2-3 Bonds calculated at a 6.00% rate for illustrative purposes. The Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments will be updated upon determination of the actual interest rates on Improvement Areas #2-3 Bonds.

<sup>2</sup> Interest rate on Major Improvement Area Bonds equals 4.375%, and 5.00% for bonds maturing in 2029, and 2049 respectively.

<sup>3</sup> Annual Installment and components thereof due 1/31/2023 to be adjusted to match Assessment Roll approved in the 2022 Amended and Restated Service and Assessment Plan.

*Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

Annual Installment Schedule to Notice  
of Obligation to Pay Improvement District Assessment

## **APPENDIX A-4 – IMPROVEMENT AREA #2 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 RECORDING<sup>1</sup> RETURN TO:

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

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STREET ADDRESS

**IMPROVEMENT AREA #2 LOT TYPE 4 PRINCIPAL ASSESSMENT: \$39,378.69**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, 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 *LakePointe Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Lavon.

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.

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<sup>1</sup> 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 Collin 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:

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SIGNATURE OF PURCHASER

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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:

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SIGNATURE OF SELLER

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SIGNATURE OF SELLER]<sup>2</sup>

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<sup>2</sup> 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 \_\_\_\_\_

§

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]<sup>3</sup>

<sup>3</sup> 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 Collin 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 \_\_\_\_\_

§

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]<sup>4</sup>

<sup>4</sup> 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 Collin County.

## ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 LOT TYPE 4

### LakePointe PID - Improvement Area #2 Lot Type 4 Projected Annual Installments

Installments Due 1/31	Improvement Areas #2-3 Bonds		Major Improvement Area Bonds		Total		
	Principal	Interest <sup>1</sup>	Principal	Interest <sup>2</sup>	Additional Interest	Annual Collection Costs	Annual Installment
2023	\$ 454.28	\$ 2,154.30	\$ 117.30	\$ 290.76	\$ 209.20	\$ 198.63	\$ 3,424.47
2024	\$ 480.45	\$ 2,127.04	\$ 129.03	\$ 285.63	\$ 206.34	\$ 202.60	\$ 3,431.09
2025	\$ 511.37	\$ 2,098.22	\$ 129.03	\$ 279.98	\$ 203.30	\$ 206.66	\$ 3,428.54
2026	\$ 539.91	\$ 2,067.53	\$ 140.76	\$ 274.34	\$ 200.09	\$ 210.79	\$ 3,433.42
2027	\$ 573.21	\$ 2,035.14	\$ 140.76	\$ 268.18	\$ 196.69	\$ 215.01	\$ 3,428.98
2028	\$ 608.88	\$ 2,000.75	\$ 152.49	\$ 262.02	\$ 193.12	\$ 219.31	\$ 3,436.56
2029	\$ 644.56	\$ 1,964.21	\$ 152.49	\$ 255.35	\$ 189.31	\$ 223.69	\$ 3,429.62
2030	\$ 682.61	\$ 1,925.54	\$ 152.49	\$ 248.68	\$ 185.33	\$ 228.17	\$ 3,422.81
2031	\$ 723.05	\$ 1,884.58	\$ 164.22	\$ 241.05	\$ 181.15	\$ 232.73	\$ 3,426.78
2032	\$ 768.24	\$ 1,841.20	\$ 175.95	\$ 232.84	\$ 176.72	\$ 237.38	\$ 3,432.33
2033	\$ 813.43	\$ 1,795.11	\$ 175.95	\$ 224.04	\$ 172.00	\$ 242.13	\$ 3,422.66
2034	\$ 863.38	\$ 1,746.30	\$ 187.68	\$ 215.25	\$ 167.05	\$ 246.97	\$ 3,426.63
2035	\$ 913.32	\$ 1,694.50	\$ 199.41	\$ 205.86	\$ 161.79	\$ 251.91	\$ 3,426.80
2036	\$ 968.03	\$ 1,639.70	\$ 199.41	\$ 195.89	\$ 156.23	\$ 256.95	\$ 3,416.21
2037	\$ 1,027.49	\$ 1,581.62	\$ 211.14	\$ 185.92	\$ 150.39	\$ 262.09	\$ 3,418.65
2038	\$ 1,089.33	\$ 1,519.97	\$ 222.87	\$ 175.36	\$ 144.20	\$ 267.33	\$ 3,419.06
2039	\$ 1,153.55	\$ 1,454.61	\$ 234.60	\$ 164.22	\$ 137.64	\$ 272.68	\$ 3,417.29
2040	\$ 1,222.52	\$ 1,385.40	\$ 246.33	\$ 152.49	\$ 130.70	\$ 278.13	\$ 3,415.57
2041	\$ 1,296.25	\$ 1,312.05	\$ 258.06	\$ 140.17	\$ 123.35	\$ 283.69	\$ 3,413.58
2042	\$ 1,374.74	\$ 1,234.27	\$ 269.79	\$ 127.27	\$ 115.58	\$ 289.37	\$ 3,411.02
2043	\$ 1,455.61	\$ 1,151.79	\$ 281.52	\$ 113.78	\$ 107.36	\$ 295.16	\$ 3,405.21
2044	\$ 1,543.61	\$ 1,064.45	\$ 293.25	\$ 99.70	\$ 98.67	\$ 301.06	\$ 3,400.75
2045	\$ 1,636.37	\$ 971.83	\$ 304.98	\$ 85.04	\$ 89.49	\$ 307.08	\$ 3,394.80
2046	\$ 1,733.89	\$ 873.65	\$ 328.44	\$ 69.79	\$ 79.78	\$ 313.22	\$ 3,398.77
2047	\$ 1,838.54	\$ 769.62	\$ 340.17	\$ 53.37	\$ 69.47	\$ 319.49	\$ 3,390.65
2048	\$ 1,947.95	\$ 659.30	\$ 351.90	\$ 36.36	\$ 58.58	\$ 325.88	\$ 3,379.97
2049	\$ 2,066.87	\$ 542.43	\$ 375.36	\$ 18.77	\$ 47.08	\$ 332.39	\$ 3,382.90
2050	\$ 2,190.55	\$ 418.42	\$ -	\$ -	\$ 34.87	\$ 212.52	\$ 2,856.36
2051	\$ 2,321.36	\$ 286.98	\$ -	\$ -	\$ 23.92	\$ 216.77	\$ 2,849.03
<b>Total</b>	<b>\$ 33,443.31</b>	<b>\$ 42,200.50</b>	<b>\$ 5,935.38</b>	<b>\$ 4,902.11</b>	<b>\$ 4,009.43</b>	<b>\$ 7,449.80</b>	<b>\$ 97,940.52</b>

<sup>1</sup> Interest on Improvement Areas #2-3 Bonds is calculated at a 6.00% rate for illustrative purposes. The Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments will be updated upon determination of the actual interest rates on Improvement Areas #2-3 Bonds.

<sup>2</sup> Interest rate on Major Improvement Area Bonds equals 4.375%, and 5.00% for bonds maturing in 2029, and 2049 respectively.

<sup>3</sup> Annual Installment and components thereof due 1/31/2023 to be adjusted to match Assessment Roll approved in the 2022 Amended and Restated Service and Assessment Plan.

*Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

Annual Installment Schedule to Notice  
of Obligation to Pay Improvement District Assessment



## **APPENDIX A-5 – IMPROVEMENT AREA #3 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 RECORDING<sup>1</sup> RETURN TO:

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

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STREET ADDRESS

**IMPROVEMENT AREA #3 LOT TYPE 5 PRINCIPAL ASSESSMENT: \$36,823.07**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, 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 *LakePointe Public Improvement District* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Lavon.

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.

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<sup>1</sup> 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 Collin 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]<sup>2</sup>

<sup>2</sup> 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 \_\_\_\_\_

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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]<sup>3</sup>

<sup>3</sup> 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 Collin 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

§

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COUNTY OF \_\_\_\_\_

§

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]<sup>4</sup>

<sup>4</sup> 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 Collin County.

## ANNUAL INSTALLMENTS - IMPROVEMENT AREA #3 LOT TYPE 5

LakePointe PID - Improvement Area #3 Lot Type 5 Projected Annual Installments								
Installments Due 1/31	Improvement Areas #2-3 Bonds		Major Improvement Area Bonds		Total			
	Principal	Interest <sup>1</sup>	Principal	Interest <sup>2</sup>	Additional Interest	Annual Collection Costs	Annual Installment <sup>4</sup>	
2023	\$ 368.97	\$ 1,749.74	\$ 98.36	\$ 243.81	\$ 170.70	\$ 197.90	\$ 2,829.47	
2024	\$ 390.22	\$ 1,727.60	\$ 108.19	\$ 239.50	\$ 168.36	\$ 201.86	\$ 2,835.73	
2025	\$ 415.33	\$ 1,704.19	\$ 108.19	\$ 234.77	\$ 165.87	\$ 205.89	\$ 2,834.25	
2026	\$ 438.52	\$ 1,679.27	\$ 118.03	\$ 230.04	\$ 163.25	\$ 210.01	\$ 2,839.11	
2027	\$ 465.56	\$ 1,652.96	\$ 118.03	\$ 224.87	\$ 160.47	\$ 214.21	\$ 2,836.10	
2028	\$ 494.54	\$ 1,625.02	\$ 127.87	\$ 219.71	\$ 157.55	\$ 218.50	\$ 2,843.18	
2029	\$ 523.52	\$ 1,595.35	\$ 127.87	\$ 214.11	\$ 154.44	\$ 222.87	\$ 2,838.15	
2030	\$ 554.42	\$ 1,563.94	\$ 127.87	\$ 208.52	\$ 151.18	\$ 227.32	\$ 2,833.25	
2031	\$ 587.26	\$ 1,530.67	\$ 137.70	\$ 202.13	\$ 147.77	\$ 231.87	\$ 2,837.40	
2032	\$ 623.97	\$ 1,495.44	\$ 147.54	\$ 195.24	\$ 144.14	\$ 236.51	\$ 2,842.83	
2033	\$ 660.67	\$ 1,458.00	\$ 147.54	\$ 187.86	\$ 140.29	\$ 241.24	\$ 2,835.60	
2034	\$ 701.24	\$ 1,418.36	\$ 157.37	\$ 180.49	\$ 136.25	\$ 246.06	\$ 2,839.77	
2035	\$ 741.81	\$ 1,376.28	\$ 167.21	\$ 172.62	\$ 131.95	\$ 250.98	\$ 2,840.85	
2036	\$ 786.24	\$ 1,331.78	\$ 167.21	\$ 164.26	\$ 127.41	\$ 256.00	\$ 2,832.89	
2037	\$ 834.53	\$ 1,284.60	\$ 177.04	\$ 155.90	\$ 122.64	\$ 261.12	\$ 2,835.84	
2038	\$ 884.76	\$ 1,234.53	\$ 186.88	\$ 147.05	\$ 117.58	\$ 266.35	\$ 2,837.14	
2039	\$ 936.92	\$ 1,181.44	\$ 196.72	\$ 137.70	\$ 112.22	\$ 271.67	\$ 2,836.68	
2040	\$ 992.94	\$ 1,125.23	\$ 206.55	\$ 127.87	\$ 106.56	\$ 277.11	\$ 2,836.25	
2041	\$ 1,052.83	\$ 1,065.65	\$ 216.39	\$ 117.54	\$ 100.56	\$ 282.65	\$ 2,835.61	
2042	\$ 1,116.57	\$ 1,002.48	\$ 226.22	\$ 106.72	\$ 94.21	\$ 288.30	\$ 2,834.51	
2043	\$ 1,182.26	\$ 935.49	\$ 236.06	\$ 95.41	\$ 87.50	\$ 294.07	\$ 2,830.78	
2044	\$ 1,253.73	\$ 864.55	\$ 245.90	\$ 83.60	\$ 80.41	\$ 299.95	\$ 2,828.14	
2045	\$ 1,329.07	\$ 789.33	\$ 255.73	\$ 71.31	\$ 72.91	\$ 305.95	\$ 2,824.30	
2046	\$ 1,408.27	\$ 709.59	\$ 275.40	\$ 58.52	\$ 64.98	\$ 312.07	\$ 2,828.84	
2047	\$ 1,493.27	\$ 625.09	\$ 285.24	\$ 44.75	\$ 56.57	\$ 318.31	\$ 2,823.23	
2048	\$ 1,582.14	\$ 535.49	\$ 295.07	\$ 30.49	\$ 47.67	\$ 324.67	\$ 2,815.54	
2049	\$ 1,678.73	\$ 440.56	\$ 314.75	\$ 15.74	\$ 38.29	\$ 331.17	\$ 2,819.23	
2050	\$ 1,779.18	\$ 339.84	\$ -	\$ -	\$ 28.32	\$ 231.70	\$ 2,379.04	
2051	\$ 1,885.43	\$ 233.09	\$ -	\$ -	\$ 19.42	\$ 236.34	\$ 2,374.28	
2052	\$ 4,683.26	\$ 281.00	\$ -	\$ -	\$ 23.42	\$ 241.06	\$ 5,228.73	
<b>Total<sup>3</sup></b>	<b>\$ 31,846.15</b>	<b>\$ 33,702.62</b>	<b>\$ 4,976.92</b>	<b>\$ 4,110.51</b>	<b>\$ 3,292.87</b>	<b>\$ 7,703.72</b>	<b>\$ 86,486.71</b>	

<sup>1</sup> Interest on Improvement Areas #2-3 Bonds is calculated at a 6.00% rate for illustrative purposes. The Improvement Area #3 Assessment Roll and Improvement Area #3 Annual Installments will be updated upon determination of the actual interest rates on Improvement Areas #2-3 Bonds.

<sup>2</sup> Interest rate on Major Improvement Area Bonds equals 4.375%, and 5.00% for bonds maturing in 2029, and 2049 respectively.

<sup>3</sup> Note in **Appendix A-5** of the 2022 Amended and Restated Service and Assessment Plan, there was a scrivener's error showing the total Improvement Area #3 Outstanding Assessment allocable to Lot Type 5 lots to be \$24,565.61, when it should have been \$31,846.15.

<sup>4</sup> Annual Installment and components thereof due 1/31/2023 to be adjusted to match Assessment Roll approved in the 2022 Amended and Restated Service and Assessment Plan.

*Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

Annual Installment Schedule to Notice  
of Obligation to Pay Improvement District Assessment

## **APPENDIX A-6 – IMPROVEMENT AREA #3 INITIAL PARCEL 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: under a court order or foreclosure sale;

- 1) by a trustee in bankruptcy;
- 2) 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;
- 3) 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;
- 4) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 5) from one co-owner to another co-owner of an undivided interest in the real property;
- 6) to a spouse or a person in the lineal line of consanguinity of the seller;
- 7) to or from a governmental entity; or
- 8) of only a mineral interest, leasehold interest, or security interest

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

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

AFTER RECORDING<sup>1</sup> RETURN TO:

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

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STREET ADDRESS

**IMPROVEMENT AREA #3 INITIAL PARCEL PRINCIPAL ASSESSMENT:  
\$8,137,899.46**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Lavon, 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 ***LakePointe Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Lavon. The exact amount of each annual installment will be approved each year by the Lavon City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Lavon.

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.

<sup>1</sup> 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 Collin 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]<sup>2</sup>

<sup>2</sup> 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 \_\_\_\_\_

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]<sup>3</sup>

<sup>3</sup> 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 Collin 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 \_\_\_\_\_

§

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]<sup>4</sup>

<sup>4</sup> 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 Collin County.

## ANNUAL INSTALLMENTS - IMPROVEMENT AREA #3 INITIAL PARCEL

Installments Due	Improvement Areas #2-3 Bonds		Major Improvement Area Bonds		Total		
	Principal	Interest <sup>1</sup>	Principal	Interest	Additional Interest	Annual Collection Costs	Annual Installment
1/31/2023	\$ 81,542.78	\$ 386,692.08	\$ 21,737.14	\$ 53,880.94	\$ 37,723.84	\$ 43,735.69	\$ 625,312.47
1/31/2024	\$ 86,238.96	\$ 381,799.51	\$ 23,910.86	\$ 52,929.94	\$ 37,207.44	\$ 44,610.41	\$ 626,697.11
1/31/2025	\$ 91,788.99	\$ 376,625.17	\$ 23,910.86	\$ 51,883.85	\$ 36,656.69	\$ 45,502.61	\$ 626,368.17
1/31/2026	\$ 96,912.10	\$ 371,117.83	\$ 26,084.57	\$ 50,837.75	\$ 36,078.19	\$ 46,412.67	\$ 627,443.11
1/31/2027	\$ 102,889.05	\$ 365,303.11	\$ 26,084.57	\$ 49,696.55	\$ 35,463.21	\$ 47,340.92	\$ 626,777.41
1/31/2028	\$ 109,292.94	\$ 359,129.76	\$ 28,258.29	\$ 48,555.35	\$ 34,818.34	\$ 48,287.74	\$ 628,342.42
1/31/2029	\$ 115,696.82	\$ 352,572.19	\$ 28,258.29	\$ 47,319.05	\$ 34,130.58	\$ 49,253.49	\$ 627,230.42
1/31/2030	\$ 122,527.63	\$ 345,630.38	\$ 28,258.29	\$ 46,082.74	\$ 33,410.81	\$ 50,238.56	\$ 626,148.41
1/31/2031	\$ 129,785.36	\$ 338,278.72	\$ 30,432.00	\$ 44,669.83	\$ 32,656.88	\$ 51,243.33	\$ 627,066.12
1/31/2032	\$ 137,896.95	\$ 330,491.60	\$ 32,605.72	\$ 43,148.23	\$ 31,855.79	\$ 52,268.20	\$ 628,266.48
1/31/2033	\$ 146,008.53	\$ 322,217.78	\$ 32,605.72	\$ 41,517.94	\$ 31,003.28	\$ 53,313.56	\$ 626,666.82
1/31/2034	\$ 154,973.97	\$ 313,457.27	\$ 34,779.43	\$ 39,887.66	\$ 30,110.20	\$ 54,379.84	\$ 627,588.37
1/31/2035	\$ 163,939.41	\$ 304,158.83	\$ 36,953.14	\$ 38,148.69	\$ 29,161.44	\$ 55,467.43	\$ 627,828.94
1/31/2036	\$ 173,758.69	\$ 294,322.47	\$ 36,953.14	\$ 36,301.03	\$ 28,156.98	\$ 56,576.78	\$ 626,069.09
1/31/2037	\$ 184,431.83	\$ 283,896.94	\$ 39,126.86	\$ 34,453.37	\$ 27,103.42	\$ 57,708.32	\$ 626,720.74
1/31/2038	\$ 195,531.90	\$ 272,831.03	\$ 41,300.57	\$ 32,497.03	\$ 25,985.62	\$ 58,862.48	\$ 627,008.64
1/31/2039	\$ 207,058.89	\$ 261,099.12	\$ 43,474.29	\$ 30,432.00	\$ 24,801.46	\$ 60,039.73	\$ 626,905.49
1/31/2040	\$ 219,439.73	\$ 248,675.59	\$ 45,648.00	\$ 28,258.29	\$ 23,548.79	\$ 61,240.53	\$ 626,810.92
1/31/2041	\$ 232,674.42	\$ 235,509.20	\$ 47,821.72	\$ 25,975.89	\$ 22,223.36	\$ 62,465.34	\$ 626,669.92
1/31/2042	\$ 246,762.96	\$ 221,548.74	\$ 49,995.43	\$ 23,584.80	\$ 20,820.87	\$ 63,714.65	\$ 626,427.45
1/31/2043	\$ 261,278.43	\$ 206,742.96	\$ 52,169.14	\$ 21,085.03	\$ 19,337.08	\$ 64,988.94	\$ 625,601.59
1/31/2044	\$ 277,074.67	\$ 191,066.26	\$ 54,342.86	\$ 18,476.57	\$ 17,769.85	\$ 66,288.72	\$ 625,018.92
1/31/2045	\$ 293,724.77	\$ 174,441.78	\$ 56,516.57	\$ 15,759.43	\$ 16,112.76	\$ 67,614.49	\$ 624,169.80
1/31/2046	\$ 311,228.72	\$ 156,818.29	\$ 60,864.00	\$ 12,933.60	\$ 14,361.55	\$ 68,966.78	\$ 625,172.94
1/31/2047	\$ 330,013.44	\$ 138,144.57	\$ 63,037.72	\$ 9,890.40	\$ 12,501.09	\$ 70,346.12	\$ 623,933.33
1/31/2048	\$ 349,652.02	\$ 118,343.76	\$ 65,211.43	\$ 6,738.51	\$ 10,535.83	\$ 71,753.04	\$ 622,234.59
1/31/2049	\$ 370,998.29	\$ 97,364.64	\$ 69,558.86	\$ 3,477.94	\$ 8,461.51	\$ 73,188.10	\$ 623,049.35
1/31/2050	\$ 393,198.42	\$ 75,104.74	\$ -	\$ -	\$ 6,258.73	\$ 51,206.59	\$ 525,768.48
1/31/2051	\$ 416,679.33	\$ 51,512.84	\$ -	\$ -	\$ 4,292.74	\$ 52,230.73	\$ 524,715.62
1/31/2052	\$ 1,035,000.00	\$ 62,100.00	\$ -	\$ -	\$ 5,175.00	\$ 53,275.34	\$ 1,155,550.34
<b>Total</b>	<b>\$ 7,038,000.00</b>	<b>\$ 7,636,997.14</b>	<b>\$ 1,099,899.46</b>	<b>\$ 908,422.43</b>	<b>\$ 727,723.30</b>	<b>\$ 1,702,521.13</b>	<b>\$ 19,113,563.45</b>

<sup>1</sup> Interest on Improvement Areas #2-3 Bonds is calculated at a 6.00% rate for illustrative purposes. The Improvement Area #3 Assessment Roll and Improvement Area #3 Annual Installments will be updated upon determination of the actual interest rates on Improvement Areas #2-3 Bonds.

<sup>2</sup> Parcels in Improvement Area #3 are also subject to Major Improvement Area Assessments. Annual Installment and components thereof due 1/31/2023 to be adjusted to match Assessment Roll approved in the 2022 Amended and Restated Service and Assessment Plan.

*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.*

Annual Installment Schedule to Notice  
of Obligation to Pay Improvement District Assessment

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.*

[ISSUE DATE]

**CITY OF LAVON, TEXAS  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022  
(LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREAS #2-3 PROJECT)**

**IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ \_\_\_\_\_**

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**AS BOND COUNSEL** for the City of Lavon, 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, and maturing and subject to redemption on the dates specified 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 Indenture of Trust for the Bonds between the Issuer and Wilmington Trust, National Association, dated as of December 1, 2022 (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 Bonds, on a parity with other outstanding bonds, 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 issue Refunding Bonds which also may be secured by the Trust Indenture on the terms and conditions described therein.

**THE ISSUER** has also 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**, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof 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 or corporate 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 by the Issuer with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed and refinanced therewith. In expressing the aforementioned opinions, we have relied on certain representations and covenants regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer 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, is 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 LAVON, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022  
(LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREAS #2-3 PROJECT)**

**CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER**

This Continuing Disclosure Agreement of the Issuer, dated as of December 1, 2022 (this “Disclosure Agreement”) is executed and delivered by and between the City of Lavon, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2022 (LakePointe Public Improvement District Improvement Areas #2-3 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) 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 December 1, 2022, between the Issuer and the Trustee relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean initially, P3Works, LLC, or thereafter 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.

“Affiliate” shall mean an entity that owns property within Improvement Area #2 or Improvement Area #3 of the District and is controlled by, controls, or is under common control with the Developer or any Subsequent Third-Party Owner.

“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.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Developer” shall mean Lavon LakePointe Development, LLC, a Texas limited liability company, or any Affiliate of the Developer, and its successors and assigns.

“Disclosure Agreement of the Developer” shall mean the Continuing Disclosure Agreement of the Developer, dated as of December 1, 2022, relating to the Bonds executed and delivered by the Developer, the Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent.

“Disclosure Representative” shall mean the City Administrator 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., 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 LakePointe Public Improvement District within the City of Lavon, Texas.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Filing Due Date” is the tenth day of the month immediately following the sixth month after the end of each Fiscal Year, beginning April 10, 2023.

“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) or (b); 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 twelve-month period beginning October 1 and continuing through September 30, or such other twelve-month period designated by the Issuer as its fiscal year.

“Improvement Area #2” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #3” shall have the meaning assigned to such term 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 have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Prepayment” shall have the meaning assigned to such term in the Indenture.

“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.

“Subsequent Third-Party Owner” shall have the meaning assigned to such term in the Disclosure Agreement of the Developer.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall have the meaning assigned to such term in the Indenture.

### SECTION 3. Provision of Annual Issuer Reports.

(a) The Issuer shall cause, and hereby directs, the Administrator to compile and prepare the Annual Issuer Report. The Administrator shall provide such Annual Issuer Report to the Issuer and the Dissemination Agent no later than ten (10) days before the Filing Due Date.

(b) The Issuer shall cause, and hereby directs, the Dissemination Agent to provide or cause to be provided to the MSRB, in electronic or other form required by the MSRB, commencing with the Fiscal Year ended September 30, 2022, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer, if prepared and available, may be submitted separately from the Annual Issuer Report, and later than the date required in this paragraph for the filing of the Annual Issuer Report if audited financial statements are not available by that date; provided further, however, that the Annual Financial Information must be submitted not later than the Filing Due Date, commencing with the Fiscal Year ended September 30, 2022. The Issuer is providing the audited financial statements in connection with the requirements of this Disclosure Agreement; notwithstanding such requirements, the Bonds are special obligations of the Issuer payable solely from the Trust Estate, as and to the extent provided for in the Indenture. The Bonds do not give rise to a charge against the general credit or taxing power of the Issuer and are payable solely from the sources identified in the Indenture.

The Annual Issuer Report 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 give notice of such change

in the same manner as for a Listed Event under Section 5(a). All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(c) The Issuer shall, or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the Filing Due Date;

(ii) file the Annual Issuer Report (excluding the audited financial statements of the Issuer, if any, which shall be filed by the Issuer or the Dissemination Agent upon receipt from the Issuer) containing or incorporating by reference the information set forth in Section 4 hereof;

(iii) file audited financial statements of the Issuer pursuant to Section 4(b) herein; and

(iv) if the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file the following:

(a) Not later than ten (10) days prior to the Filing Due Date for each Fiscal Year the following Annual Financial Information (any or all of which may be unaudited):

(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.

(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 Assessments in Improvement Area #2 or Improvement Area #3 of the District.

(iv) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total Assessments levied within Improvement Area #2 and Improvement Area #3, the Annual Issuer Report (in the SAP Update or otherwise) shall include the number of certificates of occupancy (“COs”) issued for new homes completed in Improvement Area #2 and Improvement Area #3 during such Fiscal Year and the aggregate number of COs issued for new homes completed within Improvement Area #2 and Improvement Area #3 since filing the initial Annual Issuer Report 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 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) If not provided with the financial information provided under subsection 4(a) above, if prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If audited financial statements are not included with the financial information provided under subsection 4(a) above and audited financial statements are not completed within twelve months of the end of such Fiscal Year, unaudited financial statements shall be included with such financial information within twelve months of the end of such Fiscal Year.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs.

(c) The Issuer has designated P3Works, LLC, as the initial Administrator. The Administrator shall prepare and provide the Annual Financial Information required (except for the information of the type included under the heading “Debt Service Requirements on the Bonds” in Exhibit B hereto and audited or unaudited financial statements of the Issuer) pursuant to, and within the timeline described in, Section 4(a) above to the Dissemination Agent. If no Administrator has been designated, the Issuer shall prepare and provide the Annual Financial Information required pursuant to, and within the timeline described in, Section 4(a) above to the Dissemination Agent.

(d) 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 or Improvement Area #3 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 (the "2018 Release") and any further written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release. For the avoidance of doubt, the issuance of additional bonds under the Indenture or the incurrence of additional obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 5 must be filed with the MSRB.

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 to 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; provided, however, 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 annual audited financial statements (or unaudited financial statements, if audited financial statements are not available) or Annual Financial Information 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 of the occurrence 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 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 subsection (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 the 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 occurrence of the following: (i) the legal defeasance, prior redemption or payment in full of all of the Bonds, (ii) when the Issuer is no longer an obligated person with respect to the Bonds, or (iii) 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 its 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. 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 Issuer Report, 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 Annual Issuer Report for the 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 Issuer Report 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 Issuer Report or notice of occurrence of an event in addition to Listed Events 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 Issuer Report or notice of occurrence of such 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 may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), or any Owner or beneficial owner of the Bonds may, 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 the Developer by the Developer, and a default under the Disclosure Agreement of the 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 the 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 Issuer Report) 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 or Improvement Area #3 of the District, but only to the extent such funds are available under the Indenture, 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 Issuer Report 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 or Improvement Area #3, but only to the extent such funds are available under the Indenture, 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 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. NEITHER THE DISSEMINATION AGENT NOR THE ADMINISTRATOR ARE UNDER ANY OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent 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 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 the 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 the 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, and the Owners and 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 and Improvement Area #3, 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 LAVON, TEXAS

By: \_\_\_\_\_  
Mayor

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

S-1

HTS CONTINUING DISCLOSURE SERVICES, a  
division of Hilltop Securities, Inc. (as  
Dissemination Agent)

By: \_\_\_\_\_  
Authorized Officer

P3WORKS, LLC  
(as Administrator)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE  
ANNUAL ISSUER REPORT**

Name of Issuer: City of Lavon, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022  
(LakePointe Public Improvement District Improvement Areas #2-3  
Project)  
CUSIP Nos. [insert CUSIP NOs.]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that the City of Lavon, Texas, has not provided [an Annual Issuer Report][annual [audited][unaudited] financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated December 1, 2022, among 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 Issuer Report][annual [audited][unaudited] financial statements] will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

HTS CONTINUING DISCLOSURE SERVICES, a  
division of Hilltop Securities, Inc. (as  
Dissemination Agent)

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: City of Lavon Texas

## EXHIBIT B

### CITY OF LAVON, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)

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#### ANNUAL ISSUER REPORT\*

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Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP NOSs: [insert CUSIP NOs.]

#### DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc.  
Address:  
City:  
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

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\*Excluding Audited Financial Statements of the Issuer



## BALANCE OF FUNDS AND ACCOUNTS SECURING THE BONDS

Bonds (Principal Balance) \_\_\_\_\_

Funds and Accounts [list] \_\_\_\_\_

**TOTAL ASSETS** \_\_\_\_\_

**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<sup>(1)</sup>

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>
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<sup>(1)</sup> Does not include those owing less than one percent (1%) of total Assessments.

### Top Improvement Area #3 Assessment Payers<sup>(1)</sup>

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>
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<sup>(1)</sup> Does not include those owing less than one percent (1%) of total Assessments.

### Assessed Value of Improvement Area #2 and Improvement Area #3 of the District

The [YEAR] certified total assessed value for the land in Improvement Area #2 and Improvement Area #3 of the District is approximately \$[AMOUNT] according to the Collin County 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 Assessments**

<u>Time Period</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] <sup>(1)</sup>		\$		\$

<sup>(1)</sup> As of February 1, 20\_\_.**Collection and Delinquency History of Assessments**

<u>Time Period</u>	<u>Total Assessment Levied</u>	<u>Parcels Levied<sup>(1)</sup></u>	<u>Delinquent Amount as of 3/15</u>	<u>Delinquent % as of 3/15</u>	<u>Delinquent Amount as of 9/15</u>	<u>Delinquent % as of 9/15</u>	<u>Total Assessments Collected<sup>(2)</sup></u>
[FISCAL YEAR END]	\$		\$	%	\$	%	\$
[FEB 1. OF CURRENT YEAR] <sup>(3)</sup>	\$		\$	%	N/A	N/A	\$

<sup>(1)</sup> 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.

<sup>(2)</sup> [Does/does not] include interest and penalties.<sup>(3)</sup> Collected as of February 1, 20\_\_.**History of Prepayment of 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] <sup>(1)</sup>		\$		\$

<sup>(1)</sup> 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 ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES<sup>1</sup>

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments Delinquent if not received
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies
February 28	28	At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. <b>For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure.</b>
		<b>If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.</b>
March 15	43/44	Trustee pays bond interest payments to bondholders.
		Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.
		Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent 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 for debt service.
March 31	59/60	Issuer determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable

<sup>1</sup> Illustration of sequencing and thresholds of events only. Actual actions may differ from this timeline.

<u><b>Date</b></u>	<u><b>Delinquency Clock (Days)</b></u>	<u><b>Activity</b></u>
		appropriate and legally permissible actions to obtain such delinquent Annual Installments.
		<b>Issuer and/or Administrator to notify Dissemination Agent of any delinquencies to be included in the Annual Report.</b>
April 15	74/75	<p><b>Preliminary Foreclosure activity commences, and Issuer to notify Trustee and Dissemination Agent of the commencement of preliminary foreclosure activity.</b></p> <p>If Trustee has not received Foreclosure Schedule and Plan of Collections, Trustee to request same from the Issuer.</p>
May 1	89/90	If the Issuer has not provided the Trustee with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders to begin foreclosure under Section 7.2 of the Indenture, Trustee requests that the Issuer commence foreclosure or provide plan for collection.
May 15	104/105	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination through the MSRB. The goal for the foreclosure actions is a filing by no later than June 1 (day 120/121).
<b>June 1</b>	<b>120/121</b>	<b>Foreclosure action to be filed with the court.</b>
<b>June 15</b>	<b>135/136</b>	<b>Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status. Dissemination Agent notifies bondholders.</b>
July 1	150/151	If bondholders 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 LAVON, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022  
(LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREAS #2-3 PROJECT)**

**CONTINUING DISCLOSURE AGREEMENT OF THE DEVELOPER**

This Continuing Disclosure Agreement of the Developer, dated as of December 1, 2022 (this “Disclosure Agreement”) is executed and delivered by and among Lavon LakePointe Development, LLC, a Texas limited liability company (the “Developer”), P3 Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent (the “Dissemination Agent”) with respect to the “City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (LakePointe Public Improvement District Improvement Areas #2-3 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) 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 December 1, 2022, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean initially, P3Works, LLC, or thereafter the City or independent firm designated by the City who shall have the responsibilities provided in the 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.

“Affiliate” shall mean an entity that owns property within Improvement Area #2 or Improvement Area #3 of the District and is controlled by, controls, or is under common control with the Developer.

“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.

“Assessed Property” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by the Developer, or Subsequent Third-Party Owner, as applicable, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean Lavon LakePointe Development, LLC, a Texas limited liability company, including any Affiliate of the Developer, and its designated successors and assigns.

“Development Agreement” shall mean the Development Agreement between the Issuer, the Developer, and LDC Lavon, LLC, effective as of March 19, 2019, and as amended from time to time.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of the Issuer dated as of December 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., 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 LakePointe Public Improvement District within the City of Lavon, Texas.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Improvement Area #2” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #3” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #2 Improvements” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #3 Improvements” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Lavon, Texas.

“Listed Events” shall mean any of the events listed in Section 4(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.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.



“Private Improvements” shall mean the improvements and amenities to be constructed by the Developer or its designee within Improvement Area #2 and Improvement Area #3 of the District pursuant to the Development Agreement.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30, and December 31.

“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.

“Subsequent Third-Party Owner” shall mean any owner, other than the Developer, who acquires Assessed Property within Improvement Area #2 or Improvement Area #3 of the District, which results in such third-party owner, including any affiliate of such third-party owner, owning property representing at least twenty percent (20%) of the total Annual Installments of the Assessments in Improvement Area #2 or Improvement Area #3, as the case may be, as of each Quarterly Ending Date.

“Trustee” shall have the meaning assigned to such term in the Indenture.

### SECTION 3. Quarterly Reports.

(a) The Developer and any Subsequent Third-Party Owner, with respect to its acquired real property, shall provide, or cause to be provided, to the Administrator, at its cost and expense, 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 for the quarter ended within the last ten (10) days (with respect to each party, the “Quarterly Information”). The Developer and any Subsequent Third-Party Owner shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 6 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Subsequent Third-Party Owner, and (ii) the Developer shall remain obligated with respect to any real property acquired by a Subsequent Third-Party Owner until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 5 of this Disclosure Agreement.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Developer and/or any Subsequent Third-Party Owner pursuant to subsection (a) above and (ii) provide to the Developer and/or any Subsequent Third-Party Owner, as applicable, each Quarterly Report for review no later than twenty-five (25) days prior to each Quarterly Filing Date. The Developer and/or any Subsequent Third-Party Owner, as applicable, shall review the Quarterly Report and, upon such review, shall each promptly, but no later than five (5) days prior to each Quarterly Filing Date, provide to the Administrator the Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Dissemination Agent pursuant to subsection (c) below. In all cases, the Developer and/or any Subsequent Third-Party Owner, 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, not less than five (5) days prior to each Quarterly Filing Date, each Quarterly Report containing the information described in this Section 3 and the Certification Letter(s) provided by the Developer and/or Subsequent Third-Party Owner. The Dissemination Agent is hereby authorized to promptly file the Quarterly Report and the Certification Letter(s) with the MSRB within five (5) 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 Subsequent Third-Party Owner, or the Administrator does not provide the information required by subsection (a) or (b) of this Section, as 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 is hereby authorized, upon written notice to the Developer, Subsequent Third-Party Owner 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 the Developer and/or any Subsequent Third-Party Owner 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 Subsequent Third-Party Owner, 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 and Improvement Area #3 subject to the 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 Service and Assessment Plan on the date of sale of the Bonds; and

E. An explanation as to any change to the number of lots/parcels within Improvement Area #2 or Improvement Area #3 from the Service and Assessment Plan on the date of sale of the Bonds;

(ii) In a form similar to that as Table 3(d)(ii) in Exhibit A attached hereto, the landowner composition of Improvement Area #2 and Improvement Area #3, including:

A. The number of parcels and/or lots owned by each type of landowner (i.e., Developer or Subsequent Third-Party Owner), broken down by planned and actual parcels and/or lots;

B. The percentage of Annual Installments of Assessments relative to the total Annual Installments of Assessments for each type of landowner, as of the Quarterly Ending Date;

C. The number of acres of land owned by each type of landowner;

D. A listing of all Subsequent Third-Party Owners, if any, and the percentage of such party's Annual Installments of Assessments relative to the total Annual Installments of Assessments, as of the Quarterly Ending Date; and

E. An explanation as to any change to the number of parcels and/or lots within Improvement Area #2 and Improvement Area #3 of the District from the prior 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 running total basis, including:

A. The number of lots platted in Improvement Area #2 and Improvement Area #3 of the District, on a current quarter and running total basis;

B. The number of lots in Improvement Area #2 and Improvement Area #3 of the District owned by the Developer or any Subsequent Third-Party Owner closed with a homebuilder, on a current quarter and running total basis;

C. The number of lots in Improvement Area #2 and Improvement Area #3 of the District owned by the Developer or any Subsequent Third-Party Owner under contract with a homebuilder;

D. The number of lots in Improvement Area #2 and Improvement Area #3 of the District owned by the Developer or any Subsequent Third-Party Owner not closed or under contract with a homebuilder; and

E. An explanation as to any change to the number of lots planned to be developed in Improvement Area #2 and Improvement Area #3 of the District by the Developer or any Subsequent Third-Party Owner;

(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, broken down by lot type and phase, on a running total basis:

A. The number of homes under construction in Improvement Area #2 and Improvement Area #3 of the District by the Developer, any Subsequent Third-Party Owner, or homebuilder;

B. The number of homes constructed in Improvement Area #2 and Improvement Area #3 of the District by the Developer, any Subsequent Third-Party Owner, or homebuilder;

C. The number of homes under contract with homebuyers in Improvement Area #2 and Improvement Area #3 of the District;

D. The number of homes closed with homebuyers (delivered to end users) in Improvement Area #2 and Improvement Area #3 of the District; and

E. The average sales price of homes in Improvement Area #2 and Improvement Area #3 of the District;

(v) In a form similar to that as Table 3(d)(v) in Exhibit A attached hereto, until completion of the Private Improvements, with respect to any amenities or Private Improvements:

A. Total expected construction budget;

B. Total costs spent to date;

C. Status of construction; and

D. Expected or actual completion date;

The Developer's filings under this Section 3(d)(v) will terminate after completion of the final segment of the Private Improvements in accordance with the Development Agreement and the Developer provides a final summary report covering the period from the date of its last preceding quarterly progress report to the date of completion of the final segment of the Private Improvements.

(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 or Improvement Area #3 of the District which necessitates changes to the land use plans of the Developer or any Subsequent Third-Party Owner;

(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)-(ii) in Exhibit A attached hereto, with respect to each category of the Improvement Area #3 Improvements, as set forth in the Service and Assessment Plan, 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 #3 Improvements, including:

A. Total budgeted costs of all Improvement Area #3 Improvements;

B. Total actual costs of the Improvement Area #3 Improvements drawn from the Improvement Area #3 Bond Improvement Account of the Project Fund, as of the Quarterly Ending Date;

C. Total actual costs of the Improvement Area #3 Improvements financed with other sources of funds (non-bond financed), as of the Quarterly Ending Date;

D. Forecast completion date; and

E. Actual Issuer acceptance date; and

(ii) Narrative update of construction milestones for the Improvement Area #3 Improvements since the date of the prior Quarterly Report.

The Developer's filings under this Section 3(e) will terminate after the Issuer accepts the final segment of the Improvement Area #3 Improvements and Developer provides a final summary report covering the period from the date of its last preceding quarterly progress report to the date of Issuer acceptance of the final segment of the Improvement Area #3 Improvements.

#### SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #2 or Improvement Area #3 of the District on a parcel owned by the Developer or any Subsequent Third-Party Owner; provided, however, that the exercise of any right of the Developer or Subsequent Third-Party Owner as a landowner within Improvement Area #2 or Improvement Area #3 of the District 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 Listed Event under this Section 4 nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements, including the Improvement Area #2 Improvements, the Improvement Area #3 Improvements, and the Private Improvements;

(iii) Material default by the Developer on any loan with respect to the development or permanent financing of the District undertaken by the Developer;

(iv) Material default by the Developer or any of the Developer's Affiliates on any loan secured by property within Improvement Area #3 of the District owned by the Developer;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any Subsequent Third-Party Owner or any determination that the Developer or any Subsequent Third-Party Owner 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;

(vii) The filing of any lawsuit with claim for damages in excess of \$1,000,000 against the Developer or any of the Developer's Affiliates which may adversely affect the completion of development of Improvement Area #3 of the District or litigation which would materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates; and

(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 hereof.

(b) Whenever a Listed Event relating to the Developer or any Subsequent Third-Party Owner occurs, such party shall promptly, not more than five (5) Business Days after the occurrence of such Listed Event, notify the Administrator and the Dissemination Agent in writing and the Developer or Subsequent Third-Party Owner, as applicable, shall direct the Dissemination Agent to immediately file a notice of such occurrence with the MSRB and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event. If the Developer or any Subsequent Third-Party Owner timely notifies the Dissemination Agent of the occurrence of a 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.

Any notice under the preceding paragraph shall be accompanied with the text of the disclosure that the Developer or Subsequent Third-Party Owner, as the case may be, desires to make, the written authorization for the Dissemination Agent to disseminate such information as provided herein, and the date the Developer or Subsequent Third-Party Owner, as applicable,

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).

In all cases, the Developer or Subsequent Third-Party Owner, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided pursuant to this Disclosure Agreement. In addition, the Developer or Subsequent Third-Party Owner, 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 of the occurrence of the Listed Event.

(c) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event, notify the Developer or Subsequent Third-Party Owner, as 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 Subsequent Third-Party Owner, 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 Subsequent Third-Party Owner, 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 Subsequent Third-Party Owner, 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, Subsequent Third-Party Owner, 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.

(d) If the Dissemination Agent has been instructed by the Developer or Subsequent Third-Party Owner, as applicable, to report the occurrence of a Listed Event, 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 Subsequent Third-Party Owner, as applicable; provided that all such notices must be filed no later than the date specified in subsection (b) of this Section 4 for such Listed Event.

#### SECTION 5. Assignment to Subsequent Third-Party Owner.

If the Developer sells, assigns, or otherwise transfers ownership of real property in Improvement Area #2 or Improvement Area #3 of the District to a Subsequent Third-Party Owner, the Developer shall require such Subsequent Third-Party Owner to comply with the Developer’s disclosure obligations hereunder with respect to such acquired real property until such party’s obligations terminate pursuant to Section 6 of this Disclosure Agreement; provided however, a Subsequent Third-Party Owner shall not be required to provide the disclosure information required by Section 3(e) above unless the Subsequent Third-Party Owner has assumed the obligations through an assignment of obligations, requirements, or covenants under the Development Agreement to construct one or more of the Improvement Area #3 Improvements, in which case the Subsequent Third-Party Owner shall include the disclosure information required by Section 3(e) above for the Improvement Area #3 Improvements that the Subsequent Third-Party

Owner is constructing. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer, a written acknowledgement from each Subsequent Third-Party Owner, in substantially the form attached as Exhibit E (the “Acknowledgment”) acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to subsection 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Acknowledgment with the MSRB, in accordance with Sections 4(b) and 4(d) above. Upon any such transfer to a Subsequent Third-Party Owner, and such Subsequent Third-Party Owner’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 Subsequent Third-Party Owner arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Subsequent Third-Party Owner comply with obligations of this Section 5 with respect to any subsequent transfers by such Subsequent Third-Party Owners to any individual or entity meeting the definition of a “Subsequent Third-Party Owner” in the future.

#### SECTION 6. Termination of Reporting Obligations.

(a) Except as described in Section 3 with respect to the contents of the Quarterly Reports, the reporting obligations of the Developer and any Subsequent Third-Party Owner under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) when the Developer or Subsequent Third-Party Owner, if any, is no longer responsible for the payment of Annual Installments of Assessments equal to at least twenty (20%) of the total Annual Installment of Assessments as of each Quarterly Ending Date.

(b) At such time that the reporting obligations of the Developer and/or any Subsequent Third-Party Owner terminate in accordance with subsection (a) of this Section 6, the Administrator shall provide written notice to the Developer and/or Subsequent Third-Party Owner, as applicable, the Issuer and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such party’s reporting obligations under this Disclosure Agreement (the “Termination Notice”). If such termination notice with respect to the Developer or Subsequent Third-Party Owner, as applicable, occurs prior to the legal defeasance, prior redemption, or payment in full of all of the Bonds, 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 and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) 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 Subsequent Third-Party Owners’, if any, reporting obligations in accordance with Section 6(a) hereof and any Termination Notice required by subsection (b) of this Section 6 has been provided to the MSRB, the Issuer, the Trustee, the Developer or Subsequent Third-Party Owner, as applicable, and the Participating Underwriter.



SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer, Subsequent Third-Party Owner, if any, and the Administrator in carrying out their obligations under this Disclosure Agreement. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc. 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 it provides written acceptance of the designation of Dissemination Agent hereunder. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to the Developer or any Subsequent Third-Party Owner that has executed an Acknowledgment pursuant to Section 5 hereof of any change in the identity of the Dissemination Agent.

SECTION 8. 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 Subsequent Third-Party Owner, 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 of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(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 (or in the case of a change of accounting principles, on the presentation) 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 8 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Subsequent Third-Party Owner 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 chooses to include any information in any Quarterly Report or notice of occurrence of an event in addition to Listed Events is specifically

required by this Disclosure Agreement, the Developer or the Subsequent Third-Party Owner, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of such event.

SECTION 10. Content of Disclosures. In all cases, the Developer or Subsequent Third-Party Owner, as the case may be, 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 9 of this Disclosure Agreement.

SECTION 11. Default. In the event of a failure of the Developer, any Subsequent Third-Party Owner, or Administrator to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), or any Owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Developer, Subsequent Third-Party Owner, and/or 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, any Subsequent Third-Party Owner, or 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 Subsequent Third-Party Owner, 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 Subsequent Third-Party Owner, or Administrator.

SECTION 12. 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, Subsequent Third-Party Owner 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 breach, 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 OR THE DEVELOPER 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 DEVELOPER, THE DISSEMINATION AGENT OR THE ADMINISTRATOR, 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 AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Subsequent Third-Party Owner, 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 Subsequent Third-Party Owner, 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. 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 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 16. 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 Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.

SECTION 17. 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 the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. 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.  
(as Dissemination Agent)

By: \_\_\_\_\_  
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

S-1

LAVON LAKEPOINTE DEVELOPMENT, LLC  
a Texas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

P3WORKS, LLC  
(as Administrator)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

## EXHIBIT A

### CITY OF LAVON, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREAS #2-3 PROJECT)

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#### 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:  
Telephone:  
Contact Person: Attn:

**TABLE 3(d)(i)**

IMPROVEMENT AREA #[2/3] OVERVIEW (as of [Insert <i>Quarterly Ending Date</i> ])					
NUMBER OF SINGLE-FAMILY PARCELS, ACREAGE OF SUCH PARCELS AND NUMBER OF PLATTED SINGLE-FAMILY LOTS IN IMPROVEMENT AREA #[2/3] SUBJECT TO ASSESSMENTS:					
	Improvement Area #[2/3] <sup>(1)</sup>		Service and Assessment Plan <sup>(2)</sup>		Explanation as to any change in Lots/Parcels from Service and Assessment Plan
Single Family					
Total SF Parcels/Acres					
Lot Type	-		-		
50' Lot					
[60' Lot]					
[Future SF]					
Total SF Lots:					

<sup>(1)</sup> Single family lots represent the number of platted single-family lots in Improvement Area #[2/3], as of [Insert Quarterly Ending Date].

<sup>(2)</sup> Single family lots represent the number of planned single-family lots included in Service and Assessment Plan on date of sale of the Bonds.

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER



**TABLE 3(d)(ii)**

LANDOWNER COMPOSITION (as of [ <i>Insert Quarterly Ending Date</i> ]) OF IMPROVEMENT AREA #[2/3]				
Landowner Composition	Planned Parcels/Lots	Actual Parcel/Lots	% of Annual Installments	Acreage
<b>Subsequent Third-Party Owned</b>				
[LOT TYPE]				
<i>Total Subsequent Third-Party Owned Lots:</i>				
<b>Developer Owned</b>				
[LOT TYPE]				
<i>Total Developer Owned Lots:</i>				
<i>Total Development</i>	N/A	N/A		
Notations: <ul style="list-style-type: none"> <li>- Listing of all Subsequent Third-Party Owners and the percentage of each party's Annual Installments of Assessments relative to the total Annual Installments of Assessments, as of the [<i>Insert Quarterly Ending Date</i>]</li> <li>- Explanation as to any change to the number of parcels and/or lots within Improvement Area #[2/3] of the District from the prior Quarterly Ending Date</li> </ul>				

The remainder of this page is left blank intentionally.

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

FOR EACH PARCEL DESIGNATED AS SINGLE-FAMILY RESIDENTIAL:

**TABLE 3(d)(iii)**

DEVELOPER ABSORPTION STATISTICS IN IMPROVEMENT AREA #[2/3] OF THE DISTRICT					
	Number of Platted Lots	Closed to Homebuilder	Increase from [ <i>insert prior Quarterly Ending Date</i> ]	Under Contract w/ Homebuilder	Not Closed or Under Contract
Quarter Ending _____, 20__					
[LOT TYPE]					
Total Units:					
Total Absorption:					
[LOT TYPE]					
Total Units:					
Notation: - Explanation as to any changes to the number of lots planned to be developed in Improvement Area #[2/3] of the District by the Developer or Subsequent Third-Party Owner					

The remainder of this page is left blank intentionally.

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

**TABLE 3(d)(iv)**

HOMEBUILDER ABSORPTION STATISTICS FOR SINGLE-FAMILY RESIDENTIAL IN IMPROVEMENT AREA #[2/3] OF THE DISTRICT							
	Under Constructio n	Fully Constructed	Under Contract w/ End-User	Closed to End-user	Increase from [insert prior Quarterly Ending Date]	Average Sales Price of Home	Inventory not Closed or Under Contract
Quarter Ending _____, 20__							
[Homebuilder]							
[LOT TYPE]							
Total Units:						N/A	
Total Absorption:							
[LOT TYPE]							
Total Units:						N/A	
Notation: - Create table 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 \_\_\_\_\_, \_\_\_\_.

The remainder of this page is left blank intentionally.

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

STATUS OF DEVELOPMENT:

**TABLE 3(d)(v)**

STATUS OF AMENITIES/PRIVATE IMPROVEMENTS				
Amenity	Expected Construction Budget	Total Costs Spent to Date	Status of Construction	Expected or Actual Completion Date

**TABLE 3(d)(vi)**

PERMITS/APPROVALS	
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				
Borrower	Lender	Amount	Interest Rate	Terms

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SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

STATUS OF IMPROVEMENT AREA #3 IMPROVEMENTS:

**TABLE 3(e)**

IMPROVEMENT AREA #3 IMPROVEMENTS OVERVIEW		
	Budgeted	Actual
Total Costs required to complete Improvement Area #3 Improvements:	\$ _____	\$ _____
Cost of Improvement Area #3 Improvements Drawn From Improvement Area #3 Bond Improvement Account of Project Fund:	\$ _____	\$ _____
Cost of Improvement Area #3 Improvements Financed with other Sources of Funds (non-bond financed):	\$ _____	\$ _____

	Forecast Completion Date	Issuer Acceptance Date
<b>Improvement Area #3 Improvements</b>		
Hardscape, Irrigation, and Landscape		
Sewer		
Storm Sewer		
Pavement		
Engineering, Design, Fees, and Construction Management		
Right of Way, Open Space, and Park		

**3(e)(ii)**

Narrative update on construction milestones for Improvement Area 3 Improvements since last Quarterly Report:

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SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO  
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Lavon, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022  
(Lakepointe Public Improvement District Improvement Areas #2-3  
Project) (the “Bonds”)  
CUSIP Nos. [insert CUSIP NOs.]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a  
\_\_\_\_\_ (the [“Developer”] [“Subsequent Third-Party Owner”]) has not  
provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly  
Filing Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of  
Developer dated December 1, 2022, by and among the Developer, P3Works, LLC, as the  
“Administrator,” and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as  
“Dissemination Agent.”

Dated: \_\_\_\_\_

HTS CONTINUING DISCLOSURE SERVICES, a  
division of Hilltop Securities Inc.  
(as Dissemination Agent)

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: City of Lavon, Texas

## EXHIBIT C

### TERMINATION NOTICE

[DATE]

Name of Issuer: City of Lavon, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022  
(LakePointe Public Improvement District Improvement Areas #2-3  
Project) (the “Bonds”)  
CUSIP Nos. [insert CUSIP NOs.]  
Date of Delivery: \_\_\_\_\_, 20\_\_

FMSbonds, Inc.  
5 Cowboys Way, Suite 300-V  
Frisco, Texas 75034

HTS Continuing Disclosure Services, a Division of  
Hilltop Securities Inc.

City of Lavon, Texas  
120 School Road  
Lavon, Texas 75166

[Developer or Subsequent Third-Party Owner]

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a  
\_\_\_\_\_ (the [“Developer”] [“Subsequent Third-Party Owner”]) 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 December 1, 2022, by and among Lavon LakePointe  
Development, LLC, a Texas limited liability company (the “Developer”), P3Works, LLC, (the  
“Administrator”) and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.  
(the “Dissemination Agent”).

Dated: \_\_\_\_\_

P3Works, LLC,  
on behalf of the City of Lavon, Texas  
(as Administrator)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D**  
**CERTIFICATION LETTER**

[DATE]

Name of Issuer: City of Lavon, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022  
(LakePointe Public Improvement District Improvement Areas #2-3  
Project)  
CUSIP Nos. [insert CUSIP NOs.]  
Quarterly Ending Date: \_\_\_\_\_, 20\_\_

Re: Quarterly Report for (Lakepointe Public Improvement District Improvement Areas #2-3  
Project)

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of the Developer, dated December 1, 2022, and among Lavon LakePointe Development, LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][Subsequent Third-Party Owner], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Subsequent Third-Party Owner], constitutes the [portion of the] Quarterly Report required to be furnished by [Developer][Subsequent Third-Party Owner]. Any and all Quarterly Information, provided by the [Developer][Subsequent Third-Party Owner], 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.

LAVON LAKEPOINTE DEVELOPMENT, LLC  
a Texas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OR

[Subsequent Third-Party Owner  
By: \_\_\_\_\_  
Title: \_\_\_\_\_]



**EXHIBIT E**

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT  
OF SUBSEQUENT THIRD-PARTY OWNER REPORTING OBLIGATIONS**

[DATE]

[INSERT SUBSEQUENT THIRD-PARTY OWNER CONTACT INFORMATION]

**Re: LakePointe Public Improvement District Improvement Area #[2/3] – Continuing Disclosure Obligation**

Dear \_\_\_\_\_,

As of \_\_\_\_\_, 20\_\_\_\_, you own Assessed Parcels representing at least twenty percent (20%) of the total Annual Installments of the Assessments in Improvement Area #[2/3] of the LakePointe Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer, dated as of December 1, 2022 (the “Disclosure Agreement of Developer”), by and among Lavon LakePointe Development, LLC, a Texas limited liability company (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 Lavon, Texas, Special Assessment Revenue Bonds, Series 2022 (LakePointe Public Improvement District Improvement Areas #2-3 Project),” any entity that owns Assessed Parcels representing at least twenty percent (20%) of the total Annual Installments of the Assessments in Improvement Area #[2/3] of the District is defined as a Subsequent Third-Party Owner.

As a Subsequent Third-Party Owner, pursuant to Section 5 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,

LAVON LAKEPOINTE DEVELOPMENT, LLC,  
a Texas limited liability company  
(as Developer)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged by:  
**[SUBSEQUENT THIRD-PARTY OWNER]**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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APPENDIX F  
DEVELOPMENT AGREEMENT

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## DEVELOPMENT AGREEMENT

This Development Agreement (the "**Agreement**") is made and entered into as of the 19 day of March, 2019 (the "**Effective Date**"), by and between THE CITY OF LAVON, TEXAS (the "**City**"), LDC LAVON, LLC ("**LDC Lavon**"), and LAVON LAKEPOINTE DEVELOPMENT, LLC (the "**Developer**") (the City, Developer and LDC Lavon individually, a "**Party**", and collectively, the "**Parties**").

### RECITALS

**WHEREAS**, the City is a general law Type A municipal corporation duly organized and validly existing under the laws of the State of Texas located within Collin County, Texas; and

**WHEREAS**, LDC Lavon and the Developer are Texas limited liability companies whose principal office is located within Collin County, Texas; and

**WHEREAS**, LDC Lavon owns an approximately 200 acre tract of land located in Collin County, Texas, and more particularly described by metes and bounds in **Exhibit A-1** and depicted on **Exhibit B-1** attached hereto (the "**Property**") that it plans to convey to Developer in phases; and

**WHEREAS**, Developer plans to acquire and develop the Property in phases; and

**WHEREAS**, as of the Effective Date, a portion of the Property is located in the corporate limits of the City (the "**City Property**") and the remainder of the Property is located within the extraterritorial jurisdiction ("**ETJ**") of the City (the "**ETJ Property**"), with the City Property and ETJ Property depicted on **Exhibit B-3**; and

**WHEREAS**, the Parties desire that the entire ETJ Property be located and developed within the corporate limits of the City as set forth herein, and the Developer and LDC Lavon, as applicable, desire to execute a petition for voluntary annexation attached hereto as **Exhibit C** (the "**Annexation Petition**"); and

**WHEREAS**, Chapter 212 of the Texas Local Government Code, allows the Parties to establish development regulations and annexation timing for the ETJ Property; and

**WHEREAS**, immediately following annexation of the Property, the Parties desire to zone the Property for land uses in accordance with the planned development standards ("**Development Regulations**") attached hereto as **Exhibit D**; and

**WHEREAS**, the Bear Creek Special Utility District ("**Bear Creek SUD**") holds the water certificate of convenience and necessity ("**CCN**") for the Property, and Bear Creek SUD will be the retail provider of water service to and for the Property; and

**WHEREAS**, the City holds the sanitary sewer CCN for a portion of the Property, the Parties intend and desire for the City to be the retail provider of sanitary sewer service to and for the entire Property; and

**WHEREAS**, the City, subject to the requirements/approval of North Texas Municipal Water District which the City will coordinate and obtain, shall provide sufficient retail sanitary sewer service for the Property as it is developed in phases (as hereinafter described) as generally described and depicted in the Development Regulations and herein; and

**WHEREAS**, LDC Lavon and the Developer desire to plat and proceed with development of the Property pursuant to the City Regulations (as hereinafter defined), the Development Regulations, this Agreement, and as generally depicted, described and in the phases shown on the concept plan attached hereto as **Exhibit E** (the "**Concept Plan**"); and

**WHEREAS**, the development of the Property will require the construction of certain off-site public infrastructure necessary to provide adequate roadway and turn-lane access, drainage and sanitary sewer service to the Property, as further described herein and shown on **Exhibits F-1, F-2, and F-3** (collectively, including the Off-Site Sewer Line, the "**Off-Site Public Improvements**") that are needed to access and serve the development of the Property; and

**WHEREAS**, the Off-Site Public Improvements will be constructed within existing City License and Easements (as hereinafter defined), and/or within and/or using such other Off-Site Easements (as hereinafter defined) which will be acquired or provided as described herein; and

**WHEREAS**, the development of the Property will require the construction of all off-site and on-site public infrastructure, waterlines and facilities necessary to bring adequate water service to the Property, including fire suppression, to be operated and maintained by Bear Creek SUD, as further described herein and shown on **Exhibit M-1** (the "**Water Improvements**") that are needed to serve the development of the Property and shall not be located in but will cross the City's rights-of-way and easements; and

**WHEREAS**, development of the Property will require certain infrastructure within the Property, including but not limited to streets and roads, drainage, sanitary sewer, parks, open space, landscaping, and sidewalk systems; and land for all of the on-site public improvements, as further described on **Exhibits G-1, G-2, G-3, and G-4**(collectively, the "**On-Site Public Improvements**"); and

**WHEREAS**, Developer will construct or cause to be constructed the Water Improvements, the Off-Site Public Improvements and the On-Site Public Improvements in connection with the development of the Property, and the City shall have and exercise jurisdiction over the development of the Property as set forth in this Agreement and all applicable laws regarding the design, construction, installation, and inspection of the Off-Site Public Improvements and On-Site Public Improvements, but excluding the Water Improvements (together, the "**Public Improvements**"); and

**WHEREAS**, the costs of the Public Improvements reflected on **Exhibit I** are estimates, and shall not be construed as caps on the costs of the Public Improvements; and

**WHEREAS**, the Public Improvements are not currently available to serve development of the Property; and

**WHEREAS**, the cost of the Public Improvements does not allow for the Developer's intended development of the Property in a cost-effective and market-competitive manner without participation by the City; and

**WHEREAS**, the Parties have determined that the financing of all or a portion of the costs of the Public Improvements necessary for the development of the PID Property, can be achieved by means of Chapter 372, Texas Local Government Code, as amended, entitled the Public Improvement District Assessment Act ("**PID Act**"); and

**WHEREAS**, the Parties desire for a public improvement district ("**PID**") to be created by the City pursuant to available statutory means, which PID shall be utilized to aid in the development of the PID Property pursuant to the terms of this Agreement and the PID Documents (hereinafter defined); and

**WHEREAS**, the Parties have determined that the PID will not be utilized to finance the costs of the Water Improvements necessary for the development of the PID Property, and the Developer or Owner (as hereinafter defined) will fund the costs of such Water Improvements; and

**WHEREAS**, Owners have contemporaneously executed an Annexation Petition to the City to annex the ETJ Property as consideration for this Agreement, the creation and utilization of the PID, and satisfaction of all of the other obligations, conditions and commitments set forth herein; and

**WHEREAS**, the Owners request that the City's council (the "**City Council**") shall begin the process of annexing the Property prior to or contemporaneous with the authorization of the first series of PID Bonds pursuant and subject to the attached Annexation Petition and this Agreement; and

**WHEREAS**, due to the location and other natural features of the Property, funding the cost of the Public Improvements in accordance with this Agreement will allow the intended development of the Property to be accomplished sooner than it would otherwise occur; and

**WHEREAS**, the City has determined that full development of the Property as provided herein will promote local economic development within the City and will stimulate business and commercial activity within the City, which will drive infrastructure investment and job creation, and have a multiplier effect that increases both the City's tax base and utility revenues; and

**WHEREAS**, the Parties intend that this Agreement be a development agreement as provided for by Section 212.172 of the Texas Local Government Code; and

**WHEREAS**, it is the intent of this Agreement to establish certain legally binding restrictions and commitments to be imposed upon the Parties and the Property, such restrictions and commitments being subject to the terms and provisions of this Agreement, and the Parties are proceeding in reliance on the enforceability of this Agreement; and

**WHEREAS**, this Agreement will be recorded in the deed records of the County in order to bind LDC Lavon, the Developer and all future owners of the Property or any portion thereof and will provide regulatory certainty during the Term of this Agreement.

**NOW, THEREFORE**, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the Parties hereby agree as follows:

## **ARTICLE I REPRESENTATIONS AND DEFINITIONS**

1.01 Recitals. The recitals contained in this Agreement are true and correct as of the Effective Date and form the basis upon which the Parties negotiated and entered into this Agreement.

1.02 Authority. The City represents and warrants that this Agreement has been approved and duly adopted by the City Council of the City 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. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been authorized to do so. LDC Lavon represents and warrants that this Agreement has been approved by appropriate action of LDC Lavon, and that the individual executing this Agreement on behalf of LDC Lavon has been authorized to do so.

1.03 Definitions. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

"Additional Costs" is defined in Section 8.05(a) of this Agreement.

"Administrative Expenses" means reasonable expenses incurred by the City in the establishment, administration, and operation of the PID.

"Agreement" is defined in the introductory paragraph of this Agreement.

"Agricultural Exemption" is defined in Section 8.07 of this Agreement.

"Annexation Petition" is defined in the recitals of this Agreement.

"Assessment(s)" means the special assessments levied against all or any portion of the Property pursuant to the PID Act and imposed pursuant to an Assessment Ordinance.

"Assessment Ordinance" collectively means an ordinance adopted by the City Council approving the Service and Assessment Plan and levying the Assessments and any ordinance approving amendments, supplements and updates to the Service and Assessment Plan and the Assessments.

"Assessment Roll" is defined in Section 8.01(a) of this Agreement.



"Assignee" is defined in **Section 11.01(a)** of this Agreement.

"Bear Creek SUD" is defined in the recitals of this Agreement.

"Budgeted Costs" with respect to any given PID Project or Water Improvement project means the estimated cost of such PID Project or Water Improvement project, as identified and confirmed by an engineer's estimate of probable costs, acceptable to the City and Developer, as set forth by phase in **Exhibit I**.

"CCN" means a certificate of convenience and necessity issued by the applicable regulatory agency of the State of Texas.

"City" is defined in the introductory paragraph of this Agreement.

"City Council" is defined in the recitals of this Agreement and means the governing body of the City.

"City License and Easements" is defined in **Section 4.03(d)** of this Agreement.

"City Obligations" is defined in **Section 8.05(a)** of this Agreement.

"City Property" is defined in the recitals of this Agreement.

"City Regulations" mean City code provisions, ordinances, regulations, design standards, engineering standards, uniform codes, and other policies duly adopted by the City as they may be subsequently amended.

"Concept Plan" is defined in the recitals of this Agreement.

"Conditions Precedent" shall mean approval of the Service and Assessment Plan by all Parties and approval of the Assessment Ordinance concurrently with (i) approval and execution of the Bond Purchase Agreement satisfactory to all of the Parties hereto, and (ii) authorization of the PID Bonds for the master improvements, Off-Site Public Improvements, and On-Site Public Improvements for phase 1 of the Property.

"Cost Overrun" is defined in **Section 9.02** of this Agreement.

"Cost Underrun" is defined in **Section 9.03** of this Agreement.

"Cure Time Notice" is defined in **Section 10.01** of this Agreement.

"Default" is defined in **Section 10.01** of this Agreement.

"Developer" is defined in the introductory paragraph of this Agreement.

"Developer Cash Contribution" means, for each series of PID Bonds issued under this Agreement, the dollar amounts of cash that the Developer is required to deposit into the appropriate accounts established in the Indenture on the closing dates of the PID Bonds which represent (i) the difference between the Budgeted Cost to complete those On-Site

Public Improvements being partially funded with PID Bonds and the available PID Bond Proceeds (ii) the difference between the Budgeted Cost to complete the Off-Site Sewer Line and the amount of such Budgeted Cost that may be funded by the PID, and (iii) Developer Water Improvement Cash Contribution in the amount of the Budgeted Costs of the Water Improvements needed to serve the phase of the PID Property then being developed.

"Developer Continuing Disclosure Agreement" means any Continuing Disclosure Agreement of the Developer executed contemporaneously with the issuance and sale of PID Bonds as described in Section 8.02(23).

"Developer PID Improvement Account" means the construction fund account created under the Indenture, funded by the Owner, and used to pay for portions of the acquisition, design, and construction of the PID Projects.

"Developer Water Improvement Account" means the construction fund account created under the Indenture, funded by the Owner, and used to pay for the acquisition, design and construction of the Water Improvements.

"Developer Water Improvement Cash Contribution" means the amount of cash equal to the Budgeted Cost of the Water Improvements.

"Development Regulations" is defined in the recitals of this Agreement.

"Easements, Permits and Approvals" is defined in Section 4.03(g) of this Agreement.

"Eminent Domain Fees" is defined in Section 4.03(e) of this Agreement.

"Effective Date" is defined in the introductory paragraph of this Agreement.

"End-User" means any tenant, user, or owner of a lot whose tenancy, use or ownership would cause such lot to be considered a homestead.

"Estimated Costs" is defined in Section 8.05(b) of this Agreement.

"ETJ" is defined in the recitals of this Agreement.

"ETJ Property" is defined in the recitals of this Agreement.

"Financial Advisor" is defined in Section 8.05(b) of this Agreement.

"FM 6 Road Improvements" is defined in Exhibit F-3 attached to this Agreement and includes any turn lanes, signalization and signage required by the TIA, or by any future TIA which is required prior to a final plat filed on the commercial and/or multifamily tracks as depicted on the Concept Plan. Any future TIA requirements on FM 6 would be required in the commercial and/or multifamily engineering and design plans.

"Home Buyer Disclosure Program" means the notice and disclosure requirements set forth in **Section 10.04**.

"Improvement Account of the Project Fund" means the construction fund account created under the Indenture used to pay for certain portions of the construction or acquisition of the PID Projects.

"Indenture" means a trust indenture by and between the City and a trustee bank under which PID Bonds are issued and funds disbursed.

"IRC" is defined in **Section 8.05(a)** of this Agreement.

"Landowner Agreement" is defined in **Section 8.01(e)** of this Agreement.

"LDC Lavon" is defined in the introductory paragraph of this Agreement.

"Master On-Site Sewer Improvements" is defined in **Section 4.02(a)** of this Agreement.

"Off-Site Easements" is defined in **Section 4.03(e)** of this Agreement.

"Off-Site Public Improvements" are defined in the recitals of this Agreement.

"Off-Site Sewer Line" is the off-site sewer line described in **Section 3.01(d)**.

"Off-Site Sewer Line Costs" means the actual cost of design, engineering, construction, acquisition, and/or inspection of the Off-Site Sewer Line including any Eminent Domain Fees, Off-Site Easement costs and costs for any Easements, Permits and Approvals.

"Off-Site Sewer Line Pro Rata Reimbursed Costs" is defined in **Section 4.03(h)** of this Agreement.

"On-Site Public Improvements" are defined in the recitals of this Agreement.

"Other Property Owners" is defined in **Section 4.03(h)** of this Agreement.

"Owner" means LDC Lavon, the Developer, and all future owners of the Property or any portion thereof, but excluding (i) home-builder entities that are merely buying developed lots, and (ii) End-Users.

"Owner Continuing Disclosure Agreement" means any Continuing Disclosure Agreement of an Owner executed contemporaneously with the issuance and sale of PID Bonds as described in **Section 8.02(23)**.

"Party" and "Parties" are defined in the introductory paragraph of this Agreement.

"Phase 1" means the first phase of development of the PID Property in the general location, and generally containing the approximate number of lots, reflected in the Concept Plan.

"Phase 2" means the second phase of development of the PID Property in the general location, and generally containing the approximate number of lots, reflected in the Concept Plan.

"Phase 3" means the third phase of development of the PID Property in the general location, and generally containing the approximate number of lots, reflected in the Concept Plan.

"PID" is defined in the recitals of this Agreement.

"PID Act" is defined in the recitals of this Agreement.

"PID Bond Proceeds" means the funds generated from the sale of PID Bonds, excluding proceeds of refunding bonds.

"PID Bonds" means any bonds, including refunding bonds, issued by the City in one or more series and secured in whole or in part by the Assessments.

"PID Creation Petition" is defined in **Section 8.01(a)** of this Agreement.

"PID Documents" means collectively, the PID Resolution, the Service and Assessment Plan, the Assessment Ordinance, Landowner Agreement, and PID Reimbursement Agreement, if any, and any amendments, supplements or addendums thereto.

"PID Fee" is defined in **Section 3.01(c)** of this Agreement.

"PID Projects" are defined in **Section 8.01(d)** of this Agreement.

"PID Project Costs" means Actual Costs, as "Actual Costs" are defined and described in the Service and Assessment Plan.

"PID Property" means the portion of the Property containing approximately 170 acres as described on **Exhibit A-2** and generally depicted in **Exhibit B-2** attached hereto and incorporated herein by reference which PID Property is intended to be only the residential portion of the Property.

"PID Reimbursement Agreement" is defined in **Section 9.06** of this Agreement.

"Private Improvements" shall mean the improvements and amenities to be constructed by Developer or its designee, including but not limited to an amenity center, and not owned by a political subdivision, as more particularly discussed in **Section 4.08**.

"Property" is defined in the recitals of this Agreement.

"Pro Rata Reimbursement Agreement" is defined in **Section 4.03(h)** of this Agreement.

"Public Improvements" are defined in the recitals of this Agreement as the On-Site Public Improvements and the Off-Site Public Improvements.

"Public Improvement Costs" means the actual costs of design, engineering, construction, acquisition, and inspection of the Public Improvements and all costs related in any manner to the Public Improvements.

"QTEO" is defined in Section 8.05(a) of this Agreement.

"Service and Assessment Plan" means a service and assessment plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

"SH 78 Road Improvements" is defined in Exhibit F-3 attached to this Agreement, and includes any turn lanes, signalization and signage required by the TIA or by any future TIA which is required prior to a final plat filed on the commercial and/or multifamily tracks as depicted on the Concept Plan. Any future TIA requirements on SH 78 would be required in the commercial and/or multifamily engineering and design plans..

"Tax Certificate" is defined in Section 8.06 of this Agreement.

"Term" is defined in Section 2.03 of this Agreement.

"TIA" means a traffic impact analysis conducted by Owner that has been reviewed and approved by the City.

"TxDOT" means the Texas Department of Transportation.

"Water Improvements" is defined in the recitals of this Agreement.

## **ARTICLE II PURPOSES, CONSIDERATION, AND TERM**

2.01 Purposes. The Parties desire to enter into this Agreement to provide infrastructure for the Property, including the Public Improvements and the Water Improvements, and to establish the means of and terms for financing the Public Improvements by the City and the Developer.

2.02 Consideration. The covenants of, benefits to, and performances by, the Parties set forth in this Agreement, plus the mutual promises expressed herein, are good and valuable consideration for this Agreement, the sufficiency of which is hereby acknowledged by the Parties.

2.03 Term. If the City issues PID Bonds or levies Assessments within twelve (12) months of the Effective Date, this Agreement shall have a term of thirty-eight (38) years starting on the Effective Date (the "Term"). If PID Bonds are not issued or Assessments are not levied within twelve (12) months of the Effective Date, then this Agreement shall have a term starting on the Effective Date and shall expire twelve (12) months from the Effective Date, the PID will be dissolved, and the ETJ Property shall be disannexed; provided however, if the Off-Site Sewer Line is completed by Owner, the Pro Rata Reimbursement Agreement shall remain in effect. Prior to execution of this Agreement by the City, Developer and LDC Lavon submitted the executed PID dissolution petition attached hereto as Exhibit L, which shall be held in trust by

the City and used by the City to dissolve the PID if PID Bonds are not issued or Assessments are not levied within twelve (12) months of the Effective Date.

### **ARTICLE III DEVELOPMENT FEES**

#### **3.01 Fees, Capital Recovery Fees and Park Fees.**

(a) Except as specifically provided herein, Owner shall be subject to those lawfully adopted fees and charges due and payable to the City in connection with the development of the Property in the amounts existing at the time of each future permit application and uniformly and consistently charged by the City as of such date, including, but not limited to: park fees, tap fees, outdoor warning device fees, storm water fees, permit fees and inspection fees.

(b) A reasonable fee may be charged to fund the City's reasonable costs of hiring a third party to review engineering plans in connection with the design and construction of water, sewer, drainage, roadway improvements, open space, parks, signs and entry features, except for review of Off-Site Sewer Line plans designed by the City's engineer. These review fees and all permit fees for such improvements and/or features will be uniformly and consistently charged by the City to all developers, excluding those altered by a contract. Furthermore, the inspection fees for the Public Improvements charged by the City to Owner will equal 3% of the Public Improvement Costs for the roadway, sanitary sewer and storm drainage improvements included in the Public Improvements.

(c) As partial consideration for the City's creation of the PID, levy of the Assessments and issuance of PID Bonds, the Developer agrees to pay the City a fee (the "**PID Fee**") in the amount of 0.5% of the stated par amount of the PID Bonds (other than refunding bonds) issued at such offering. The PID Fee shall be payable directly to the City by the trustee out of the PID Bond Proceeds at the closing of the applicable PID Bond sale. All PID Fees received by the City shall be deposited into a separate fund or account of the City and used only for capital improvements or facilities.

(d) Notwithstanding anything contained herein to the contrary, Developer shall be permitted to connect to and tap into the Off-Site Sewer Line included in the Off-Site Public Improvements at such locations designated by Developer, approved by the City's engineer, and consistent with the City Regulations within and/or at the boundaries of the Property and for such quantities as shall be necessary or appropriate to timely meet the needs and adequately and timely service the Property as developed in phases as described in the Development Regulations and as fully developed. Furthermore, the tap-in and/or connection fees to be charged to Developer (or its successors and assigns) for or in connection with the Property for sanitary sewer service to the Property shall be payable by the builder at the time of issuance of a building permit for a structure on a lot. Developer shall be reimbursed in the amount of reasonable and necessary costs incurred by or on behalf of Developer for construction of any oversized portions of the Off-Site Sewer Line in accordance with **Section 4.03(h)**.

**ARTICLE IV  
PUBLIC AND PRIVATE IMPROVEMENTS**

**4.01    Phasing of Improvements.**

(a)    Prior to the issuance of the first building permit for the first residential home to be constructed in Phase 1 of the PID Property and following the City's approval of the construction drawings and issuance of all required permits for Phase 1 Public Improvements, the Developer will construct or cause to be constructed:

(i)    the SH 78 Road Improvements needed to serve Phase 1 as required pursuant to the TIA, which SH 78 Road Improvements are generally depicted on **Exhibit F-3**, as may be amended by the City-approved engineering plans;

(ii)    Off-Site Public Improvements (other than the SH 78 Road Improvements) needed to serve Phase 1, as generally depicted on **Exhibit F-3**, as may be amended by the City-approved engineering plans;

(iii)    On-Site Public Improvements needed to serve and which are located in Phase 1, as generally depicted collectively on **Exhibits G-1, G-4, and H**, as may be amended by the City-approved engineering plans;

(iv)    The Private Improvements needed to serve Phase 1, as generally described in **Exhibit G1**, as may be amended by the approved engineering plans;

(v)    the Water Improvements needed to serve Phase 1, as generally depicted on Exhibit M-1, as may be amended by the approved engineering plans; and

(vi)    any other roadway improvements reflected as needed for Phase 1 in the TIA.

(b)    Prior to the issuance of the first building permit for the first residential home to be constructed in Phase 2 of the PID Property and following the City's approval of the construction drawings and issuance of all required permits for Phase 2 Public Improvements, the Developer will construct or cause to be constructed:

(i)    Off-Site Public Improvements needed to serve Phase 2, as generally depicted on the collective **Exhibits F-1, F-2, and F-3**, as may be amended by the City-approved engineering plans;

(ii)    On-Site Public Improvements needed to serve and which are located in Phase 2, as generally depicted on **Exhibits G-2, G-4, and H**, as may be amended by the City-approved engineering plans;

(iii)    The Private Improvements needed to serve Phase 2, as generally described in **Exhibit G-2**, as may be amended by the approved engineering plans;

(iv) The Water Improvements needed to serve Phase 2, as generally depicted on Exhibit M-1, as may be amended by the approved engineering plans; and

(v) any other roadway improvements reflected as needed for Phase 2 in the TIA.

(c) Prior to the issuance of the first building permit for the first residential home to be constructed in Phase 3 of the PID Property and following the City's approval of the construction drawings and issuance of all required permits for Phase 3 Public Improvements, the Developer will construct or cause to be constructed:

(i) the FM 6 Road Improvements as required pursuant to the TIA, which FM 6 Road Improvements include the access road as generally depicted on Exhibit F-3, as may be amended by the City-approved engineering plans;

(ii) Off-Site Public Improvements (other than the FM 6 Road Improvements) needed to serve Phase 3, as generally depicted on Exhibit F-3, as may be amended by the City-approved engineering plans;

(iii) On-Site Public Improvements needed to serve and which are located in Phase 3, as generally depicted on Exhibits G-3 and H, as may be amended by the City-approved engineering plans;

(iv) The Water Improvements needed to serve Phase 3, as generally depicted on Exhibit M-1, as may be amended by the approved engineering plans;

(v) The Private Improvements needed to serve Phase 3, as generally described in Exhibit G-3, as may be amended by the approved engineering plans;

(vi) any other roadway improvements reflected as needed for Phase 3 in the TIA.

(d) At least thirty (30) days prior to the completion of development of Phase 2, Developer shall submit to the City construction plans, following the descriptions in Exhibit M-2, with a completed building permit application for the amenity center prior to completion of development of Phase 2. The amenity center shall be (1) commenced within thirty (30) days after the City's acceptance of the Public Improvements located in Phase 2, which time shall be automatically extended by the number of days the City causes delay in the issuance of the building permit for the amenity center, and (2) must be completed within twelve (12) months after commencement thereof, subject to force majeure. Without limiting the foregoing, building permits will not be issued for Phase 3 unless and until completion of the amenity center.

(e) In exchange for Developer constructing the Off-Site Public Improvements in accordance with this Agreement, the City agrees to provide retail sanitary sewer service to the Property sufficient to serve a particular phase of the Property as the On-Site Public Improvements located in such phase are installed (including after the Property is fully developed) in accordance with this Agreement and state law, including but not limited to all regulations of the Texas Commission on Environmental Quality and Section 13.250 of the Texas



Water Code. Without limiting the foregoing, the City shall take all reasonable efforts and actions to (i) provide sufficient sanitary sewer service to the Property to timely meet the service demands of the Property in accordance with Developer's development plans and phased development, and (ii) collect and remit to Owner the pro-rata share of Off-Site Sewer Line costs as provided in **Section 4.03(h)** hereof.

#### 4.02 On-Site Public Improvements.

(a) The On-Site Public Improvements shall include, but not be limited to, the master improvements for on-site sewer, as further described on **Exhibit H** (the "**Master On-Site Sewer Improvements**").

(b) The Developer agrees to complete construction, as confirmed by the City engineer with respect to the On-Site Public Improvements, of the portions of the On-Site Public Improvements located in a particular phase, including the Master On-Site Sewer Improvements, as may be necessary to serve the respective phase of development of the Property following the City's approval of the construction drawings and issuance of all required permits for such phase and before City issuance of the first building permit for a house in the respective phase developed on the Property.

(c) Prior to commencement of construction of the Master On-Site Sewer Improvements for a particular phase, the Developer shall submit to the City for review the proposed construction contracts and bids for such Master On-Site Sewer Improvements. The City may object to any of such proposed contracts and bids by delivering written notice to Developer within ten business (10) days of receiving them from the Developer if the City (1) reasonably and in good faith determines and provides evidence reflecting that the applicable contractor (A) is unqualified to perform such contractor's work, or (B) cannot provide any required bonds for such contractor's work, or (2) provides an engineer's opinion of probable costs for a particular bid (not for a line item in or portion of a particular bid) which is at least ten (10) percent less than the objectionable bid for the same work. If Developer disagrees with the City engineer's opinion of probable cost for the particular bid, Developer shall designate an engineer to attempt to resolve the disagreement with the City engineer's opinion of probable cost of such bid. If the City's engineer and Developer's engineer are unable to resolve such disagreement within ten (10) days after Developer's designation of Developer's engineer, then the two (2) engineers shall select a third engineer, and the decision of the third engineer shall be binding on all parties. If the probable cost estimate for the applicable bid is still at least ten percent (10%) less than the objectionable bid for the same work, then Developer may either (i) designate another bid and contract from another qualified contractor, or (ii) accept Developer's original bid and deposit a Developer Cash Contribution in an amount equal to the difference in cost (the "**Cost Difference**") between the original bid and the probable cost estimate determined by the engineers as set forth above, which Developer Cash Contribution for the Cost Difference shall be used to pay the amount of the Cost Difference for such portion of the project, and no PID Bond Proceeds shall be used for such Cost Difference. The Cost Difference shall not be reimbursable to Developer under the PID Reimbursement Agreement. If the City fails to timely and properly object to any proposed contractor(s), contract(s) and bid(s) as provided above, then the Developer may proceed with entering into a contract with the bidder proposed by the Developer. The Developer and the City shall work together to construct the Master On-Site

Sewer Improvements at a competitive cost; however, competitive bidding and performance bonds shall not be required. In addition, no security, such as a bond or letter of credit, shall be required from the Developer, other than the Developer Cash Contribution, to secure completion of the Master On-Site Sewer Improvements, but a payment bond and a maintenance bond (not to exceed two (2) years in duration) shall be provided to the City by the Developer or contractors performing the work, at Developer's option, for the Master On-Site Sewer Improvements, as required by the City's subdivision regulations.

#### 4.03 Off-Site Public Improvements.

(a) The Off-Site Public Improvements shall consist of the off-site infrastructure improvements described on **Exhibits F-1 and F-3.**

(b) The Developer agrees to complete construction, as confirmed by the City engineer with respect to the Off-Site Public Improvements, of the portions of the Off-Site Public Improvements as may be necessary to serve the respective phases of development of the Property following the City's approval of the construction drawings and issuance of all required permits for such phase and before City issuance of the first building permit for a house to be constructed in the respective phase developed on the Property.

(c) Prior to commencement of construction of the Off-Site Public Improvements, the Developer shall submit to the City for review the proposed construction contracts and bids for such Off-Site Public Improvements. The City may object to any of such proposed contracts and bids by delivering written notice to Developer within ten business (10) days of receiving them from the Developer if the City (1) reasonably and in good faith determines and provides evidence reflecting that the applicable contractor (A) is unqualified to perform such contractor's work, or (B) cannot provide any required bonds for such contractor's work, or (2) provides an engineer's opinion of probable costs for a particular bid (not for a line item in or portion of a bid which is at least ten (10) percent less than the objectionable bid for the same work. If Developer disagrees with the City engineer's opinion of probable cost for the particular bid, Developer shall designate an engineer to attempt to resolve the disagreement with the City engineer's opinion of probable cost of such bid. If the City's engineer and Developer's engineer are unable to resolve such disagreement within ten (10) days after Developer's designation of Developer's engineer, then the two (2) engineers shall select a third engineer, and the decision of the third engineer shall be binding on all parties. If the probable cost estimate for the applicable bid is still at least ten percent (10%) less than the objectionable bid for the same work, then Developer may either (i) designate another bid and contract from another qualified contractor, or (ii) accept Developer's original bid and deposit a Developer Cash Contribution in an amount equal to the Cost Difference, which Developer Cash Contribution for the Cost Difference shall be used to pay the amount of the Cost Difference for such portion of the project, and no PID Bond Proceeds shall be used for such Cost Difference. The Cost Difference shall not be reimbursable to Developer under the PID Reimbursement Agreement or the Pro Rata Reimbursement Agreement. If the City fails to timely and properly object to any proposed contractor(s), contract(s) and bid(s) as provided above, then the Developer may proceed with entering a contract with the bidder. The Developer and the City shall work together to construct the Off-Site Sewer Improvements at a competitive cost; however, competitive bidding and performance bonds shall not be required. In addition, no security, such as a bond or letter of credit, shall be

required from the Developer, other than the Developer Cash Contribution, to secure completion of the Off-Site Sewer Improvements, but a payment bond and a maintenance bond (not to exceed two (2) years) shall be provided to the City by the Developer or contractors performing the work, at Developer's option, for the Off-Site Sewer Improvements, as required by the City's subdivision regulations.

(d) City (i) will allow Developer, and shall grant Developer a temporary license, to use all existing easements and rights-of-way benefitting, owned by and/or possessed by the City to the extent relating to or needed for the Off-Site Public Improvements and of sufficient size to add the Off-Site Public Improvements, each determined by the City's engineer, and (ii) will grant easements on City-owned Property, determined necessary by the City's engineer, for the Off-Site Public Improvements (the permission, grant, license and easements granted and/or allowed by the City pursuant to this Section 4.03(d)(i) and (ii) are collectively referred to as the "**City License and Easements**"). LDC Lavon shall grant the easements and rights-of-way on the portions of the Property owned by LDC Lavon, whether permanent or temporary, needed for Developer to construct the Public Improvements and on-site Water Improvements and shall fully cooperate with Developer during construction.

(e) The Developer agrees to use commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements required for the Off-Site Sewer Line which are not already included in the City License and Easements generally depicted and described on **Exhibit J**, which additional third party rights-of-way, consents and/or easements are also generally depicted and identified on **Exhibit J** (the additional third party rights-of-way, consents and easements are collectively referred to as the "**Off-Site Easements**"). If, however, the Developer is unable to obtain one or more of the Off-Site Easements within sixty (60) days of commencing efforts to obtain the needed Off-Site Easements, the City agrees to take reasonable steps to secure same, excluding any easement needed for water lines for the benefit of Bear Creek SUD, subject to City Council authorization after a finding of public necessity and subject to Developer paying the Eminent Domain Fees as provided herein, through the use of the City's power of eminent domain. Upon Developer's approval of a budget for the Eminent Domain Fees, the Developer shall be responsible for funding all budgeted reasonable and necessary legal proceeding/litigation costs, compensation awards or negotiated amounts for the condemned property interest, attorney's fees and related expenses, and appraiser and expert witness fees (collectively, "**Eminent Domain Fees**") paid or incurred by the City in the exercise of its eminent domain powers and shall escrow the City's reasonably estimated Eminent Domain Fees with the City both in advance of the initiations of each eminent domain proceeding and as funds are needed by the City for the purpose of obtaining such Off-Site Easements. Provided that the escrow fund for Eminent Domain Fees remains appropriately funded in accordance with this Agreement, the City will use all reasonable efforts to expedite such condemnation procedures so that the Off-Site Easements can be acquired as soon as reasonably practicable. Before paying any negotiated amount to avoid legal proceedings and/or litigation, the City shall present the negotiated amount in writing to the Developer. The Developer shall have two (2) business days (or longer if indicated in writing by the City) to approve the negotiated amount or direct the City to proceed with legal proceedings and litigation. If the City's Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, the Developer shall deposit additional funds as reasonably requested by the City into the escrow account within ten (10) days after written notice from the City. Any unused escrow funds will be refunded to the Developer

within thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

(f) The City agrees that Developer may be reimbursed for Off-Site Sewer Line Costs which are not eligible to be reimbursed from or funded by PID Bond Proceeds or Assessments, which reimbursable costs shall be reimbursed pursuant to the Pro-Rata Reimbursement Agreement.

(g) Notwithstanding anything contained herein, the City will use commercially reasonable efforts to assist Developer, in issuing, granting, and obtaining all easements (other than on the Property), rights of way, permits, consents, authorizations, approvals, reviews and inspections (collectively, "**Easements, Permits and Approvals**") necessary or appropriate to design, construct, install, complete and dedicate the Public Improvements including, without limitation, the City License and Easements, the Off-Site Easements, and all Easements, Permits and Approvals needed from the North Texas Municipal Water District, TxDOT, Bear Creek SUD, and any railroads including for road and utility connections, crossings and borings for the Public Improvements.

(h) The City and the Developer shall, prior to or contemporaneous with the initial levy of Assessments on any of the PID Property, enter into a reimbursement or similar agreement ("**Pro Rata Reimbursement Agreement**") to provide that the City will collect, pursuant to City Regulations, from any other property owner(s) (the "**Other Property Owner(s)**") who taps into and/or connects to the Off-Site Sewer Line an amount sufficient to pay to the City such Other Property Owner's pro rata share of the portion of the Off-Site Sewer Line Costs (the "**Off-Site Sewer Line Pro Rata Reimbursed Costs**"). If any Other Property Owner is exempt from paying their pro rata share of the Off-Site Sewer Line Pro Rata Reimbursed Costs, such portion of the Off-Site Sewer Line Pro Rata Reimbursed Costs shall be included in the pro rata shares of the Off-Site Sewer Line Pro Rata Reimbursed Costs of the Other Property Owners (other than the exempt Other Property Owner). Each non-exempt Other Property Owner shall pay to the City, and the City shall reimburse the Developer, the non-exempt Other Property Owner's pro rata share of the Off-Site Sewer Line Pro Rata Reimbursed Costs upon City approval of such Other Property Owner's preliminary plat or at such Other Property Owner's pre-construction meeting with the City, whichever occurs first. Such pro rata share shall be calculated and paid based on the estimated sanitary sewer capacity needed for each non-exempt Other Property Owner's entire project as compared to the capacity of the Off-Site Sewer Line.

4.04 Construction Standards and Bonds. All City Regulations, including but not limited to those establishing construction, engineering and building standards, as they presently exist or may in the future be adopted, shall apply to the Public Improvements. A two-year maintenance bond, and/or any other bonds required by the City Regulations for construction of public infrastructure, for all Public Improvements funded with the proceeds of PID Bonds.

4.05 Oversizing. No PID Bond Proceeds shall be used to pay the costs of oversizing the capacity of any sewer or water mains beyond the capacity needed to serve the PID Property whether or not such oversizing is required by the City.

4.06 Ownership; Maintenance and Operation. All of the Public Improvements shall be owned by the City upon completion of construction and acceptance by the City. The Owner agrees to take any action reasonably required by the City to transfer or otherwise dedicate or ensure the dedication of easements on the Property to the City for the On-Site Public Improvements. The Developer agrees to take any action reasonably required by Bear Creek SUD to transfer or otherwise dedicate or ensure the dedication of easements on the Property separate from the City's easements, to the Bear Creek SUD for the portion of the Water Improvements located on the Property. Upon inspection, approval, and acceptance of the Public Improvements or any portion thereof, the City shall maintain and operate such Public Improvements to service the Property.

4.07 Water Improvements.

(a) Developer and LCD Lavon shall have sole responsibility for constructing, or causing construction of, the Water Improvements. Bear Creek SUD shall have the sole right and responsibility for operating and maintaining the Water Improvements. Without limiting the foregoing, the City will cooperate with LDC Lavon, Developer and Bear Creek SUD to allow the Water Improvements to cross City rights-of-way and easements as reasonably necessary or appropriate to complete such Water Improvements.

(b) At or prior to closing on the first series of PID Bonds for each Phase, Developer shall either: (i) deposit into the Developer Water Improvement Account the Developer Water Improvement Cash Contribution needed to fund the Water Improvements needed to serve such Phase, or (ii) furnish a letter-of-credit, or other suitable assurances of sources of funding acceptable to the City, in an amount equal to the amount otherwise required to be deposited in the Developer Water Improvement Account needed for the development of the Phase being funded by such series of PID Bonds.

4.08 Private Improvements. Developer, at Developer's cost, will (or will cause) the design, construction, maintenance, and operation of the Private Improvements described and identified by phase as non-PID Costs in Exhibit I.

## **ARTICLE V UTILITY SERVICE PLAN**

5.01 General. It is anticipated that the Property will be developed by Developer in three phases. Further, other areas within the City's corporate boundaries and ETJ are expected to continue to develop over time. Accordingly, it is understood and agreed that a reliable long term source of wastewater treatment will be needed by the City so that utility capacities will be available at such times and in such amounts needed to meet the ultimate requirements of development of the Property and other areas of the City as they develop.

5.02 Water Service. The Parties acknowledge and agree that water capacity will be needed in phases as development of the Property progresses. LDC Lavon and Developer acknowledge that the City does not have a water CCN and cannot provide water service to the Property or for the Developer's completion of the Public Improvements. The Parties acknowledge and agree that Bear Creek SUD will be the exclusive provider of retail water service, unless and until the City's CCN for water is granted in this area.

5.03 Wastewater Service. The Parties acknowledge that the City has a CCN to provide retail sewer service to the City Property. Subject to satisfaction of all Conditions Precedent, LDC Lavon and Developer acknowledge and agree to the City's designation as the sole and exclusive retail sewer service provider to the City Property and the ETJ Property.

5.04 No Limitation on City's Rights as the Wastewater Provider. Nothing in this Agreement is intended to limit any right the City has under its wastewater CCN as the retail provider of wastewater service to the Property, including CCNs acquired after the Effective Date.

## **ARTICLE VI ANNEXATION AND ZONING**

### **6.01 Full Purpose Annexation.**

(a) Annexation Petition. LDC Lavon and the Developer agrees that approval of this Agreement by the City shall be conditioned upon an executed Annexation Petition, in the form attached hereto as **Exhibit C**, of the ETJ Property being submitted to the law firm of Messer, Rockefeller & Fort, PLLC within ten (10) business days of the City Council approving this Agreement and prior to execution of this Agreement by the Parties. This petition shall be held in trust by aforesaid law firm until this Agreement is executed by both the City and the Developer, and no ordinance annexing the Property shall be approved by the City until, but notices may be sent and public hearings may be held prior to, satisfaction of the Conditions Precedent.

(b) Following the Effective Date of this Agreement, the City agrees to (i) annex the ETJ Property into the City's corporate limits (ii) concurrently zone the ETJ Property as a planned development, and (iii) if requested by Developer, concurrently approve the preliminary plat of the Property subject to Developer delivering the preliminary plat to the City on or before the deadlines set forth in the City Regulations for submission and approval of preliminary plats. An amendment to or compliance with the City's Comprehensive Master Plan, Land Use Plan or Zoning Ordinance (as defined in the Development Regulations) shall not be a condition to the zoning of the Property as long as such zoning is in accordance with the Development Regulations and the Concept Plan. Developer shall initiate a rezoning of the Property using the procedures set forth in the City Regulations as a Planned Development District or similar zoning classification consistent with **Exhibit D** and **Exhibit E** at a time that will allow the City to concurrently consider zoning with the annexation.

### **6.02 Plat(s). All approved plats shall be consistent with the Concept Plan.**

## ARTICLE VII DEVELOPMENT REGULATIONS

7.01 Governing Regulations. The Owner shall develop, or cause development of, the Property as a high-quality, master-planned, mixed-use community. Development of the Property, including but not limited to construction of the Public Improvements and the Water Improvements, shall be governed by this Agreement and the City Regulations (to the extent not in conflict with this Agreement, the Development Regulations and the Concept Plan, which shall control). Notwithstanding anything contained in the City Regulations, zoning of the Property shall be considered in accordance with the Concept Plan, attached as Exhibit E, and the land use descriptions, attached as Exhibit D, which shall both be used in considering requests for zoning in the same manner as a comprehensive plan adopted under Chapter 213 of the Texas Local Government Code.

7.02 Concept Plan Revisions. Any change to the Concept Plan must be submitted to the City for approval in accordance with the City Regulations.

7.03 Vested Rights. As to the ETJ Property, this Agreement constitutes a "permit" within the meaning of Chapter 245 of the Texas Local Government Code.

7.04 Entry Features. A sign on the PID Property where is it visible to vehicular traffic entering the Property shall include the phrase "This development is located within a public improvement district" or similar language pre-approved by the City in writing.

7.05 Review and Approval of Plats and Plans. Notwithstanding anything contained herein, Owner may submit to the City preliminary plats, final plats and engineering and development plans prior to annexation and zoning of the Property as contemplated herein. In such event, the City shall review and provide comments to the Owner in a timely manner so that final approval of such plats and plans can and will occur concurrently with, or as soon as possible after, annexation and zoning of the Property as contemplated herein.

## ARTICLE VIII PID PROJECTS FINANCING

### 8.01 PID Financing.

(a) Prior to the Effective Date of this Agreement, LDC Lavon and Developer executed and submitted to the City the PID creation petition attached hereto as Exhibit K and incorporated herein by reference (the "PID Creation Petition"). The City, LDC Lavon and Developer shall all use good faith efforts to initiate and approve all necessary documents and ordinances required to (i) effectuate this Agreement, (ii) complete a Service and Assessment Plan, (iii) create the PID, (iv) issue the PID Bonds, and (v) levy the Assessments associated with each phase of the PID Property. For each phase, the City will prepare or cause to be prepared the Service and Assessment Plan and assessment roll ("Assessment Roll"), or an amendment, supplement or annual update thereto, providing for the levy of the Assessments on the portion of the PID Property within such phase. Assessments shall be levied: (A) on a phase-by-phase basis against the applicable phase(s) benefitted by the applicable portion of the PID Projects for which

the applicable series of the PID Bonds are issued, and (B) prior to the sale of any lot to an End-User in the applicable phase. Promptly following preparation and approval of a preliminary Service and Assessment Plan acceptable to the Developer and the City and subject to City Council making findings that the PID Projects confer a special benefit on the PID Property, the City Council shall consider an Assessment Ordinance.

(b) The issuance of PID Bonds and the levy of Assessments shall be in accordance with, and subject to, City policies governing public improvement districts, provided that in the event of a conflict between the terms of this Agreement and such policies, the terms of this Agreement shall prevail.

(c) The Public Improvements to be funded by the PID (the "**PID Projects**"), and the estimated costs thereof, are described in **Exhibit I**, PID Costs. The costs shown on **Exhibit I** are estimates and shall not be construed as caps on the cost of the Public Improvements.

(d) The City shall review and update the Service and Assessment Plan consistent with the requirements of Section 372.013(b) of the PID Act and shall make supplemental assessments, reassessments and/or, if the conditions of this Agreement and the Indenture are met, new assessments as needed to implement the updated Service and Assessment Plan, provided that the number of years to pay an Assessment shall not be extended.

(e) Prior to the dissemination of any preliminary offering document relating to PID Bonds, each Owner of property in the applicable phase shall execute an agreement with the City (a "**Landowner Agreement**") approving and accepting the creation of the PID, the levy of the Assessments on all land owned by such Owner in the applicable phase(s) of the PID Property benefitted by the PID Bond Proceeds and the associated Home Buyer Disclosure Program, and shall cause to be recorded against the applicable portion of the PID Property covenants running with the land that will bind any and all current and successor Owners of the portion of the PID Property to: (i) pay the Assessments, with applicable interest and penalties thereon, as and when due and payable hereunder and that the purchasers of such land take their title subject to and expressly assume the terms and provisions of such Assessments and the liens created thereby; and (ii) comply with the Home Buyer Disclosure Program.

**8.02 PID Bond Issuance.** Subject to the satisfaction of conditions set forth in this **Section 8.02**, the City may issue PID Bonds solely for the purposes of acquiring and/or constructing PID Projects or any other purposes authorized by the PID Act. The Developer may request issuance of PID Bonds to be issued for each phase by filing with the City a list of the PID Projects to be funded with the PID Bonds and the estimated costs of such PID Projects. The Developer acknowledges that the City may require at that time a professional services agreement that obligates the Developer to fund the costs of the City's professionals relating to the preparation for and issuance of PID Bonds, which amount shall be agreed to by the Parties and considered a cost payable from such PID Bond Proceeds. Except as otherwise agreed to by the City Council, in its sole discretion, the issuance of PID Bonds for each phase is subject to the following conditions:

- (1) the adoption or amendment of a Service and Assessment Plan, Assessment Roll, and an Assessment Ordinance levying Assessments on all or any portion of the



PID Property benefited by such PID Projects included in such PID Bond issuance in amounts sufficient to pay all costs related to such PID Projects and PID Bonds;

- (2) each series of PID Bonds shall be in an amount estimated to be sufficient to fund the PID Projects or portions thereof for which such PID Bonds are being issued;
- (3) delivery by the Developer to the City of a certification or other evidence from an independent appraiser acceptable to the City confirming that the special benefits conferred on the properties being assessed for the PID Projects increase the value of such properties by an amount at least equal to the amount assessed against such properties;
- (4) approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas;
- (5) every Owner is current on all the payment of all taxes, assessments, fees and obligations to the City;
- (6) none of the Owners or the Developer are in default under this Agreement, a PID Reimbursement Agreement, the Pro-Rata Reimbursement Agreement, a Landowner Agreement or any agreement with the City related to the PID;
- (7) none of the Owners are in default under any Owner Continuing Disclosure Agreement;
- (8) the Developer is not in default under any Developer Continuing Disclosure Agreement;
- (9) no outstanding PID Bonds are in default and no reserve funds have been drawn upon that have not been replenished;
- (10) review and approval by the City of the plats and construction plans for the PID Projects;
- (11) the PID administrator has certified that the costs of the PID Projects to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds;
- (12) the PID Projects to be financed by the PID Bonds have been or will be constructed according to the approved design specifications and construction standards imposed by this Agreement including any City Regulations not in conflict with this Agreement, as confirmed by the City's consulting engineer;
- (13) the City's consulting engineer determines that the PID Projects Costs shown on **Exhibit I**, as updated and amended, are reasonable;
- (14) the City has determined that there will be no negative impact on the City's creditworthiness, bond rating, access to or cost of capital, or potential for liability

and that the PID Bonds are structured and marketed appropriately, meet all regulatory and legal requirements and are marketable under financially reasonable terms and conditions;

- (15) the City has determined that the amount of proposed PID Assessments and the structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the PID Project Costs to be financed and the degree of development activity within the PID, and that there is sufficient security for the PID Bonds to be creditworthy;
- (16) the maximum maturity for PID Bonds shall not exceed 30 years from the date of delivery thereof and PID Assessments shall not be levied for any period exceeding 38 years from the Effective Date of this Agreement;
- (17) the aggregate principal amount of PID Bonds issued and to be issued shall not exceed \$25,000,000 not including refunding bonds;
- (18) The City has determined that the City can issue the series of PID Bonds based upon a financial feasibility analysis showing that the aggregate projected annual assessment installment payments will not exceed an equivalent tax rate of \$3.09 per \$100 of projected taxable assessed valuation in any year after full build out of a parcel or the Property, as applicable, as described below. This restriction shall apply on an aggregate basis for the Property and on an individual assessed parcel basis. The "aggregate projected annual assessment installment payments" are the aggregate amount of payments necessary to meet (A) the annual debt service requirements of the series of PID Bonds to be issued and of all of the PID Bonds and other obligations payable out of Assessments previously issued or executed and outstanding by the City for the PID Property, and (B) the projected annual debt service requirements of all PID Bonds or other obligations payable out of Assessments that are projected to be issued or executed by the City for the PID Property, in order to fund all remaining Public Improvements necessary for the full planned build out of the PID Property. The "projected taxable assessed valuation" is the estimated taxable assessed valuation of the PID Property assessed or to be assessed within the City assuming (A) the full planned build out of the PID Property, and (B) no growth in the taxable assessed value for any parcel (after build out of the parcel) in any year. The projected taxable assessed valuation shall be determined by the City prior to the date of the issuance of the first series of PID Bonds by the City;
- (19) unless otherwise agreed to by the City, the value to lien ratio shall not be less than 3:1 when comparing the appraised value of the portion of the PID Property in the applicable phase to the par amount of PID Bonds issued with respect to such phase, which value shall be confirmed by appraisal from licensed MAI appraiser based on the assumption that development of the applicable portion of the PID Property only includes (A) the Public Improvements in place and to be constructed with the PID Bond Proceeds and Developer Cash Contribution

deposited with trustee, and (B) finished lots (without vertical construction) for a phased improvement area;

- (20) the PID Bonds may, but shall not be obligated to, include up to 2 years capitalized interest for any issuance of PID Bonds, which capitalized interest shall terminate at the end of the fiscal year before transfer of any PID Property to a third party;
- (21) the PID Bonds shall be offered and sold and may be transferred or assigned only (A) upon compliance with applicable securities laws; and (B) unless otherwise agreed to by the City, (i) to qualified institutional buyers, investors or accredited investors as such buyers/investors are defined in compliance with applicable securities laws, and (ii) in minimum denominations of \$100,000 or integral multiples of \$5,000 in excess thereof;
- (22) no information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City;
- (23) the Owners and the Developer agree to provide periodic information and notices of material events regarding the Owner and the Developer and the Owner and/or the Developer's development of the Property within any PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any continuing disclosure agreements executed by the Developer and/or Owner in connection with the issuance of PID Bonds; and
- (24) prior to the dissemination of any preliminary offering document relating to PID Bonds, all Owners of property within a phase for which the PID Bonds are being issued shall have executed and delivered to the City a Landowner Agreement described in **Section 8.01(e)**.

8.03 **Developer Cash Contribution.** At or prior to closing on any series of PID Bonds intended to fund construction of PID Projects that have not already been constructed by the Developer, or if Water Improvement projects for the phase have not already been constructed, Developer shall either: (i) deposit into the Developer PID Improvement Account and the Developer Water Improvement Account, as applicable, the amount of the Developer Cash Contribution, or (ii) furnish a letter-of-credit, or other suitable assurances of sources of funding acceptable to the City, in an amount equal to the amount otherwise required to be deposited in the Developer PID Improvement Account and the Developer Water Improvement Account. If the PID Projects within the applicable phase(s) of the PID Property have already been constructed and the applicable series of PID Bonds is intended to acquire the PID Projects and the Water Improvement projects for that phase have already been constructed, then Developer shall not be required to deposit the Developer Cash Contribution or furnish a letter-of-credit or other suitable assurances of sources of funding as provided in this paragraph.

8.04 **Disclosure Information.** Prior to the issuance of PID Bonds by the City, Owner and Developer agree to provide all relevant information, including financial information that is reasonably necessary in order to provide potential bond investors with a true and accurate

offering document for any PID Bonds. The Owner and Developer agree, represent, and warrant that any information provided by the Owner or the Developer for inclusion in a disclosure document for an issue of PID Bonds will not contain any untrue statement of a material fact or omit any statement of material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and the Owner and the Developer further agree that they will provide a certification to such effect as of the date of the closing of any PID Bonds. The Owner and the Developer each agree to enter into and comply with all requirements of an Owner Continuing Disclosure Agreement or Developer Continuing Disclosure Agreement, as applicable, in connection with the issuance of PID Bonds.

#### 8.05 Qualified Tax-Exempt Status.

(a) Generally. In any calendar year in which PID Bonds are issued, Developer agrees to pay the City its actual additional costs ("Additional Costs") the City may incur in the issuance of City obligations (the "City Obligations"), as described in this section, if the City Obligations are deemed not to qualify for the designation of qualified tax-exempt obligations ("QTEO"), as defined in Section 265(b)(3) of the Internal Revenue Code ("IRC") as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this section into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law. On or before January 15<sup>th</sup> of the following calendar year, the final Additional Costs shall be calculated. By January 31<sup>st</sup> of such year, any funds in excess of the final Additional Costs that remain in such segregated account on December 31<sup>st</sup> of the preceding calendar year shall be refunded to the Developer and any deficiencies in the estimated Additional Costs paid to the City by Developer shall be remitted to the City by the Developer.

#### (b) Issuance of PID Bonds prior to City Obligations.

(1) In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its financial advisor ("Financial Advisor"), shall calculate the estimated Additional Costs based on the market conditions as they exist approximately thirty (30) days prior to the date of the pricing of the PID Bonds (the "Estimated Costs"). The Estimated Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO as a result of issuance of the PID Bonds. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to Developer in an amount equal to the Estimated Costs. Developer, in turn, shall remunerate to the City the amount shown on said invoice on or before the earlier of: (i) fifteen (15) business days after the date of said invoice, or (ii) five (5) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any series of PID Bonds until Developer has paid the invoice related to the PID Bonds then being issued.

(2) Upon the City's approval of the City Obligations, the Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO as a result of issuance of the PID Bonds. The City will, within five (5) business days

of the issuance of the City Obligations, provide written notice to Developer of the amount of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to Developer the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice to Developer required under this paragraph. If the Additional Costs are more than the Estimated Costs, Developer will pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice required under this paragraph. If Developer does not pay the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice required under this paragraph, Developer shall not be paid any reimbursement amounts under any PID Reimbursement Agreement(s) related to the PID Property until such payment of Additional Costs is made in full.

(c) Issuance of City Obligations prior to PID Bonds.

(1) In the event the City issues City Obligations prior to the issuance of PID Bonds, the City, with assistance from the Financial Advisor, shall calculate the Estimated Costs based on the market conditions as they exist approximately twenty (20) days prior to the date of the pricing of the City Obligations. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to Developer (1) in an amount equal to the Estimated Costs, and (2) that includes the pricing date for such City Obligations. The Developer, in turn, shall remunerate to the City the amount shown on said invoice at least fifteen (15) days prior to the pricing date indicated on the invoice. If Developer fails to pay the Estimated Costs as required under this paragraph, the City, at its option, may elect to designate the City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year.

(2) Upon the City's approval of the City Obligations, the Financial Advisor shall calculate the actual Additional Costs to the City of issuing non-QTEO City Obligations. The City will, within five (5) business days of the issuance of the City Obligations, provide written notice to Developer of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to Developer the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice to Developer. If the Additional Costs are more than the Estimated Costs, Developer will pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice. If Developer does not pay to the City the difference between the Additional Costs and the Estimated Costs as required under this paragraph, then Developer shall not be paid any reimbursement amounts under any PID Reimbursement Agreement(s) related to the PID Property until such payment of Additional Costs is made in full.

(d) To the extent any developer(s) or property owner(s) (including Developer, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or property owner (including Developer, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or property owner(s) (including Developer, as applicable) as necessary so as to put all developers and property owners (including Developer, if applicable) so paying for the same calendar year in the proportion set forth in subsection (e) below, said reimbursement to be made

by the City within fifteen (15) business days after its receipt of such subsequent payments of such Additional Costs.

(e) The City shall charge Additional Costs attributable to any other developer or property owner on whose behalf the City has issued debt in the same manner as described in this section, and Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of Developer's portion has already been paid to the City under this provision, then such excess of Additional Costs shall be promptly reimbursed to Developer. The portion owed by Developer shall be determined by dividing the total proceeds from any debt issued on behalf of Developer in such calendar year by the total proceeds from any debt issued by the City for the benefit of all developers (including Developer) in such calendar year.

8.06 Tax Certificate. If in connection with the issuance of PID Bonds the City is required to deliver a certificate as to tax exemption (a "Tax Certificate") to satisfy requirements of the IRC, the Owner and the Developer agree to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Owner and the Developer represent that such facts and estimates will be based on their reasonable expectations on the date of issuance of the PID Bonds and will be, to the best of the knowledge of the officers of the Owner and the Developer providing such facts and estimates, true, correct and complete as of such date. To the extent that the Owner or the Developer exercises control or direction over the use or investment of the PID Bond Proceeds (including, but not limited to, the use of the PID Projects), the Owner and the Developer further agree that they will not knowingly make, or permit to be made, any use or investment of such funds that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

8.07 Agricultural Exemption. The City acknowledges that some or all of the Property may now have and/or may in the future have an agricultural, open-space, timber, or wildlife management use tax classification ("Agricultural Exemption"). The Parties agree that prior to the issuance of PID Bonds the City may request removal of Agricultural Exemption from the portion of the PID Property benefited by the PID Bonds and the Owner shall upon such request remove such Agricultural Exemption for such portion of the PID Property.

8.08 Legislative Discretion. The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement including, but not limited to, the creation of the PID, the levying of Assessments and the issuance of PID Bonds. Nothing contained in this Agreement, however, shall be construed as creating a contractual obligation that controls, waives, or supplants the City Council's legislative discretion.

## **ARTICLE IX PAYMENTS FOR PUBLIC IMPROVEMENTS**

9.01 Improvement Account of the Project Fund. The Improvement Account of the Project Fund and the Developer PID Improvement Account shall be administered and controlled by the City and funds in the Improvement Account of the Project Fund and the Developer PID

Improvement Account shall be deposited and disbursed in accordance with the terms of the Indenture.

9.02 Cost Overrun. If the PID Project Costs (excluding Administrative Expenses) in the aggregate exceeds the total amount of monies on deposit in the Improvement Account of the Project Fund and the Developer PID Improvement Account (a "**Cost Overrun**"), the Developer shall be solely responsible for the Cost Overrun for the applicable PID Projects included in the Public Improvements, subject to the cost-underrun provision in **Section 9.03** below.

9.03 Cost Underrun. Upon the final acceptance by City of a PID Project and payment of all outstanding invoices for such PID Project, and only if the PID Project Cost is less than the Budgeted Costs (a "**Cost Underrun**"), any remaining funds in the Improvement Account of the Project Fund will be available to pay Cost Overruns on any other PID Project. The City shall promptly confirm to the Trustee that such remaining amounts are available to pay such Cost Overruns, and the City, with advice from the Developer, will decide how to use such moneys to secure the payment and performance of the work for other PID Projects, if available. If a Cost Underrun exists after payment of all costs for all PID Projects contemplated in the applicable Indenture, such unused funds will be deemed to be a part of the Developer Cash Contribution (in an amount not to exceed the initial amount of the Developer Cash Contribution) and will be refunded to Developer as it is each Party's intent that PID Bond Proceeds will be used first (except as provided in **Section 4.02(c)** or **Section 4.03(c)**) and amounts from the Developer Cash Contribution last. Any remaining funds in the Improvement Account of the Project Fund following payment to Developer as provided in this paragraph shall be remitted to the City and shall be first used by the City for the purpose of paying or retiring the PID Bonds and then for any other use as permitted by law.

9.04 Remainder for PID Projects. If funds remain in the Improvement Account of the Project Fund after the completion of all PID Projects and the payment of all PID Project Costs, then such funds shall thereafter be the exclusive property of the City and shall be used by the City for the purpose of paying or retiring the PID Bonds as provided in the Indenture, the Service and Assessment Plan, or any other use applicable to the Property as provided by law unless owed to Developer as a partial refund of the Developer Cash Contribution as described in **Section 9.03** above.

9.05 Payee Information. With respect to any and every type of payment/remittance due to be paid at any time by the City to the Developer under this Agreement after the closing date of the PID Bonds, Developer shall provide written notice to the City and the Indenture trustee of the name and address of the payee.

9.06 Funding of Authorized Improvement Costs. The City and the Developer shall enter into a reimbursement or similar agreement(s) (each a "**PID Reimbursement Agreement**") prior to or contemporaneous with the initial levy of Assessments on a phase of the Property, to provide for payment to the Developer, solely from Assessments levied for such phase and/or the proceeds of PID Bonds issued for such phase, of PID Project Costs for such phase.

9.07 Developer Water Improvement Account and Water Improvement Cost Overruns. The Developer Water Improvement Account shall be administered and controlled by the trustee

under the Indenture and funds in the Developer Water Improvement Account shall be deposited and disbursed in accordance with the terms of the Indenture. The Indenture shall require approval of the Bear Creek SUD and the City to release funds. If the project costs of the Water Improvements exceeds the total amount of monies on deposit in the Developer Water Improvement Account, the Developer shall be solely responsible for the remainder of the approved project costs for the Water Improvements.

## **ARTICLE X EVENTS OF DEFAULT; REMEDIES; PID NOTICES**

10.01 Events of Default. (a) No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than five (5) business days after written notice of the alleged failure has been given in the case of a default of an obligation to make a payment required under this Agreement and thirty (30) days after written notice of the alleged failure in all other cases). In addition, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. If a Party who has received notice under this **Section 10.01** cannot cure an alleged failure to perform within thirty (30) days after receipt of written notice, such Party shall give written notice to the other Party within such thirty (30) day period (i) stating that the Party cannot cure the alleged failure within thirty (30) days after receipt of written notice, and explaining the reason; and (ii) providing a date by which such Party can reasonably cure the alleged failure ("**Cure Time Notice**"). A Party who does not timely provide a Cure Time Notice shall be deemed to be able to cure the alleged failure to perform within thirty (30) days after the initial written notice of the alleged failure has been given. If the default or failure is not cured within the applicable cure period, the applicable Party shall be in "**Default**" hereunder.

(b) Any lender with a security interest in the Property may request (by written notice given to the Parties including the notice information required by this Agreement) that notices of any default by Owner or the Developer or any Assignee be given to such lender, whereupon each Party receiving such lender's notice shall provide the lender a copy of any notice of default given by such Party to Owner or any Assignee. Any lender receiving a notice of alleged default under this subsection shall have the right, but not the obligation, to cure the default on behalf of Owner or Developer or the Assignee, which cure shall not obligate the lender to perform any other obligations under this Agreement and which cure shall not create any other liability of the lender to any Party to this Agreement without the express prior written consent of the lender. Failure of the City to provide any notice required by this paragraph shall not constitute a default under this Agreement.

10.02 Remedies. (a) If a Party is in Default, the aggrieved non-defaulting Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus, and injunctive relief. Furthermore, subject to the provisions of **Section 10.02(b)** below, the City may withhold



permits, inspections and approvals with respect to the portion of the Property owned by Owner during the continuance of a Default by Owner hereunder. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

- (i) entitle the aggrieved Party to terminate this Agreement; or
- (ii) entitle the aggrieved Party to suspend performance under this Agreement; or
- (iii) entitle the aggrieved Party to seek or recover monetary damages of any kind; or
- (iv) limit the Term of this Agreement.

(b) No Default under this Agreement shall affect, in any way, the obligations, if any, of the City to issue permits, make inspections, issue approvals, or provide services to developed lots and houses owned by parties other than Owner (including, but not limited to, retail sanitary sewer service, solid waste collection, and police, fire, and EMS service).

10.03 Limited Waivers of Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights, except to the extent permitted by law and necessary to allow the Developer to enforce its remedies under this Agreement.

10.04 PID Notices. When selling any of the PID Property, the Owner thereof (including homebuilder entities) shall provide notices in a form required by Section 5.014 of the Texas Property Code, as amended, to anyone who purchases property within the PID notifying the purchaser: (a) that the portion of the PID Property being sold is located in the PID; (b) that the City has issued or may issue PID Bonds; (c) that the City has levied or may levy Assessments; (d) of the unpaid reimbursement amount of the Assessment against the PID Property; (e) of the estimated annual installments if Assessments are not paid in full; and (f) of the estimated duration of the Assessment and annual installments. Further, the Owner and Developer shall include a requirement in Developer's lot sale contracts with homebuilders requiring the homebuilders to continuously post a notice of the Assessments in a conspicuous location in each model home and provide an explanation of the Assessments in written brochures and promotional materials given to each prospective purchaser. Notwithstanding Article XI, this Section 10.04 applies to all Owners and developers, including the Developer, of all or any portion of the Property.

## **ARTICLE XI**

### **ASSIGNMENT AND ENCUMBRANCE**

#### 11.01 Assignment by Owner to Successor Owners.

(a) The Owner has the right (from time to time) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the Owner under this Agreement to any person or entity (an "Assignee") that is or will become an owner of any portion of the Property (i) without City consent, but with notice to the City, if the Assignee is an entity that is affiliated with, controlled by or under common control by the Owner; or (ii) with the City's prior written consent, if to any other person or entity, provided that the Owner is not in Default of this Agreement at the time of such assignment. An Assignee is considered the "Owner" and a

"Party," and under this Agreement for purposes of the obligations, rights, title, and interest assigned to the Assignee. Notwithstanding the foregoing, no assignment of this Agreement or any rights of or receivables due the Owner under this Agreement or any other agreement relating to the Property may be made by the Owner to any party or entity for the purpose of or relating to the issuance of bonds or other obligations.

(b) A notice of each proposed assignment to an Assignee shall be provided to the City at least 15 days prior to the effective date of the assignment, which notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address (if available) of a contact person representing the Assignee who the City may send any notices required hereunder, and for an assignment requiring the City's consent, such contact information of a person the City may contact for additional information regarding the experience and background of the proposed Assignee.

(c) Each assignment shall be in writing executed by the Owner and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned, and shall contain a representation by the Assignee acknowledged by a notary public that the Assignee has the financial ability to timely perform the assigned obligations. A copy of each fully executed assignment to an Assignee shall be provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that the Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, the Owner shall not be released until the City receives such copy of the assignment.

(d) No assignment by an Owner shall release such Owner from any liability that resulted from an act or omission by the Owner that occurred prior to the effective date of the assignment.

(e) Each Owner shall maintain written records of all assignments made by the Owner to Assignees, including a copy of each executed assignment and the Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

11.02 Assignment by the City. The City shall not assign this Agreement.

11.03 Encumbrance by Developer and Assignees. The Developer and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with written notice to the City within ten (10) days of the execution of such document. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including notice information for the lender,

then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in accordance with the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial unless otherwise agreed to in writing by lender and the City. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all Defaults under this Agreement with respect to the acquired portion of the Property have been cured.

11.04 Transfer of Warranties. Any Public Improvements that are transferred to the City shall be accompanied by all applicable third-party bonds and warranties related to construction and maintenance of such Public Improvements, as required by the City Regulations and State law.

**11.05. OWNER'S ACKNOWLEDGEMENT OF THE CITY'S COMPLIANCE WITH FEDERAL AND STATE CONSTITUTIONS, STATUTES AND CASE LAW AND FEDERAL, STATE AND LOCAL ORDINANCES, RULES AND REGULATIONS/OWNERS' WAIVER AND RELEASE OF CLAIMS FOR OBLIGATIONS IMPOSED BY THIS AGREEMENT.**

**(a) THE OWNER ACKNOWLEDGES AND AGREES THAT:**

**(I) THE PUBLIC IMPROVEMENTS TO BE CONSTRUCTED UNDER THIS AGREEMENT, AND THE FEES TO BE IMPOSED BY THE CITY PURSUANT TO THIS AGREEMENT, REGARDING THE PROPERTY, IN WHOLE OR IN PART, DO NOT CONSTITUTE A:**

- (A) TAKING UNDER THE TEXAS OR UNITED STATES CONSTITUTION;**
- (B) VIOLATION OF THE TEXAS LOCAL GOVERNMENT CODE, AS IT EXISTS OR MAY BE AMENDED; AND/OR**
- (C) NUISANCE.**

**(II) THE AMOUNT OF THE OWNER'S FINANCIAL AND INFRASTRUCTURE CONTRIBUTION FOR THE PUBLIC IMPROVEMENTS IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT THE OWNER'S ANTICIPATED IMPROVEMENTS AND DEVELOPMENT OF THE PROPERTY PLACES ON THE CITY'S INFRASTRUCTURE.**

(III) THE DEVELOPER HEREBY AGREES AND ACKNOWLEDGES, WITHOUT WAIVING CLAIMS RELATED SOLELY TO EXACTIONS NOT CONTEMPLATED BY THIS AGREEMENT, THAT: (A) ANY PROPERTY WHICH IT CONVEYS TO THE CITY OR ACQUIRES FOR THE CITY PURSUANT TO THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE BENEFIT RECEIVED BY THE DEVELOPER FOR SUCH LAND, AND THE DEVELOPER HEREBY WAIVES ANY CLAIM THEREFOR THAT IT MAY HAVE; AND (B) ALL PREREQUISITES TO SUCH DETERMINATION OF ROUGH PROPORTIONALITY HAVE BEEN MET, AND ANY VALUE RECEIVED BY THE CITY RELATIVE TO SAID CONVEYANCE IS RELATED BOTH IN NATURE AND EXTENT TO THE IMPACT OF THE DEVELOPMENT OF THE PROPERTY ON THE CITY'S INFRASTRUCTURE. ASSUMING NO DEFAULTS UNDER THIS AGREEMENT, THE DEVELOPER FURTHER AGREES TO WAIVE AND RELEASE ALL CLAIMS IT MAY HAVE AGAINST THE CITY UNDER THIS AGREEMENT RELATED TO ANY AND ALL: (A) CLAIMS OR CAUSES OF ACTION BASED ON ILLEGAL OR EXCESSIVE EXACTIONS; AND (B) ROUGH PROPORTIONALITY AND INDIVIDUAL DETERMINATION REQUIREMENTS MANDATED BY THE UNITED STATES SUPREME COURT IN *DOLAN V. CITY OF TIGARD*, 512 U.S. 374 (1994), AND ITS PROGENY, AS WELL AS ANY OTHER REQUIREMENTS OF A NEXUS BETWEEN DEVELOPMENT CONDITIONS AND THE PROJECTED IMPACT OF THE PUBLIC IMPROVEMENTS.

(b) THIS SECTION 11.05 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

#### ARTICLE XII ESTOPPEL CERTIFICATES

From time to time upon written request of the Developer, if needed to facilitate a sale of all or a portion of the Property or a loan secured by all or a portion of the Property, the City will execute, to its reasonable knowledge and belief, a written estoppel certificate in a form and substance satisfactory to the City identifying any obligations of the Developer under this Agreement that are in default. The Developer shall pay the City \$1,000 at the time of the Developer's request for an estoppel certificate from the City for each request in excess of one per calendar year.

#### ARTICLE XIII ADDITIONAL PROVISIONS

13.01 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement; and (d) constitute a legislative finding by the City Council. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by

the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

13.02 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) shall be in writing, shall be signed by or on behalf of the Party giving the notice, and shall be effective as follows: (a) on or after the 10<sup>th</sup> business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by FAX or email; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the notice is addressed); or (c) otherwise on the day actually received by the person to whom the notice is addressed, including, but not limited to, delivery in person and delivery by regular mail or by E-mail (with a confirming copy sent by FAX or other permitted delivery means). Notices given pursuant to this section shall be addressed as follows:

**The City of Lavon**  
Attn: City Administrator  
P.O. Box 340  
Lavon, Texas 75166  
FAX: 972-843-0397

With a copy to:  
**Andy Messer**  
Messer, Rockefeller & Fort, PLLC  
6371 Preston Road, Suite 200  
Frisco, Texas 75034  
FAX: 972-668-6414  
E-mail: [andy@txmunicipallaw.com](mailto:andy@txmunicipallaw.com)

**Lavon LakePointe Development, LLC**  
**LDC Lavon, LLC**  
Attn: Steve Lenart  
520 Central Parkway East, Suite 104  
Plano, Texas 75074  
E-mail: [s\\_lenart@lenartdevelopment.com](mailto:s_lenart@lenartdevelopment.com)

With a copy to:  
**Bellinger & Suberg, L.L.P.**  
Attn: Glen A. Bellinger  
12221 Merit Drive, Suite 1750  
Dallas, Texas 75251  
FAX: 214-954-9541  
E-mail: [gbellinger@bellingersuberg.com](mailto:gbellinger@bellingersuberg.com)

Each Party has the right to change, from time to time, its notice addresses by giving at least ten (10) days written notice to the other Parties. A lender may change its address in the same manner by written notice to the Parties.

13.03 Reservation of Rights. Unless expressly stated otherwise herein, this Agreement constitutes a "permit" within the meaning of Chapter 245, Texas Local Government Code, as amended.

13.04 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

13.05 Enforceability. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

13.06 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, such unenforceable provision shall be deleted and severed from this Agreement, and the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (i) if it is determined that, as of the Effective Date, any portion of the Property is not within the City or the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that is within the City or the City's ETJ, or (ii) if a court shall hold that the term of this Agreement is unenforceable or in violation of Section 212.172 of the Texas Local Government Code, this Agreement shall remain in full force and effect for the longest period allowed by law, not to exceed the limitations on term set forth in this Agreement.

13.07 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Collin County, Texas. Venue for any action to enforce or construe this Agreement shall be Collin County, Texas.

13.08 Non-Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

13.09 No Third-Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

13.10 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 three business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, 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. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care.

13.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

13.12 Recordation. (a) Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this Agreement, and all amendments to this Agreement, may be recorded in the deed records of Collin County, Texas. This Agreement shall be binding upon (i) the Parties, (ii) all Assignees, (iii) all lenders, (iv) the Property, and (v) all future Owners of all or any portion of the Property. Notwithstanding the foregoing, however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-User.

13.13 Time. Time is of the essence in the performance by the Parties of their respective obligations under this Agreement. If any time period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the period shall be extended to the first business day following such Saturday, Sunday or legal holiday.

13.14 Further Documents. Each Party shall, upon written request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

13.15 Conflict. In the event of any conflict between this Agreement (including any exhibits attached hereto) and any City Regulations, this Agreement (including any exhibits attached hereto) shall control.

13.16 Exhibits. The following Exhibits are attached to this Agreement and are part of this Agreement:

- Exhibit A-1 Metes and Bounds Description of Property
- Exhibit A-2 Metes and Bounds of PID Property
- Exhibit B-1 Depiction of Property
- Exhibit B-2 Depiction of PID Property

Exhibit B-3	Depiction of City Property and ETJ Property
Exhibit C	Annexation Petition
Exhibit D	Development Design Regulations and Concept
Exhibit E	Concept Plan
Exhibit F1	Depiction and/or Description of Off-Site Public Improvements-Sewer Off-Site
Exhibit F2	Depiction and/or Description of Off-Site Public Improvements-Sewer Off-Site
Exhibit F-3	Depiction and/or Description of Off-Site Public Improvements-Roadways
Exhibit G1	Depiction and/or Description of the On-Site Public Improvements in Phase 1
Exhibit G2	Depiction and/or Description of the On-Site Public Improvements in Phase 2
Exhibit G3	Depiction and/or Description of the On-Site Public Improvements in Phase 3
Exhibit G-4	Depiction and/or Description of the On-Site Public Improvements in Phase 1 and 2 (Collector Streets)
Exhibit H	Depiction and/or Description of Master On-Site Sewer Improvements
Exhibit I	Depiction and/or Description of Estimated PID Projects Costs-Engineer's Opinion of Probable Costs and PID Projects
Exhibit J	Depiction and/or Description of City License and Easements and Off-Site Easements
Exhibit K	PID Creation Petition
Exhibit L	PID Dissolution Petition
Exhibit M-1	Depiction and/or Description of Water Improvements
Exhibit M-2	Depiction and/or Description of Amenity Center



IN WITNESS WHEREOF, the undersigned parties have executed this Agreement to be effective as of the Effective Date.

CITY:

CITY OF LAVON, TEXAS

By: Vicki Sanson  
Vicki Sanson, Mayor

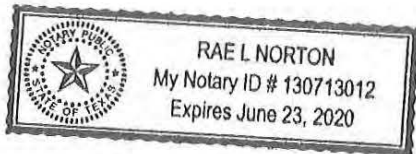
STATE OF TEXAS           §  
                                     §  
COUNTY OF Collin   §

Before me on this day personally appeared Vicki Sanson, Mayor of the City of Lavon, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 6 day of May, 2019.

SEAL

Rae L. Norton  
Notary Public in and for the State of Texas



**After filing return to:**  
City of Lavon  
Attn: City Administrator  
P.O. Box 340  
Lavon, Texas 75166

LDC LAVON:

LDC LAVON, LLC,  
a Texas limited liability company

By: Steven H. Lenart, Manager

DEVELOPER:

LAVON LAKEPOINTE DEVELOPMENT, LLC,  
a Texas limited liability company

By: Steven H. Lenart, Manager

STATE OF TEXAS       §  
                                  §  
COUNTY OF Collin   §

Before me on this day personally appeared Steven H. Lenart, Manager of LDC Lavon, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 2 day of May, 2019.

SEAL



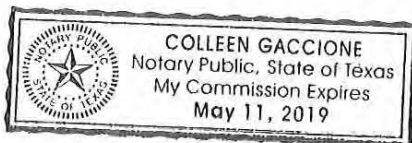
Colleen Gaccione  
Notary Public in and for the State of Texas

COUNTY OF Collin   §

Before me on this day personally appeared Steven H. Lenart, Manager of Lavon LakePointe Development, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 2 day of May, 2019.

SEAL



Colleen Gaccione  
Notary Public in and for the State of Texas

## **Exhibit A-1**

### **LEGAL DESCRIPTION**

200.9089 Acres – Collin County

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 470, in the City of Lavon, Collin County, Texas, being part of a tract of land described in a deed to Meredith M. Roark and Margaret M. Arnold, recorded in Document No. 2010526000533270, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the southeast corner of said Roark and Arnold tract, being the southwest corner of a called 140.22 acre tract of land described in a deed to Petro Hunt, LLC, as recorded in Document No. 20070208000186500, in said Deed Records, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE South 72 degrees 03 minutes 07 seconds West, with the south line of said Roark and Arnold tract and the north line of said Northeast Texas Rural Rail Transportation District tract, a distance of 1,656.82 feet to a 1/2-inch iron rod with red cap stamped “PJB SURVEYING” set at the southwest corner of said Roark and Arnold tract, being southeast corner of a 0.478 acre tract of land described in a deed to North Texas Municipal Water District, recorded in Document No. 20121116001469900, in said Deed Records;

THENCE North 23 degrees 30 minutes 56 seconds West, departing the north line of said Northeast Texas Rural Rail Transportation District tract, with the west line of said Roark and Arnold tract, and with the east lines of said 0.478 acre tract and a called 0.91 acre tract described in a deed to Mary Evans, recorded in Document No. 200804070014460, in said Deed Records, a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01 degree 53 minutes 11 seconds West, continuing with the west line of said Roark and Arnold tract, and with the east lines of said 0.91 acre tract and a called 2.062 acre tract of land described in a deed to Connie S. Miller, recorded in Volume 4001, Page 947, in said Deed Records, a distance of 530.40 feet to a 1/2-inch iron rod found at the northeast corner of said 2.062 acre tract;

THENCE South 84 degrees 43 minutes 14 seconds West, continuing with the west line of said Roark and Arnold tract and with the north line of said 2.062 acre tract, a distance of 236.18 feet to a 1/2-inch iron rod found at the northwest corner of said 2.062 acre tract, being in the east line of a tract of land described as Tract Two in a deed to 78 Straddle, LP, recorded in Volume 5571, Page 3351, in said Deed Records, also being the approximate center of Bois D’Arc Lane (no recording information found);

THENCE North 06 degrees 53 minutes 43 seconds West, continuing with the west line of said Roark and Arnold tract, with the east lines of said Tract Two and a tract of land described as Tract No. 2 in a deed to DPB Investments, LP, recorded in Document No. 20110606000576510, in said Deed Records, and along said Bois D’Arc Lane, a distance of 748.23 feet to a 1/2-inch iron rod with red cap stamped “PJB SURVEYING” set at the northeast corner of said Tract No. 2, being in the south line of a called 2.25 acre tract of land described in a deed to MJKMart, LLC, recorded in Document No. 20120906001115340, in said Deed Records;

THENCE South 89 degrees 16 minutes 47 seconds East, continuing with the west line of said Roark and Arnold tract and with the south line of said 2.25 acre tract, a distance of 64.98 feet to a 1/2-inch iron rod found at the southeast corner of said 2.25 acre tract;

THENCE North 11 degrees 02 minutes 32 seconds West, continuing with the west line of said Roark and Arnold tract and with the east line of said 2.25 acre tract, a distance of 490.85 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the north corner of said 2.25 acre tract, being in the east line of State Highway 78 (variable width right-of-way);

THENCE North 33 degrees 42 minutes 56 seconds East, continuing with the west line of said Roark and Arnold tract and with the east line of said State Highway 78, a distance of 1,298.45 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found on a non-tangent curve to the left, having a radius of 5,729.57 feet and a central angle of 17 degrees 07 minutes 34 seconds;

THENCE continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, and with said curve to the left, an arc distance of 1,712.61 feet (Chord Bearing North 25 degrees 17 minutes 32 seconds East – 1,706.24 feet), to a 5/8-inch iron rod with TxDOT Aluminum cap found;

THENCE North 19 degrees 58 minutes 32 seconds East, continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, a distance of 419.76 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING";

THENCE North 54 degrees 55 minutes 30 seconds East, continuing with the east line of said State Highway 78, a distance of 87.34 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found in the south line of FM 6 (variable width right-of-way);

THENCE North 89 degrees 32 minutes 36 seconds East, with the south line of said FM 6, a distance of 931.18 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found;

THENCE South 89 degrees 00 minutes 51 seconds East, continuing with the south line of said FM 6, a distance of 376.39 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found in the east line of said Roark and Arnold tract, being in the west line of called 59.757 acre tract described in a deed to Petro Hunt LLC, records in Document No. 20070208000183240, in said Deed Records;

THENCE South 01 degree 00 minutes 58 seconds West, departing the south line of said FM 6, with the east line of said Roark and Arnold tract, and with the west line of said 59.757 acre tract, a distance of 2,424.12 feet to the southwest corner of said 59.757 acre tract, being in the north line of the aforementioned 140.22 acre tract;

THENCE North 88 degrees 51 minutes 38 seconds West, continuing with the east line of said Roark and Arnold tract and with the north line said 140.22 acre tract, a distance of 871.25 feet to a 1/2-inch iron rod found at the northwest corner of said 140.22 acre tract;

THENCE South 01 degree 09 minutes 20 seconds West, continuing with the east line of said Roark and Arnold tract and with the west line said 140.22 acre tract, a distance of 2,042.77 feet to the POINT OF BEGINNING and containing 200.9089 acres of land.

## EXHIBIT A-2

### LEGAL DESCRIPTION

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 470, in the City of Lavon, Collin County, Texas, being part of a tract of land described in a deed to Meredith M. Roark and Margaret M. Arnold, recorded in Document No. 2010526000533270, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the southeast corner of said Roark and Arnold tract, being the southwest corner of a called 140.22 acre tract of land described in a deed to Petro Hunt, LLC, as recorded in Document No. 20070208000186500, in said Deed Records, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE South 72 degrees 03 minutes 07 seconds West, with the south line of said Roark and Arnold tract and the north line of said Northeast Texas Rural Rail Transportation District tract, a distance of 1,656.82 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the southwest corner of said Roark and Arnold tract, being southeast corner of a 0.478 acre tract of land described in a deed to North Texas Municipal Water District, recorded in Document No. 20121116001469900, in said Deed Records;

THENCE North 23 degrees 30 minutes 56 seconds West, departing the north line of said Northeast Texas Rural Rail Transportation District tract, with the west line of said Roark and Arnold tract, and with the east lines of said 0.478 acre tract and a called 0.91 acre tract described in a deed to Mary Evans, recorded in Document No. 200804070014460, in said Deed Records, a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01 degree 53 minutes 11 seconds West, continuing with the west line of said Roark and Arnold tract, and with the east lines of said 0.91 acre tract and a called 2.062 acre tract of land described in a deed to Connie S. Miller, recorded in Volume 4001, Page 947, in said Deed Records, a distance of 530.40 feet to a 1/2-inch iron rod found at the northeast corner of said 2.062 acre tract;

THENCE South 84 degrees 43 minutes 14 seconds West, continuing with the west line of said Roark and Arnold tract and with the north line of said 2.062 acre tract, a distance of 236.18 feet to a 1/2-inch iron rod found at the northwest corner of said 2.062 acre tract, being in the east line of a tract of land described as Tract Two in a deed to 78 Straddle, LP, recorded in Volume 5571, Page 3351, in said Deed Records, also being the approximate center of Bois D'Arc Lane (no recording information found);

THENCE North 06 degrees 53 minutes 43 seconds West, continuing with the west line of said Roark and Arnold tract, with the east lines of said Tract Two and a tract of land described as Tract No. 2 in a deed to DPB Investments, LP, recorded in Document No. 20110606000576510, in said Deed Records, and along said Bois D'Arc Lane, a distance of 748.23 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the northeast corner of said Tract No. 2, being in the south line of a called 2.25 acre tract of land described in a deed to MJKMart, LLC, recorded in Document No. 20120906001115340, in said Deed Records;

THENCE South 89 degrees 16 minutes 47 seconds East, continuing with the west line of said Roark and Arnold tract and with the south line of said 2.25 acre tract, a distance of 64.98 feet to a 1/2-inch iron rod found at the southeast corner of said 2.25 acre tract;

THENCE North 11 degrees 02 minutes 32 seconds West, continuing with the west line of said Roark and Arnold tract and with the east line of said 2.25 acre tract, a distance of 490.85 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the north corner of said 2.25 acre tract, being in the east line of State Highway 78 (variable width right-of-way);

THENCE North 33 degrees 42 minutes 56 seconds East, continuing with the west line of said Roark and Arnold tract and with the east line of said State Highway 78, a distance of 1,298.45 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found on a non-tangent curve to the left, having a radius of 5,729.57 feet and a central angle of 11 degrees 53 minutes 10 seconds;

THENCE continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, and with said curve to the left, an arc distance of 1,188.61 feet (Chord Bearing North 27 degrees 54 minutes 44 seconds East – 1,186.48 feet);

THENCE, South 88 degrees 51 minutes 28 seconds East, departing said east and west lines, for a distance of 167.90 feet;

THENCE, North 33 degrees 46 minutes 49 seconds East, for a distance of 344.38 feet;

THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 625.77 feet;

THENCE, North 01 degrees 01 minutes 20 seconds East, for a distance of 9.75 feet;

THENCE, South 88 degrees 58 minutes 40 seconds East, for a distance of 118.86 feet;

THENCE, South 01 degrees 01 minutes 20 seconds West, for a distance of 300.00 feet;

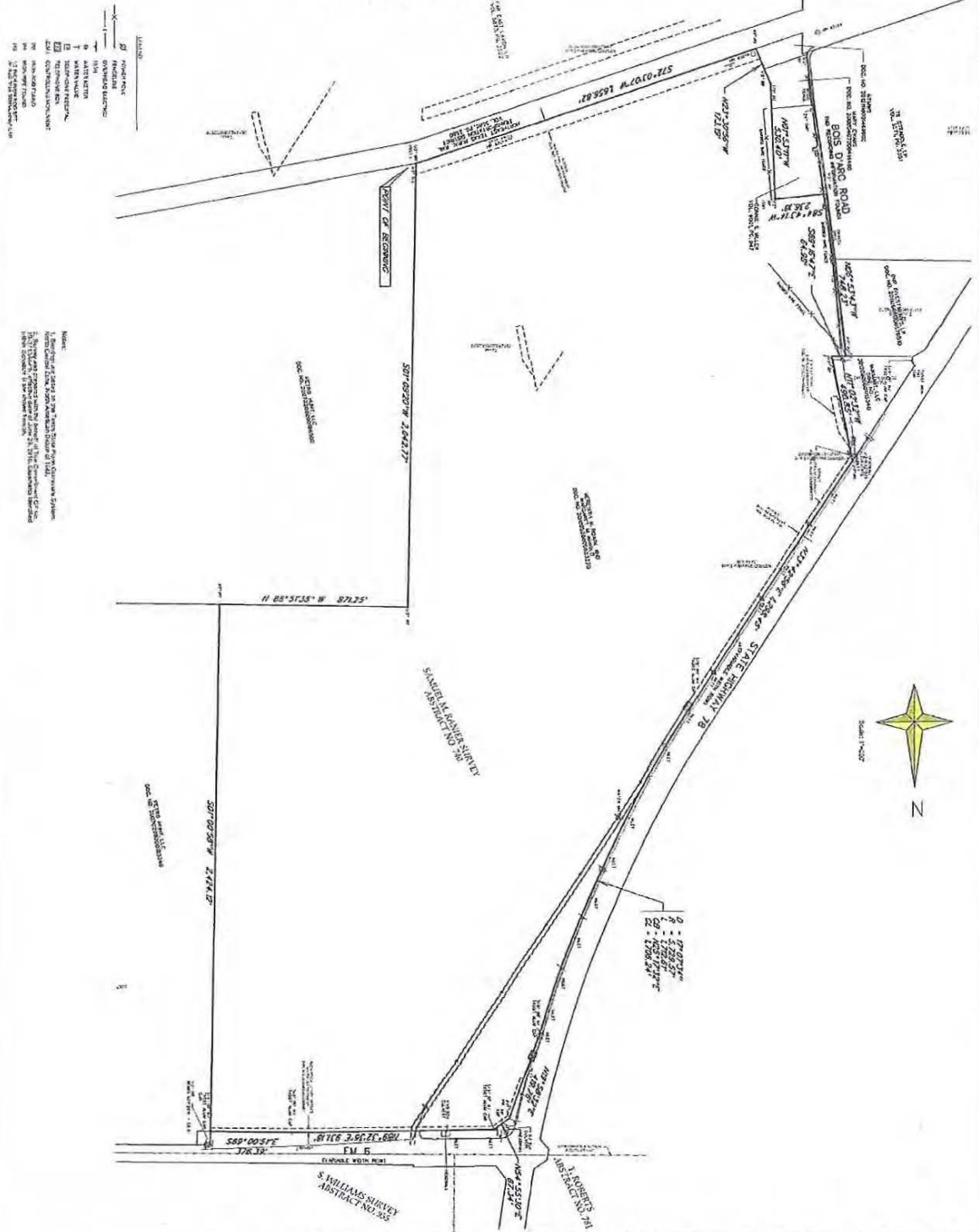
THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 580.12 feet, in the east line of said Roark and Arnold tract, being in the west line of called 59.757 acre tract described in a deed to Petro Hunt LLC, records in Document No. 20070208000183240, in said Deed Records;

THENCE South 01 degree 00 minutes 58 seconds West, with the east line of said Roark and Arnold tract, and with the west line of said 59.757 acre tract, a distance of 1,450.63 feet to the southwest corner of said 59.757 acre tract, being in the north line of the aforementioned 140.22 acre tract;

THENCE North 88 degrees 51 minutes 38 seconds West, continuing with the east line of said Roark and Arnold tract and with the north line said 140.22 acre tract, a distance of 871.25 feet to a 1/2-inch iron rod found at the northwest corner of said 140.22 acre tract;

THENCE South 01 degree 09 minutes 20 seconds West, continuing with the east line of said Roark and Arnold tract and with the west line said 140.22 acre tract, a distance of 2,042.77 feet to the POINT OF BEGINNING and containing 173.037 acres of land.

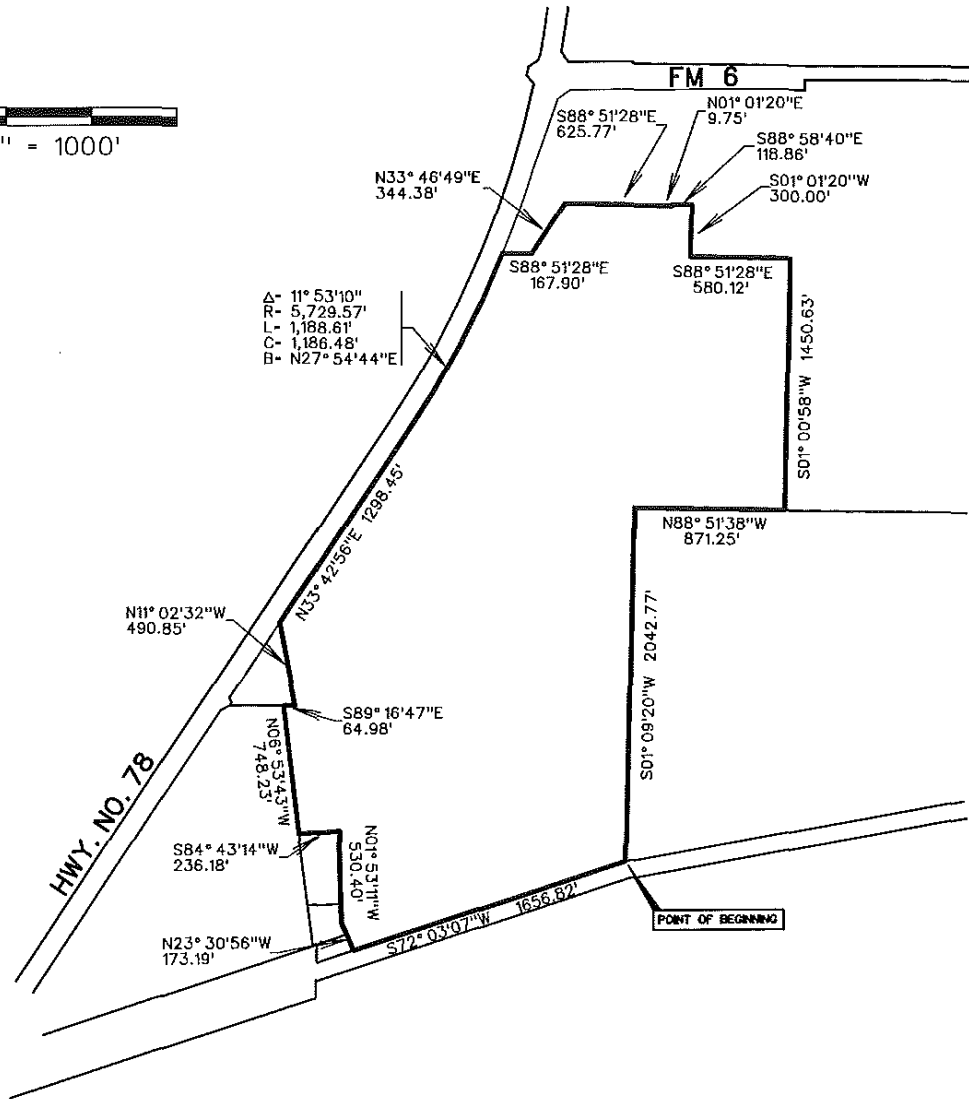


[illegible]

# Exhibit B-2



0  
SCALE: 1" = 1000'



**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

EXHIBIT

LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS



0  
SCALE: 1" = 600'

# Exhibit B-3



Δ = 22° 02' 15"  
R = 5,879.58'  
L = 2,261.45'  
C = 2,247.54'  
B = N22° 50' 11" E

CITY OF LAVON  
PROPERTY

HWY. 78

HWY. NO. 78

ROCK RD.

S84° 43' 14" W  
26.10'

N01° 53' 11" W  
530.40'

N23° 03' 56" W  
173.19'

N06° 53' 43" W  
1,215.86'

N33° 42' 56" E  
1,195.18'

183.840 AC.

N89° 32' 36" E  
878.18'

S89° 00' 51" E  
376.39'

FM 6

POINT OF BEGINNING

S01° 00' 58" W  
2,424.13'

N88° 51' 38" W  
871.25'

S01° 09' 20" W  
2,042.77'

S72° 03' 07" W  
1,656.82'



**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

EXHIBIT B-3

LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

# EXHIBIT C

## PETITION REQUESTING ANNEXATION BY AREA LANDOWNERS

TO THE MAYOR OF THE GOVERNING BODY OF THE CITY OF LAVON, TEXAS:

The undersigned owners of the hereinafter described tract of land, which is vacant and without residents, or on which fewer than three qualified voters reside, hereby waive the requirement to be offered a development agreement pursuant to Section 43.035 and petition your honorable Body to extend the present city limits so as to include as part of the City of Lavon, Texas, the following described territory, to wit:

### **Attachment A**

Description of the territory covered by the petition by metes and bounds

We certify that the above described tract of land is contiguous and adjacent to the City of Lavon, Texas, is not more than one-half mile in width [only limited by Local Government Code Section 43.028], and that this petition is signed and duly acknowledged by each and every person having an interest in said land.

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

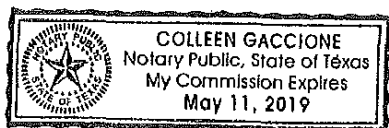
Signed: \_\_\_\_\_

THE STATE OF TEXAS

COUNTY OF Collin

BEFORE ME, the undersigned authority, on this day personally appeared Steve Lenart known to me to be the persons whose names are subscribed to the foregoing instrument and each acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 15 day of February, 2019.



Colleen Gaccione  
Notary Public in and for  
Collin County, Texas.

THE STATE OF TEXAS

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_ known to me to be the persons whose names are subscribed to the foregoing instrument and each acknowledged to me that he executed the same for the purposes and consideration therein expressed.

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**Attachment A to Annexation Petition  
Metes and Bounds Description of Property**

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 470, in the City of Lavon, Collin County, Texas, being part of a tract of land described in a deed to Meredith M. Roark and Margaret M. Arnold, recorded in Document No. 2010526000533270, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the southeast corner of said Roark and Arnold tract, being the southwest corner of a called 140.22 acre tract of land described in a deed to Petro Hunt, LLC, as recorded in Document No. 20070208000186500, in said Deed Records, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE South 72 degrees 03 minutes 07 seconds West, with the south line of said Roark and Arnold tract and the north line of said Northeast Texas Rural Rail Transportation District tract, a distance of 1,656.82 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the southwest corner of said Roark and Arnold tract, being southeast corner of a 0.478 acre tract of land described in a deed to North Texas Municipal Water District, recorded in Document No. 20121116001469900, in said Deed Records;

THENCE North 23 degrees 30 minutes 56 seconds West, departing the north line of said Northeast Texas Rural Rail Transportation District tract, with the west line of said Roark and Arnold tract, and with the east lines of said 0.478 acre tract and a called 0.91 acre tract described in a deed to Mary Evans, recorded in Document No. 200804070014460, in said Deed Records, a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01 degree 53 minutes 11 seconds West, continuing with the west line of said Roark and Arnold tract, and with the east lines of said 0.91 acre tract and a called 2.062 acre tract of land described in a deed to Connie S. Miller, recorded in Volume 4001, Page 947, in said Deed Records, a distance of 530.40 feet to a 1/2-inch iron rod found at the northeast corner of said 2.062 acre tract;

THENCE South 84 degrees 43 minutes 14 seconds West, continuing with the west line of said Roark and Arnold tract and with the north line of said 2.062 acre tract, a distance of 236.18 feet to a 1/2-inch iron rod found at the northwest corner of said 2.062 acre tract, being in the east line of a tract of land described as Tract Two in a deed to 78 Straddle, LP, recorded in Volume 5571, Page 3351, in said Deed Records, also being the approximate center of Bois D'Arc Lane (no recording information found);

THENCE North 06 degrees 53 minutes 43 seconds West, continuing with the west line of said Roark and Arnold tract, with the east lines of said Tract Two and a tract of land described as Tract No. 2 in a deed to DPB Investments, LP, recorded in Document No. 20110606000576510, in said Deed Records, and along said Bois D'Arc Lane, a distance of 748.23 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the northeast corner of said Tract No. 2, being in the south line of a called 2.25 acre tract of land described in a deed to MJKMart, LLC, recorded in Document No. 20120906001115340, in said Deed Records;

THENCE South 89 degrees 16 minutes 47 seconds East, continuing with the west line of said Roark and Arnold tract and with the south line of said 2.25 acre tract, a distance of 64.98 feet to a 1/2-inch iron rod found at the southeast corner of said 2.25 acre tract;

THENCE North 11 degrees 02 minutes 32 seconds West, continuing with the west line of said Roark and Arnold tract and with the east line of said 2.25 acre tract, a distance of 490.85 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the north corner of said 2.25 acre tract, being in the east line of State Highway 78 (variable width right-of-way);

THENCE North 33 degrees 42 minutes 56 seconds East, continuing with the west line of said Roark and Arnold tract and with the east line of said State Highway 78, a distance of 1,298.45 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found on a non-tangent curve to the left, having a radius of 5,729.57 feet and a central angle of 17 degrees 07 minutes 34 seconds;

THENCE continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, and with said curve to the left, an arc distance of 1,712.61 feet (Chord Bearing North 25 degrees 17 minutes 32 seconds East – 1,706.24 feet), to a 5/8-inch iron rod with TxDOT Aluminum cap found;

THENCE North 19 degrees 58 minutes 32 seconds East, continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, a distance of 419.76 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING";

THENCE North 54 degrees 55 minutes 30 seconds East, continuing with the east line of said State Highway 78, a distance of 87.34 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found in the south line of FM 6 (variable width right-of-way);

THENCE North 89 degrees 32 minutes 36 seconds East, with the south line of said FM 6, a distance of 931.18 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found;

THENCE South 89 degrees 00 minutes 51 seconds East, continuing with the south line of said FM 6, a distance of 376.39 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found in the east line of said Roark and Arnold tract, being in the west line of called 59.757 acre tract described in a deed to Petro Hunt LLC, records in Document No. 20070208000183240, in said Deed Records;

THENCE South 01 degree 00 minutes 58 seconds West, departing the south line of said FM 6, with the east line of said Roark and Arnold tract, and with the west line of said 59.757 acre tract, a distance of 2,424.12 feet to the southwest corner of said 59.757 acre tract, being in the north line of the aforementioned 140.22 acre tract;

THENCE North 88 degrees 51 minutes 38 seconds West, continuing with the east line of said Roark and Arnold tract and with the north line said 140.22 acre tract, a distance of 871.25 feet to a 1/2-inch iron rod found at the northwest corner of said 140.22 acre tract;

THENCE South 01 degree 09 minutes 20 seconds West, continuing with the east line of said Roark and Arnold tract and with the west line said 140.22 acre tract, a distance of 2,042.77 feet to the POINT OF BEGINNING and containing 200.9089 acres of land.

## **Exhibit D**

# **LAKEPOINTE DEVELOPMENT**

## **DEVELOPMENT DESIGN REGULATIONS & CONCEPT**

## LAKEPOINTE DEVELOPMENT

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#### ARTICLE I. GENERAL PROVISIONS

1.1 Purposes & Definitions. The Development Design Regulations and Concept are intended to (a) create a mixed-use, master planned community within the corporate limits of the City, (b) ensure a high-quality residential and commercial development, (c) provide increased recreation and/or open space, and (d) provide amenities and features of special benefit to the Property owners.

Buffer Area means the area identified as "Buffer" on the Concept Plan attached hereto as Exhibit 2.

Commercial Planning Area means the area identified as "Commercial" on the Concept Plan attached hereto as Exhibit 2.

Exterior Architectural Features means the building enhancements described in Paragraph 5 on Exhibit 6 attached hereto.

LakePointe Development means the approximately 200-acre master planned community generally located in Collin County at the southeast corner of Farm to Market Road 6 ("FM 6") and Texas State Highway 78 ("SH 78"), containing the Residential Planning Area and the Commercial Planning Area, which may be developed as shown on the Concept Plan attached hereto as Exhibit 3 and more particularly described by metes and bounds legal description on Exhibit 1 attached hereto.

Residential Planning Area means the area identified as "Residential" on the Concept Plan attached hereto as Exhibit 2.

## ARTICLE II. INTERPRETATION

2.1 Applicability of Existing Regulations. Except as provided herein , (a) the Residential Planning Area shall be developed in accordance with the development standards established for the Single Family Residential District (SF-4) in the Zoning Ordinance, (b) the Commercial Planning Area shall be developed in accordance with the development standards established for the Retail (R) and/or Business Park (B) Districts in the Zoning Ordinance, although any Site Plan submitted shall conform to the standards in either Retail (R) or Business Park (B) mutually exclusive from the other, unless otherwise allowed herein, and (c) development of the Property shall otherwise be governed by the applicable City ordinances related to the least restrictive zoning district in existence. In the event of any conflict or inconsistency between this Concept and the Zoning Ordinance or any other City ordinances, the terms, provisions, and intent of this Concept shall control and prevail. To the extent this Concept includes standards or regulations (including approval procedures) that apply to a particular aspect of development and/or construction, such standards, regulations, and procedures shall be exclusive (i.e., the only standards, regulations, or procedures that apply to such aspect of development and/or construction). For example, this Concept includes standards and regulations for residential landscaping; consequently, such standards and regulations are the only residential landscaping standards and regulations that apply within the development.

2.2 Amendments. Any major or minor amendments to the Concept and Concept Plan may be made in accordance with the Zoning Ordinance.

2.3 Plans and Studies. The Concept Plan is attached as **Exhibit 3**, and the Concept Plan, including all graphic depictions and notes., The Concept Plan shows the boundaries of the Development, which are more specifically described by the metes and bounds description attached as **Exhibit 1**. For purposes of this Concept, the Development is divided into multiple planning areas as shown on the Concept Plan.

2.4 Preliminary Plat and Site Plans

(a) Residential Planning Area. The preliminary plat for the Residential Planning Area will serve as the site plan and shall generally conform to the Concept Plan attached as **Exhibit 3**. The preliminary plat shall substantially comply with the Concept Plan.

(b) Commercial Planning Area. Prior to the issuance of any building permit in the Commercial Planning Area, a site plan shall be submitted for review and approval to the City in accordance with the Zoning Ordinance and this Concept.

2.5 Phasing.

(a) Infrastructure and Open Space. Needed infrastructure and open space required to support each phase or section of development shall be constructed in conjunction with development of such phase or section. Sections or phases identified on the Concept Plan are named or identified for convenience only and are not an indication of development sequence. Sections or phases may be developed in any order and in any number of sections or phases as mutually agreed to by the Owner and the City.

(b) Amenity Center. An amenity center shall be constructed in connection with development of Phase 2 of the Residential Planning Area. No building permits shall be issued in Phase 3 of the Residential Planning Area until the amenity center has received a Certificate of Occupancy from the City.

**ARTICLE III.  
RESIDENTIAL PLANNING AREA DEVELOPMENT STANDARDS**

3.1 Density in Residential Planning Area. The maximum number of residential dwellings within the Residential Planning Area shall not exceed 700. All lots shall conform to the standards as reflected in **Exhibit 5** attached hereto.

3.2 Uses in Residential Planning Area.

(a) The following uses are permitted uses ("**Permitted Uses**") in the Residential Planning Area:

- (i) Single family detached dwelling.
- (ii) Amenity center, community swimming pool, playground, park, open space, storm water detention area, common area, and non-lighted athletic field.
- (iii) Model home, including those with onsite sales offices



- (iv) Accessory Use, Unit, Structures, or Building as defined by the Zoning Ordinance.
- (v) Temporary concrete batch plants serving the Development.
- (vi) Temporary buildings incidental to infrastructure construction work, including temporary development, construction and sales trailers.

(b) An applicant may request an interpretation from the City's Planning and Zoning Commission for uses that are undefined or not listed in Section 3.2(a).

3.3 Development Standards. Development of the Residential Planning Area shall be in accordance with the development standards established herein including the following:

(a) Lot Specifications and Layout. The lot layout and specifications shall generally conform to the Concept Plan depicted in Exhibit 3 and as stated herein. Allowances for changes to the quantity and locations of each lot type are permitted in conformance with the requirements listed herein. For the Residential Planning Area, the lot dimensions and other specifications are reflected on Exhibit 5 attached hereto.

(b) Building Standards. All dwellings constructed in the Residential Planning Area shall adhere to the building standards reflected on Exhibit 6 attached hereto.

(c) Fencing Standards. All lots within the Residential Planning Area shall contain a wood or wrought-iron/tubular steel fence constructed prior to issuance of a Certificate of Occupancy per the requirements below:

(i) Wood Fences

(A) Wood fences shall be a minimum of 6' and a maximum of 8' in height, utilize steel posts, and be constructed of spruce or cedar.

(B) Wood fences adjacent to public streets shall be stained with all pickets placed on the "public side" facing the street.

(C) Rear yard fences that extend towards the front of the dwelling shall terminate no closer than 10' to the Minimum Front Yard Setback line, as defined on Exhibit 5.

(D) On corner lots, side yard fencing shall not encroach more than 5' beyond the side building line that is adjacent to the side street.

(E) Wooden fencing adjacent to open spaces, common areas, detention areas, and the exterior Property boundary shall comply with Exhibits 4 and 4C.

(ii) Wrought-iron/ Tubular Steel Fencing

A. Wrought-iron/tubular steel fencing shall be a minimum of 6' and a maximum of 8' in height and painted black.

B. Wrought-iron/tubular steel fencing locations and construction shall comply with Exhibits 4 and 4C attached hereto.

(d) Landscape Standards. The landscape standards within the Residential Planning Area are set forth below:

(i) All lots with single family dwellings shall be fully sodded and irrigated.

(ii) All lots with single family dwellings shall have a single three inch (3") caliper tree installed in the front or rear of each single family lot. A list of approved tree species is listed on Exhibit 7 attached hereto, which list may be updated from time to time with the written approval of the City and the Owner. No tree shall be planted closer than 5' to any front, rear, or side property line on any single family lot.

(iii) All lots with single family dwellings shall have a landscaping bed in the front yard containing mulch top-dressing and minimally the following plantings:

(A) 50' Lots: Two – 10 gallon shrubs, seven – 5 gallon shrubs or native grasses, ten – 3 gallon shrubs or native grasses

(B) 60' Lots: Two – 10 gallon shrubs, eleven – 5 gallon shrubs or native grasses, fourteen – 3 gallon shrubs or native grasses

(e) Major Sidewalk. In connection with development and/or construction of a phase or section in the Residential Planning Area, an 8' wide concrete walking path ("Major Sidewalk") shall be constructed within the boundaries of the applicable phase consistent with Exhibit 4 attached hereto. The Major Sidewalk to support each phase or section of the development shall be constructed in conjunction with development of such phases or section as shown on the Concept Plan. The Major Sidewalk shown on the Concept Plan through the Commercial Planning Area connecting to FM 6 is conceptual only and subject to realignment as the phase or sections of the Property develop. Additionally, no driveways serving single family lots shall cross the Major Sidewalk.

(f) Sidewalks. Sidewalks in the Residential Planning Area shall be five (5) feet wide and will be placed adjacent to all public right of ways. Sidewalks may be located on, adjacent to, or partially in public right of way, lots, amenity centers, open space, common areas, and detention areas. Sidewalks on or adjacent to a lot will be installed by the builder in connection with the construction of a dwelling on such lot.

(g) Mail Boxes. Single or dual mailboxes may be constructed on the lots, which mailboxes shall be freestanding and consist of a minimum of 100% masonry materials. If required by the United States Postal Service, metal cluster mailboxes may be constructed in various locations within the Property to serve multiple lots and such cluster mailboxes shall be placed within reasonable proximity to a street light.

(h) Open Spaces, Common Areas, Detention Areas and Amenity Centers. The location and number of open spaces shall generally conform to the Concept Plan and Exhibits 4, 4A, 4B, 4C and 4D attached hereto. All open spaces, common areas, detention areas and amenity centers in the Residential Planning Area shall be owned and maintained by the

homeowners' association (the "**Homeowners' Association**") formed for the Residential Planning Area. No additional reserve areas, parks, open spaces or common areas shall be required.

(i) **Neighborhood Signage.** Permanent subdivision signage shall be allowed at all entry points to the Residential Planning Area, on open spaces, and on common areas.

(j) **Homeowners' Association.** A Homeowners' Association formed for the applicable Residential Planning Area shall own and maintain all neighborhood parks, open spaces, common areas, detention areas, masonry screening walls/entry features, and amenity centers within the Residential Planning Area. Membership in the association is mandatory for all lots within the Residential Planning Area.

(k) **Non-Repetition of Building Form.** The same house elevation and brick color may not be duplicated within three (3) lots adjacent to the applicable lot on the same side of the street and on the lot directly across the street from the applicable lot.

(l) **Perimeter Walls and Fences.** All perimeter walls and fences shall comply with the attached **Exhibits 4, 4A and 4C** in terms of location and construction material.

(m) **Electric Utility Lines.** New overhead utility distribution lines installed by or on behalf of Owner exclusively servicing the Property are prohibited. Such lines must be buried underground. The following may be located above ground: (a) existing utility lines; (b) appurtenances to utility lines (e.g., transformers, switch gears, meters, and pedestals); (c) temporary utility lines; (d) utility transmission lines and other lines of such size and capacity making it impractical to locate such lines underground; (e) temporary poles, lines and appurtenances necessary for development or building construction; and (f) temporary poles, lines and appurtenances necessary on unplatted portions of the Concept to facilitate phasing of the development.

#### ARTICLE IV.

#### COMMERCIAL PLANNING AREA DEVELOPMENT STANDARDS

4.1 **Uses in Commercial Planning Area.** (a) In addition to the permitted and conditional uses established in the Zoning Ordinance for the Retail (R) and Business Park (B) Districts the following uses are Permitted Uses in and for the Commercial Planning Area identified on **Exhibit 2:**

(i) **Retail (R) Classification** Retail; commercial; residential; personal service; amusement establishments; animal boarding (indoor boarding facilities only); automobile fueling stations (limited to one operation within the Commercial Planning Area); building material sales; business service and sales; dry-cleaning retail establishments; exercise and sports establishments; hotels and other hospitality establishments; merchandise rentals; nursery, garden, and landscape material sales; pet grooming and care services; multifamily and townhome residential uses, including age – restricted; veterinarian services, animal clinics; community recreational use; community swimming pool; independent living, assisted living, and nursing home facilities; auto, tool or equipment rentals; restaurants with drive-thru operations; self-service ice vending operations (when adjacent to another existing use);

(ii) Business Park (B) Classification Data centers and software design; medical or scientific laboratories; open processing operations; outside sales and storage; storage facilities; trade contractor offices and dispatch; mini-storage facilities; mini-warehouse facilities;

(iii) Temporary concrete batch plants serving the Development.

(iv) Accessory Uses, Buildings, Structures and Units as defined by the Zoning Ordinance.

(b) An applicant may request an interpretation from the City's Planning and Zoning Commission for uses that are undefined or not listed in Section 4.1.

(c) New overhead utility distribution lines installed by or on behalf of Owner exclusively servicing the Property are prohibited. Such lines must be buried underground. The following may be located above ground: (a) existing utility lines; (b) appurtenances to utility lines (e.g., transformers, switch gears, meters, and pedestals); (c) temporary utility lines; (d) utility transmission lines and other lines of such size and capacity making it impractical to locate such lines underground; (e) temporary poles, lines and appurtenances necessary for development or building construction; and (f) temporary poles, lines and appurtenances necessary on unplatted portions of the Development to facilitate phasing of the development.

(d) The Buffer Area, as defined in Section 1.1, shall contain only landscaping, irrigation, screening walls or fences, sidewalks, public roads, access roads, parking lots, utility lines and other associated items. The Buffer Area may be included within the required setback distances established in this Concept.

4.2 Building Permits. Following Site Plan approval, permits for the construction of structures in a particular phase or section of the Commercial Planning Area shall be available and issued upon completion of the on-site public infrastructure improvements in such phase or section without regard to completion of any private improvements in such phase or section.

4.3 Buffering and Screening in Commercial Planning Area. Lots containing commercial uses that are located in a Commercial Planning Area used for commercial purposes and adjacent to the Residential Planning Area must, upon the construction of any commercial structure, construct and maintain a masonry or concrete sight-barring fence at least eight (8) feet high constructed on the property line between the two Planning Areas.

(a) Mini – storage and mini – warehouse buffering. All storage buildings shall be setback from Highway 78 a minimum of 250 feet and screened with a masonry or concrete sight – barring fence at least eight (8) feet high adjacent to Highway 78. Such masonry or concrete fence may be incorporated into the building's structure.

4.4 Major Sidewalk Connection. The Major Sidewalk shown on Exhibit 4 through the Commercial Planning Area shall connect to the FM 6 right – of – way. The Major Sidewalk shall be constructed through the Commercial Planning Area concurrently with the development of the Commercial Planning Area, and shall be phased accordingly. The exact location and routing will be subject to change based on site plan approvals within the Commercial Planning Area.

4.5 Commercial Planning Area Requirements for all Uses other than Townhome or Multifamily. The requirements in the Zoning Ordinance for each respective use shall apply except as noted in Sections 4.5 (a) – (f) below.

(a) Minimum Lot area. 30,000 square feet for Retail (R) uses and 80,000 square feet for Business Park (B) uses

(b) Minimum Building Size. 1,500 square feet for Retail (R) uses and 5,000 square feet for Business Park (B) uses.

(c) Maximum height. The maximum height for all structures located within the Commercial Planning Area shall be forty five feet (45'), with the exception of Hotel uses, which maximum height shall be sixty five (65'). No portion of any structure located within one hundred feet (100') of the Residential Planning Area shall be greater than forty – five feet (45') in height. Additionally, the maximum height for mini – storage or mini – warehouse structure shall be twenty four feet (24').

(d) Front yard. The minimum front yard setback is 25 feet for all of the Commercial Planning Area. A restaurant may locate outdoor dining and serving areas, as well as sidewalk cafes, in the required front yard setback.

(e) Lot Coverage. A maximum of 80% lot coverage is allowed in all of the Commercial Planning Area.

(f) Landscaping Requirements shall comply with Chapter 9 of the Zoning Ordinance, subject to the following:

(i) A 20' landscape buffer is required adjacent to Texas State Highway 78 and FM 6. Additionally, a 10' landscape buffer is required adjacent to any other public right – of way. A 20' landscaped median may be placed in any public right – of – way in lieu of the 10' landscape buffer. This area may include entrance/exit driveways, utilities, sidewalks, hardscape, lighting, signage, fencing, and gates. The area shall be 100% irrigated and landscaped. A minimum of one – 4" tree shall be planted every 20' as measured along the public right – of – way, excluding entrance and exit driveways, subject to the requirements above. The trees may be grouped or clustered to provide a more natural appearance.

(ii) Trees may be planted in open spaces, common areas, detention areas, yards, and within the Buffer Area.

(iv) Detention areas may be wet or dry, and may contain amenities such as sidewalks, hardscape, lighting, signage, and fencing. Centralized detention is allowed that serves more than one tract in the Commercial Planning Area.

(iii) All areas of the site, other than building footprints, shall count towards the 20% landscaping requirements established in the Zoning Ordinance.

4.6 Commercial Planning Area Requirements for all Townhome or Multifamily Uses.

(a) Maximum Acreage and Density for Townhome or Multifamily Uses. The Townhome and Multifamily uses shall be limited to a maximum of twelve (12) acres within the Commercial Planning Area. The maximum density for Townhome uses is nine (9) units per acre and the maximum density for Multifamily uses shall be limited to eighteen (17) units per acre.

(b) Townhomes and Multifamily sales and/or leases may be age-restricted.

(c) Townhome Requirements.

(i) Minimum Lot Area: 2,500 square feet

(ii) Minimum Townhome size: 1,200 square feet

(iii) Maximum height: 38 feet

(iv) Minimum Lot width: 25 feet on interior lots, 35 feet on corner lots

(v) Front or rear driveway access is allowed and each Townhome shall contain a two – car garage

(vi) Setback standards.

(A) Front yard: 20' minimum

(B) Rear yard: 15' minimum on front driveway access, 20' minimum on rear driveway access

(C) Side yard: 5' minimum on interior lots between buildings; 10' minimum on sides adjacent to a public street (corner lot).

(vii) Building Standards: All Townhomes shall comply with the Building Standards on **Exhibit 6.**

(viii) Parking requirements: Off street parking shall be provided at the rate of .5 parking spaces per each Townhome Lot. Off street parking may be parallel parking and/or head – in parking. Parallel parking may not be adjacent to the front of any Townhome Lot with a front – entry garage. Additionally, all parallel parking spaces shall be a minimum of 8' wide and this width shall be added to the standard street pavement width of the street where the parallel parking space is located and the right of way of the road shall also be widened by 8'.

(d) Multifamily Requirements.

(i) Minimum Living Area:

(A) Efficiency or One Bedroom - 690 square feet

(B) Two Bedroom - 970 square feet

- (C) Three Bedroom - 1,200 square feet
- (ii) Maximum height: Two (2) stories with a maximum height of thirty-nine (39') feet.
- (iii) Setback standards.
  - (A) Perimeter setbacks: Buildings shall be a minimum 30' from the front property line, and a minimum 10' from side or rear property lines.
  - (B) Building setbacks: All buildings shall comply with the setback requirements established City's adopted Fire Code.
  - (iv) A swimming pool shall be required within the Multifamily boundary for use of the Multifamily residents. Additionally, an on – site management office is required within the Multifamily boundary.
  - (v) Building Standards: All Multifamily building elevations shall consist of brick, stone, synthetic stone, stucco, decorative pattern cementitious fiberboard (as referenced in **Exhibit 5**), and cementitious fiberboard siding, excluding windows, doors, and other normal openings, fascia, and architectural details (corbels, exposed beams, guardrails, handrails, dormers, etc.).
    - (A) Exterior elevations adjacent to a public roadway shall consist of brick, stone, synthetic stone, stucco, and/or decorative pattern cementitious fiberboard.
    - (B) All other elevations may contain brick, stone, synthetic stone, stucco, decorative pattern cementitious fiberboard, and/or cementitious fiberboard siding, with no more than 50% of any elevation containing cementitious fiberboard siding.
    - (C) Detached garages may contain brick, stone, synthetic stone, stucco, decorative pattern cementitious fiberboard, and/or cementitious fiberboard siding.
  - (vi) Parking shall comply with the Zoning Ordinance, Chapter 8 Paragraph (P). Covered parking (carports), attached garages, and detached garages are allowed and the parking spaces within these shall count toward any parking requirements.
  - (vii) The Multifamily area may be gated and the perimeter fence shall be a 6' wrought-iron fence with stone or brick columns placed at a minimum of 100' on – center. Any portion of the Multifamily lot adjacent to the Residential Planning Area shall comply with the Screening Requirements in **Section 4.3**.
- (f) Landscaping Requirements shall comply with Chapter 9 of the Zoning Ordinance, subject to the following:
  - (i) Townhomes shall follow the requirements for the Residential Planning Area in **Section 3.3 (d)**
  - (ii) The Multifamily site shall comply with the following requirements:

(A) A 20' landscape buffer is required adjacent to any public right – of – way adjoining the Multifamily site. This area may include entrance/exit driveways, utilities, sidewalks, hardscape, lighting, signage, fencing, and gates. The area shall be 100% irrigated and landscaped. A minimum of one – 4" tree shall be planted every 20' as measured along the public right – of – way, excluding entrance and exit driveways. The trees may be grouped or clustered to provide a more natural appearance.

(B) A minimum of one – 4" tree shall be planted per every 10,000 square feet of platted area. These trees may be planted in open spaces, common areas, yards, and within the Buffer Area.

(C) All non – paved areas within the site shall be irrigated and landscaped. In lieu of irrigation and landscaping, decorative brick pavers, decomposed granite, or other similar finishes may be used.

(D) The site shall contain a centrally located open space gathering area containing the amenity center. This space shall be a minimum of 15,000 square feet.

(E) All areas of the site, other than building footprints, shall count towards the 20% landscaping requirements established in the Zoning Ordinance.

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**EXHIBIT 1**

**TO**

**DEVELOPMENT DESIGN REGULATIONS & CONCEPT**

**LEGAL DESCRIPTION OF THE PROPERTY**

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 470, in the City of Lavon, Collin County, Texas, being part of a tract of land described in a deed to Meredith M. Roark and Margaret M. Arnold, recorded in Document No. 2010526000533270, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the southeast corner of said Roark and Arnold tract, being the southwest corner of a called 140.22 acre tract of land described in a deed to Petro Hunt, LLC, as recorded in Document No. 20070208000186500, in said Deed Records, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE South 72 degrees 03 minutes 07 seconds West, with the south line of said Roark and Arnold tract and the north line of said Northeast Texas Rural Rail Transportation District tract, a distance of 1,656.82 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the southwest corner of said Roark and Arnold tract, being southeast corner of a 0.478 acre tract of land described in a deed to North Texas Municipal Water District, recorded in Document No. 20121116001469900, in said Deed Records;

THENCE North 23 degrees 30 minutes 56 seconds West, departing the north line of said Northeast Texas Rural Rail Transportation District tract, with the west line of said Roark and Arnold tract, and with the east lines of said 0.478 acre tract and a called 0.91 acre tract described in a deed to Mary Evans, recorded in Document No. 200804070014460, in said Deed Records, a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01 degree 53 minutes 11 seconds West, continuing with the west line of said Roark and Arnold tract, and with the east lines of said 0.91 acre tract and a called 2.062 acre tract of land described in a deed to Connie S. Miller, recorded in Volume 4001, Page 947, in said Deed Records, a distance of 530.40 feet to a 1/2-inch iron rod found at the northeast corner of said 2.062 acre tract;

THENCE South 84 degrees 43 minutes 14 seconds West, continuing with the west line of said Roark and Arnold tract and with the north line of said 2.062 acre tract, a distance of 236.18 feet to a 1/2-inch iron rod found at the northwest corner of said 2.062 acre tract, being in the east line of a tract of land described as Tract Two in a deed to 78 Straddle, LP, recorded in Volume 5571, Page 3351, in said Deed Records, also being the approximate center of Bois D'Arc Lane (no recording information found);

THENCE North 06 degrees 53 minutes 43 seconds West, continuing with the west line of said Roark and Arnold tract, with the east lines of said Tract Two and a tract of land described as Tract No. 2 in a deed to DPB Investments, LP, recorded in Document No. 20110606000576510, in said Deed Records, and along said Bois D'Arc Lane, a distance of 748.23 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the northeast corner of said Tract No. 2, being in the south line of a called 2.25 acre tract of land described in a deed to MJKMart, LLC, recorded in Document No. 20120906001115340, in said Deed Records;

THENCE South 89 degrees 16 minutes 47 seconds East, continuing with the west line of said Roark and Arnold tract and with the south line of said 2.25 acre tract, a distance of 64.98 feet to a 1/2-inch iron rod found at the southeast corner of said 2.25 acre tract;

THENCE North 11 degrees 02 minutes 32 seconds West, continuing with the west line of said Roark and Arnold tract and with the east line of said 2.25 acre tract, a distance of 490.85 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the north corner of said 2.25 acre tract, being in the east line of State Highway 78 (variable width right-of-way);

THENCE North 33 degrees 42 minutes 56 seconds East, continuing with the west line of said Roark and Arnold tract and with the east line of said State Highway 78, a distance of 1,298.45 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found on a non-tangent curve to the left, having a radius of 5,729.57 feet and a central angle of 17 degrees 07 minutes 34 seconds;

THENCE continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, and with said curve to the left, an arc distance of 1,712.61 feet (Chord Bearing North 25 degrees 17 minutes 32 seconds East – 1,706.24 feet), to a 5/8-inch iron rod with TxDOT Aluminum cap found;

THENCE North 19 degrees 58 minutes 32 seconds East, continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, a distance of 419.76 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING";

THENCE North 54 degrees 55 minutes 30 seconds East, continuing with the east line of said State Highway 78, a distance of 87.34 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found in the south line of FM 6 (variable width right-of-way);

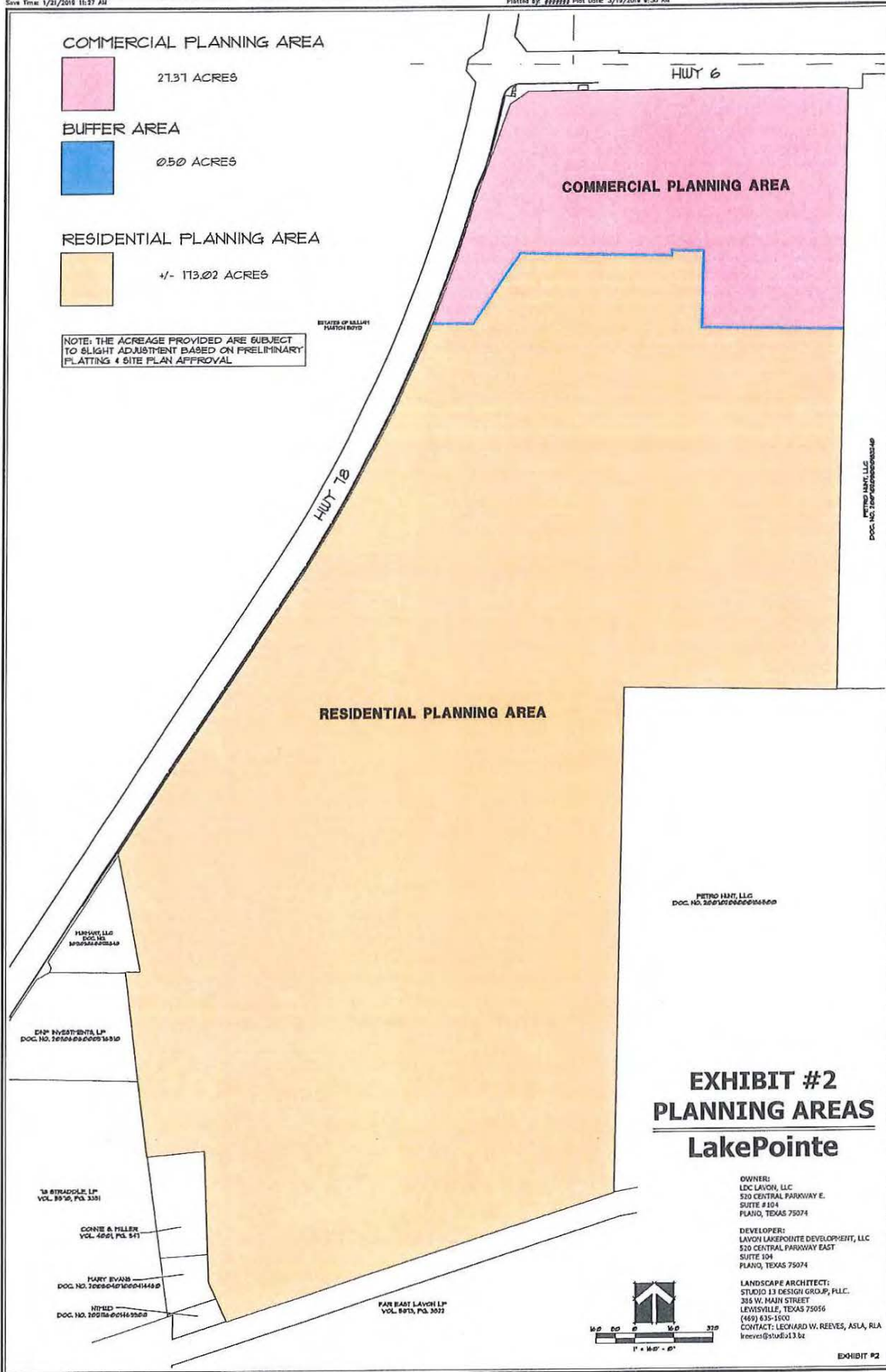
THENCE North 89 degrees 32 minutes 36 seconds East, with the south line of said FM 6, a distance of 931.18 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found;

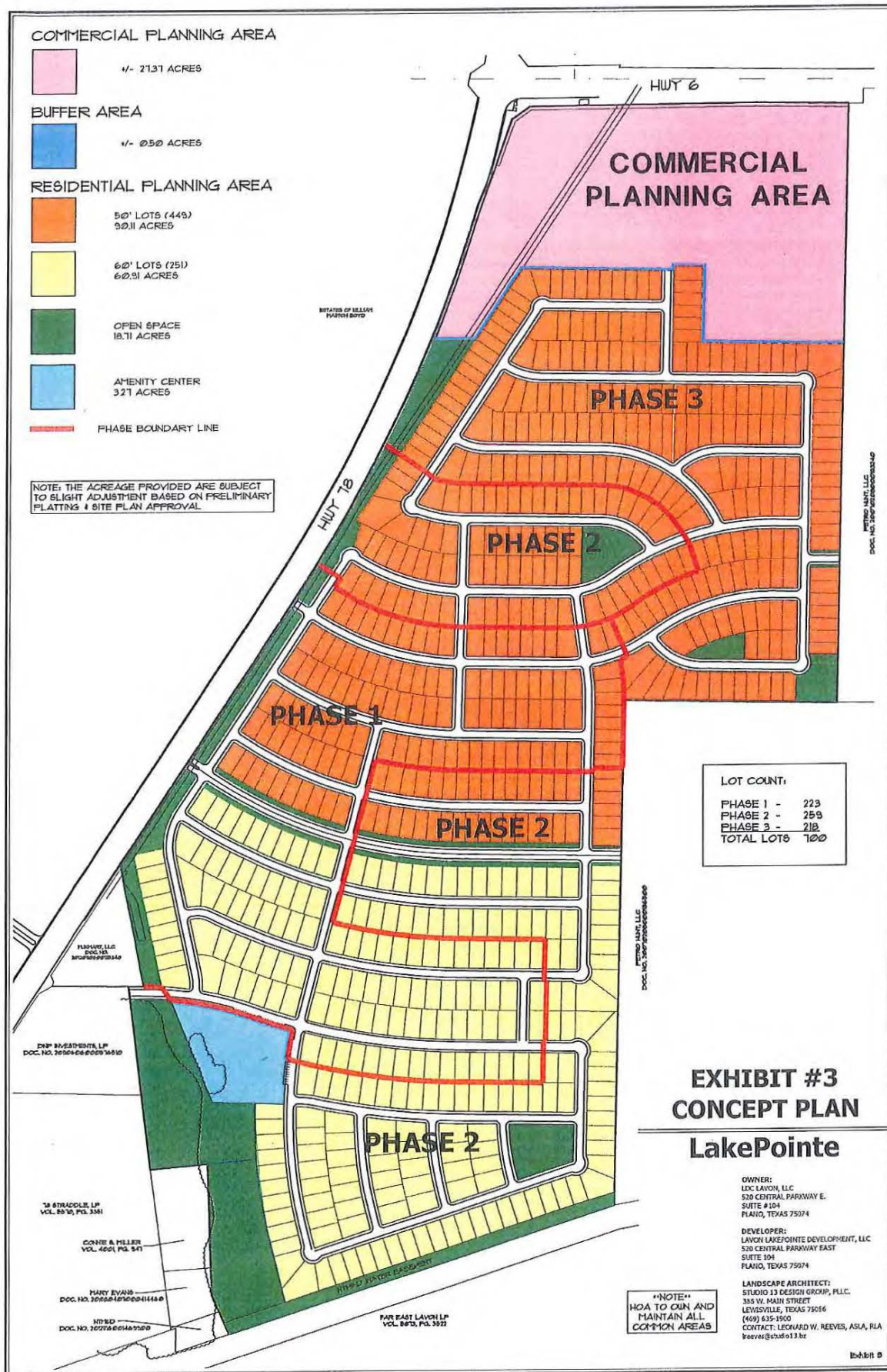
THENCE South 89 degrees 00 minutes 51 seconds East, continuing with the south line of said FM 6, a distance of 376.39 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found in the east line of said Roark and Arnold tract, being in the west line of called 59.757 acre tract described in a deed to Petro Hunt LLC, records in Document No. 20070208000183240, in said Deed Records;

THENCE South 01 degree 00 minutes 58 seconds West, departing the south line of said FM 6, with the east line of said Roark and Arnold tract, and with the west line of said 59.757 acre tract, a distance of 2,424.12 feet to the southwest corner of said 59.757 acre tract, being in the north line of the aforementioned 140.22 acre tract;

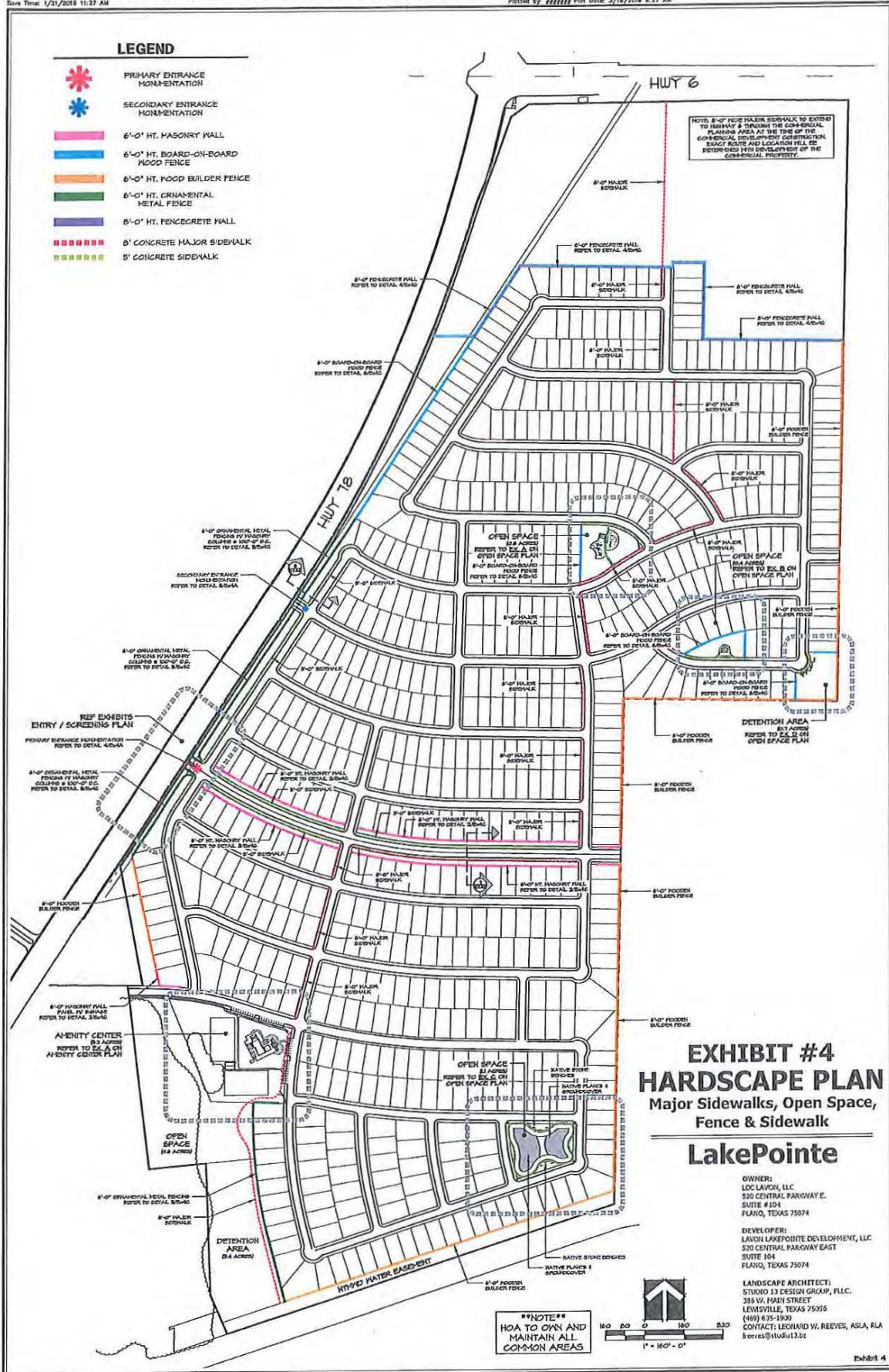
THENCE North 88 degrees 51 minutes 38 seconds West, continuing with the east line of said Roark and Arnold tract and with the north line said 140.22 acre tract, a distance of 871.25 feet to a 1/2-inch iron rod found at the northwest corner of said 140.22 acre tract;

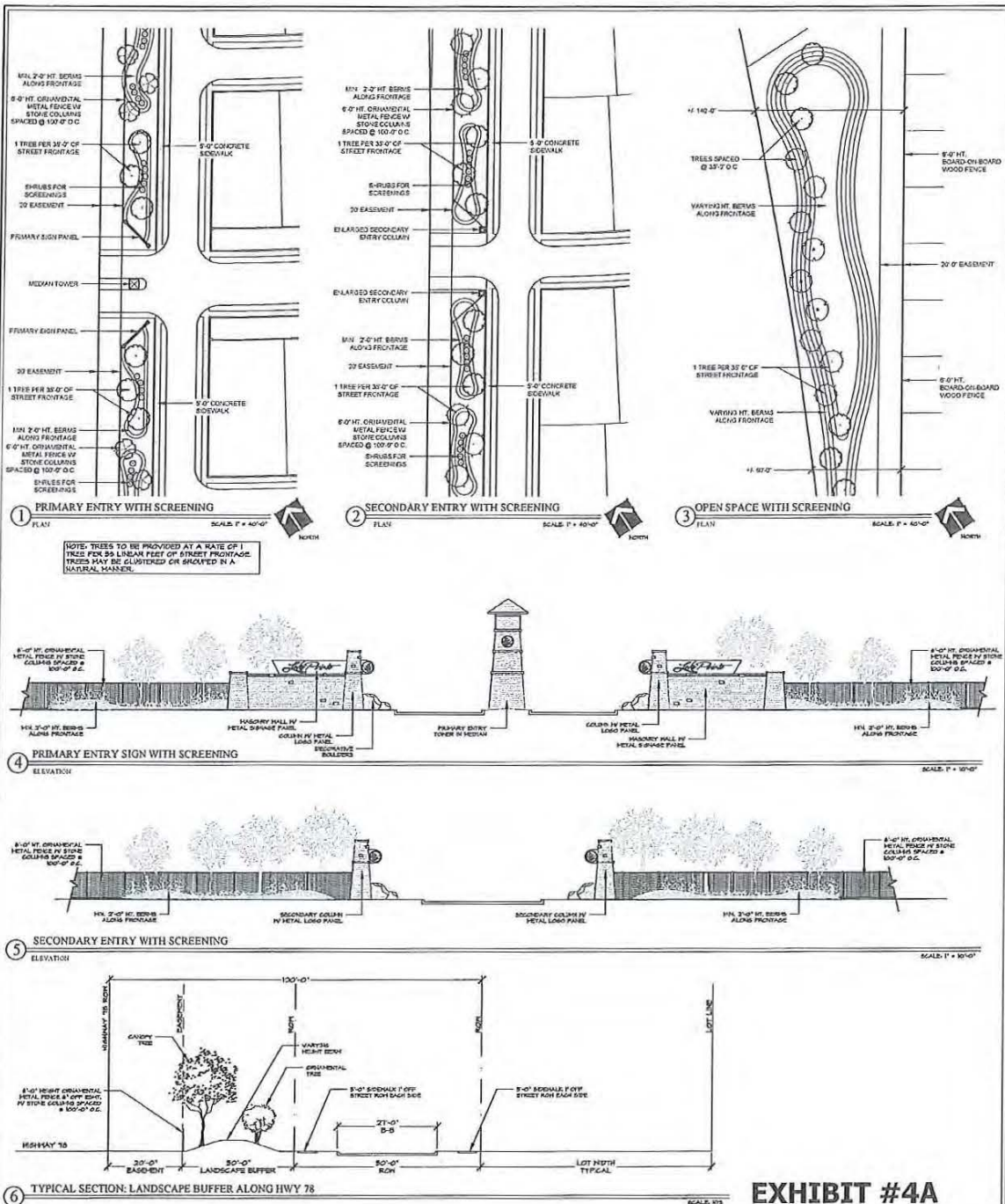
THENCE South 01 degree 09 minutes 20 seconds West, continuing with the east line of said Roark and Arnold tract and with the west line said 140.22 acre tract, a distance of 2,042.77 feet to the POINT OF BEGINNING and containing 200.9089 acres of land.











## EXHIBIT #4A ENTRY / SCREENING PLANS LakePointe



EXAMPLE OF BERMS W/ METAL FENCE SCREENING



\*\*\*NOTE\*\*\*  
HOA TO OWN AND  
MAINTAIN ALL  
COMMON AREAS

OWNER:  
LOC LAUNCH, LLC  
530 CENTRAL PARKWAY E.  
SUITE #104  
PLANO, TEXAS 75074

DEVELOPER:  
LAUNCH LAKEPOINTE DEVELOPMENT, LLC  
530 CENTRAL PARKWAY EAST  
SUITE 104  
PLANO, TEXAS 75074

LANDSCAPE ARCHITECT:  
STUDIO 13 DESIGN GROUP, PLLC  
385 W. MAIN STREET  
LEWISVILLE, TEXAS 75055  
(469) 635-1900  
CONTACT: LEONARD W. REEVES, ASLA, RLA  
lreeves@studio13.biz

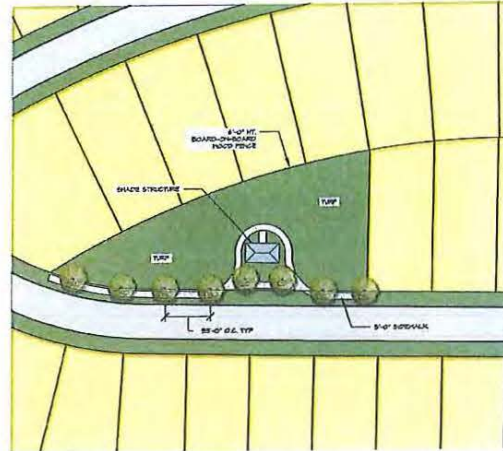
Exhibit 4A





**A** OPEN SPACE - PLAY STRUCTURE

SCALE: 1" = 40'-0"



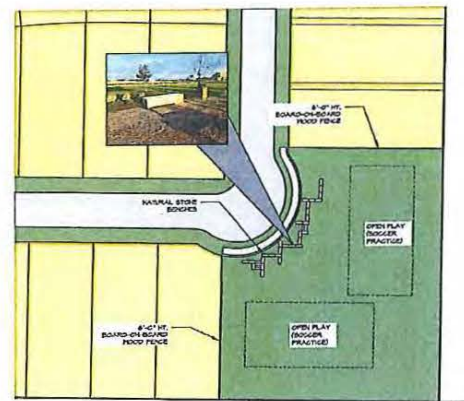
**B** OPEN SPACE

SCALE: 1" = 40'-0"



**C** NATURAL AREA - OPEN SPACE

SCALE: 1" = 40'-0"



**D** DETENTION - OPEN PLAY

SCALE: 1" = 40'-0"



NATIVE GRASSES



NATIVE GRASSES



NATIVE GRASSES



NATIVE PLANTINGS WITH COLOR



NATIVE PLANTINGS WITH COLOR



NATIVE PLANTINGS WITH COLOR

NOTE: TREES TO BE PROVIDED AT A RATE OF 1 TREE PER 50 LINEAR FEET OF STREET FRONTAGE. TREES MAY BE CLUSTERED OR GROUPED IN A NATURAL MANNER.

## EXHIBIT #4B OPEN SPACE / DETENTION PLANS LakePointe

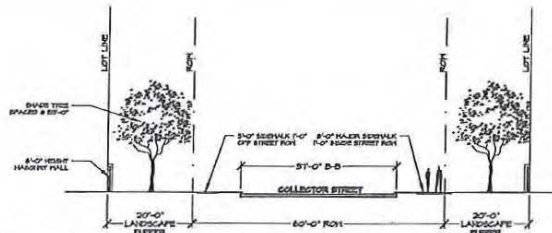
OWNER:  
LDC LAVON, LLC  
520 CENTRAL PARKWAY E.  
SUITE #104  
PLANO, TEXAS 75074

DEVELOPER:  
LAVON LAKEPOINTE DEVELOPMENT, LLC  
520 CENTRAL PARKWAY EAST  
SUITE 104  
PLANO, TEXAS 75074

LANDSCAPE ARCHITECT:  
STUDIO 13 DESIGN GROUP, PLLC  
385 W. MAIN STREET  
LEWISVILLE, TEXAS 75056  
(469) 635-1900  
CONTACT: LEONARD V. REEVES, ASIA, RIA  
lreeves@studio13.biz

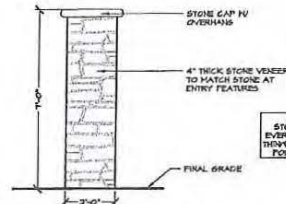
\*\*\*NOTE\*\*\*  
HOA TO OWN AND  
MAINTAIN ALL  
COMMON AREAS

EXHIBIT 4B



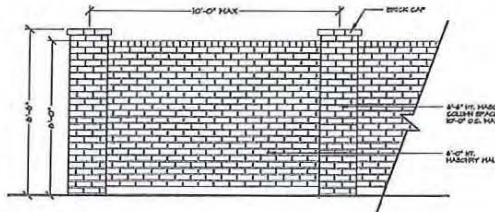
1 TYPICAL SECTION: LANDSCAPE BUFFER ALONG COLLECTOR STREET

NOTE: TREES TO BE PROVIDED AT A RATE OF 1 TREE PER 50 LINEAR FEET OF STREET FRONTAGE. TREES MAY BE CLUSTERED OR GROUPED IN A NATURAL MANNER.

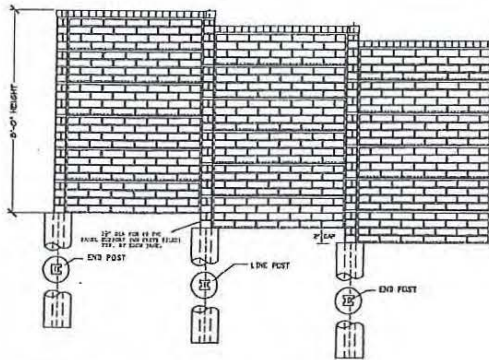


2 TYPICAL ELEVATION: 7'-0" HT. STONE COLUMN

NOTE: STONE COLUMNS TO BE SPACED AT EVERY OTHER LOT CORNER FOR BRICK, TERRAZZO, AND AT 100'-0" O.C. FOR ORNAMENTAL METAL SECTIONS.



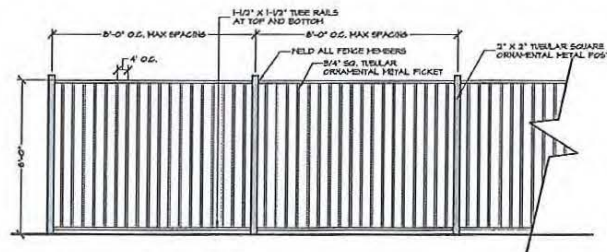
3 TYPICAL ELEVATION: 6'-0" HT. MASONRY WALL



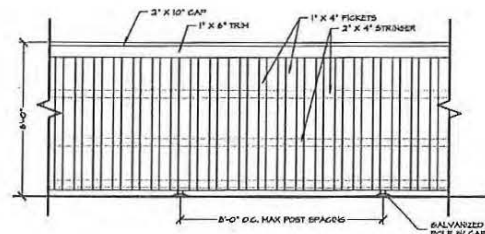
4 TYPICAL ELEVATION: 8'-0" HT. FENCECRETE WALL



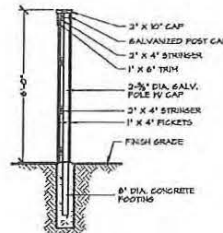
EXAMPLE OF CONCRETE MAJOR SIDEWALK WITHIN LANDSCAPE BUFFER



5 TYPICAL ELEVATION: 6'-0" HT. ORNAMENTAL METAL FENCE



6 TYPICAL ELEVATION & SECTION: 6'-0" HT. BOARD-ON-BOARD WOOD FENCE



## EXHIBIT #4C SCREENING / BUFFER PLAN LakePointe

OWNER:  
LDC LAYCO, LLC  
520 CENTRAL PARKWAY E.  
SUITE # 104  
PLANO, TEXAS 75074

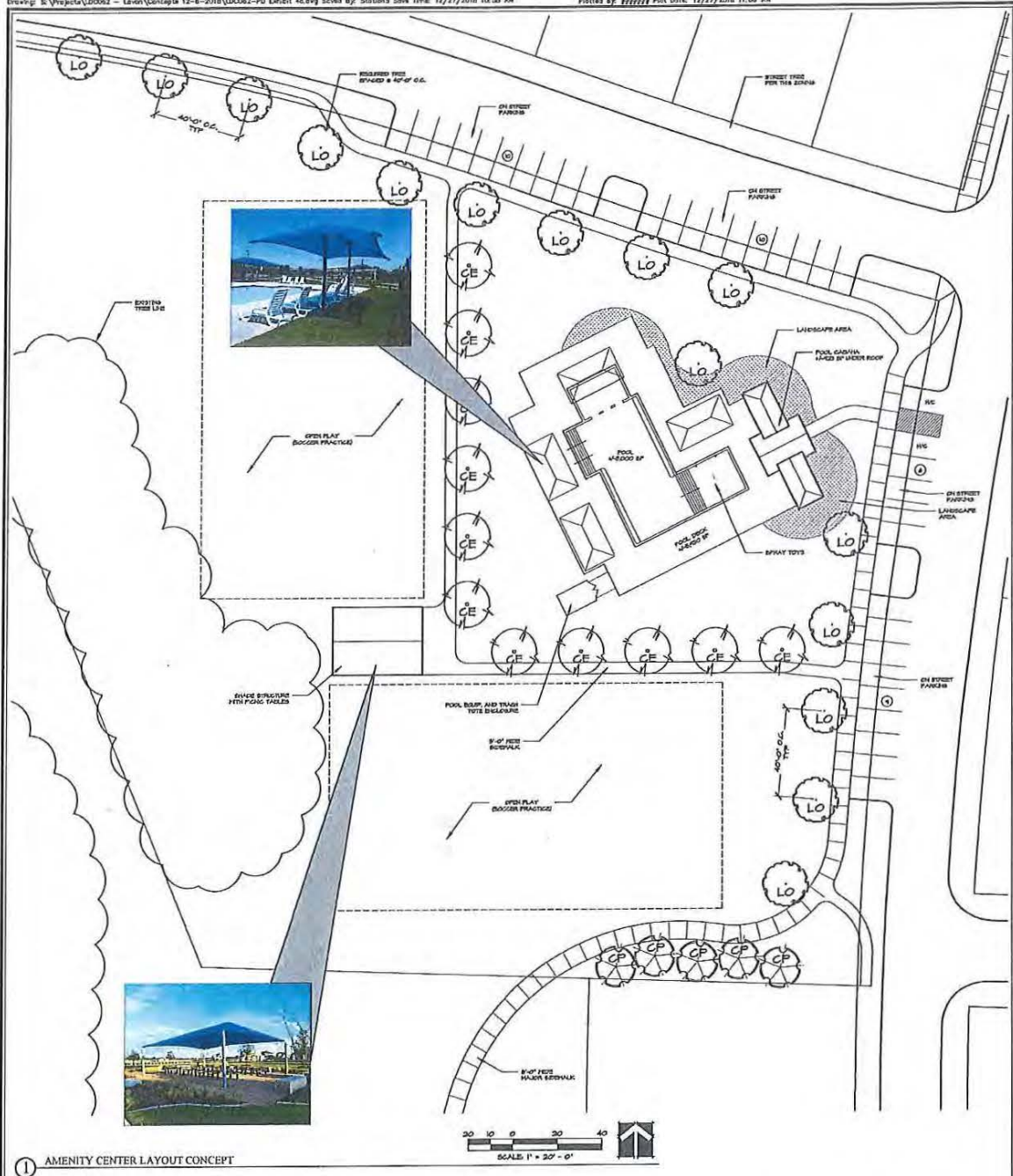
DEVELOPER:  
LAVON LAKEPOINTE DEVELOPMENT, LLC  
510 CENTRAL PARKWAY EAST  
SUITE 104  
PLANO, TEXAS 75074

LANDSCAPE ARCHITECTS:  
STUDIO 13 DESIGN GROUP, PLLC  
306 W. MAIN STREET  
LEWISVILLE, TEXAS 75056  
(469) 635-1900  
CONTACT: LEONARD W. REEVES, ASLA, RLA  
lreeves@studio13llc.com

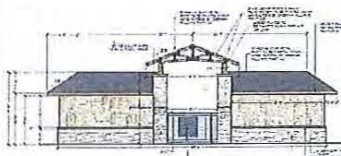
NOTE:  
HOA TO OWN AND  
MAINTAIN ALL  
COMMON AREAS

Exhibit 4C

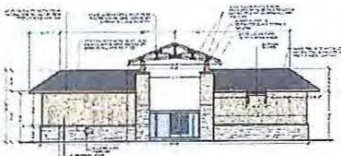




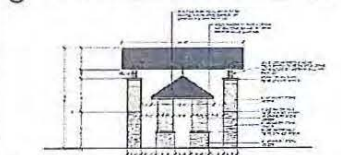
1 AMENITY CENTER LAYOUT CONCEPT



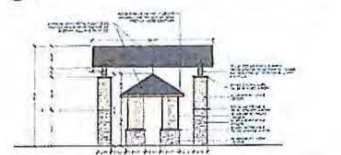
2 AMENITY CENTER - FRONT ELEVATION



3 AMENITY CENTER - REAR ELEVATION



4 AMENITY CENTER - SIDE ELEVATION



5 AMENITY CENTER - SIDE ELEVATION

## EXHIBIT #4D AMENITY CENTER LakePointe

OWNER:  
LOC LARCH, LLC  
520 CENTRAL PARKWAY E.  
SUITE #104  
PLANO, TEXAS 75074

DEVELOPER:  
LARCH LAKEPOINTE DEVELOPMENT, LLC  
520 CENTRAL PARKWAY EAST  
SUITE 104  
PLANO, TEXAS 75074

LANDSCAPE ARCHITECT:  
STUDIO 13 DESIGN GROUP, PLLC  
286 W. HUNT STREET  
LEWISVILLE, TEXAS 75056  
(469) 635-1900  
CONTACT: LEONARD W. REEVES, ASLA, RLA  
lreeves@studio13.biz

**\*\*NOTE\*\***  
HOA TO OPEN AND  
MAINTAIN ALL  
COMMON AREAS

Exhibit 4D

**EXHIBIT 5**

**TO**

**DEVELOPMENT DESIGN REGULATIONS & CONCEPT**

**RESIDENTIAL PLANNING AREA SPECIFICATIONS**

**TABLE 1**

<b><u>Description</u></b>	<b><u>50' Lots</u></b>	<b><u>60' Lots</u></b>		
Minimum Lot Width on standard lots <sup>1</sup>	50'	60'		
Minimum Lot Width on Lots at the terminus of a cul-de-sac or along street elbows/eyebrows <sup>2</sup>	45'	55'		
Minimum Lot Depth	110'	110'		
Minimum Lot Area	6,000 SF	7,200 SF		
Minimum Front Yard Setback	20'	20'		
Minimum Side Yard Setback	5'	5'		
Minimum Side Yard Setback (adjacent to a street)	10'	10'		
Minimum Rear Yard Setback	10'	10'		
Minimum Length of Driveway	20'	20'		
Maximum Roof Height	36'	36'		
Minimum Area/Dwelling Unit (SF)	1,300	1,500		

<sup>1</sup> As measured at the building line.

<sup>2</sup> As measured along the arc of the front building line.

## **EXHIBIT 6**

### **TO**

## **DEVELOPMENT DESIGN REGULATIONS & CONCEPT**

### **RESIDENTIAL PLANNING AREA BUILDING STANDARDS**

1. Exterior Materials. Exterior construction materials for residential structures (excluding accessory structures) shall consist of: brick, stone, synthetic stone, stucco, decorative pattern cementitious fiberboard, and cementitious fiberboard siding, excluding windows, doors, and other normal openings, fascia, and architectural details (corbels, exposed beams, guardrails, handrails, dormers, etc.). Brick, stone, synthetic stone, and stucco shall be defined herein as "Masonry Materials".

(a) The front elevation shall consist of 100% Masonry Materials, with the exception that up to 25% of the front elevation may include decorative pattern cementitious fiberboard.

(b) The side elevations shall consist of no less than 75% Masonry Materials.

(c) The rear elevation shall consist of no less than 50% Masonry Materials.

(d) See Exhibit 6A for examples of decorative pattern cementitious fiberboard.

(e) Cementitious fiberboard siding is classified as siding that overlaps horizontally, with no vertical overlapping of the material.

2. Chimneys. Construction materials for a chimney built on an exterior wall shall consist of 100% Masonry Material. Construction materials for all other chimneys shall consist of cementitious fiberboard.

3. Roofs. A minimum of a 6:12 roof pitch is required on all structures with the exception of garages, patios and porches, which shall have a minimum of a 4:12 roof pitch. Roofs shall be constructed of composition shingles, tile, slate or metal. A variance to this Concept may be requested in accordance with the Zoning Ordinance for a conditional use permit for roof pitches less than 6:12. Additionally, gutters shall be placed on all main roof edges.

4. Garage Orientation. Garages may be front, side or rear facing.

5. Exterior Architectural Features: All single family detached dwellings shall utilize the following:

- "Upgraded" garage doors. Upgraded garage doors shall include one or more of the following: accent hardware, windows, wood or wood-like texture, or other architectural features. See Exhibit 6B for examples of upgraded garage doors.
- Two or more offsets in the front facade of at least 12" depth
- Air conditioning equipment screened by a fence or landscaping

Additionally, all single family detached dwellings shall utilize at least two (2) of the following design Exterior Architectural Features to provide visual relief along the front of the residence or side of the residence facing a street:

- Front elevation comprised of 100% brick and/or stone

- Multiple 8' garage doors in lieu of a single garage door
- Side or Rear entry garages on a corner lot
- Eyebrow or arched front windows
- Cast stone accents on the front elevation
- Covered front porches of a minimum of 50 square feet
- Front porch railings of either wood or wrought iron
- Front door with at least 20% area covered with decorative glass or wrought iron
- Gables facing the public street
- Metal roof accents. See **Exhibit 6C** for examples of metal roof accents.
- Recessed entryway, a minimum of three (3') feet deep
- Variable roof pitch with one of the pitches greater than 6:12
- Wooden or synthetic shutters on the front elevation or on any side elevation facing a street. A minimum of six shutters facing the respective street are required to satisfy this Exterior Architectural Feature. No plastic shutters are permitted.



FIGURE 6A.1



FIGURE 6A.3



FIGURE 6A.2



FIGURE 6A.4

\*\*\*NOTE\*\*\*  
 IMAGE PROVIDED ARE EXAMPLES  
 ONLY AND THE HOMES WILL ADHERE  
 TO THE EXTERIOR MATERIAL  
 REQUIREMENTS ON EXHIBIT 6

## EXHIBIT #6A SIDING EXAMPLES LakePointe

OWNER:  
 LDC LAYON, LLC  
 520 CENTRAL PARKWAY E.  
 SUITE #104  
 PLANO, TEXAS 75074

DEVELOPER:  
 LAYON LAKEPOINTE DEVELOPMENT, LLC  
 520 CENTRAL PARKWAY EAST  
 SUITE 104  
 PLANO, TEXAS 75074

LANDSCAPE ARCHITECT:  
 STUDIO 13 DESIGN GROUP, PLLC  
 366 W. MAIN STREET  
 LEWISVILLE, TEXAS 75008  
 (469) 635-1900  
 CONTACT: LEONARD W. REEVES, AIA, RIA  
 lreeves@studio13.biz

Exhibit 6A





FIGURE 6B.1



FIGURE 6B.4



FIGURE 6B.2



FIGURE 6B.5



FIGURE 6B.3

**\*\*NOTE\*\***  
IMAGE PROVIDED ARE EXAMPLES  
ONLY AND THE HOMES WILL ADHERE  
TO THE EXTERIOR MATERIAL  
REQUIREMENTS ON EXHIBIT 6

## EXHIBIT #6B UPGRADED GARAGE DOOR EXAMPLES **LakePointe**

OWNERS:  
LDC LAVON, LLC  
520 CENTRAL PARKWAY E.  
SUITE #104  
PLANO, TEXAS 75074

DEVELOPER:  
LAVON LAKEPOINTE DEVELOPMENT, LLC  
520 CENTRAL PARKWAY EAST  
SUITE 104  
PLANO, TEXAS 75074

LANDSCAPE ARCHITECTS:  
STUDIO 13 DESIGN GROUP, PLLC.  
336 W. MAIN STREET  
LEWISVILLE, TEXAS 75055  
(469) 635-1900  
CONTACT: LEONARD W. REEVES, ASLA, PLA  
lreeves@studio13.biz

Exhibit 6B



FIGURE 6C.1



FIGURE 6C.3



FIGURE 6C.2



FIGURE 6C.4

**\*\*NOTE\*\***  
IMAGE PROVIDED ARE EXAMPLES  
ONLY AND THE HOMES WILL ADHERE  
TO THE EXTERIOR MATERIAL  
REQUIREMENTS ON EXHIBIT 6

## EXHIBIT #6C ROOFING EXAMPLES LakePointe

**OWNER:**  
LDC LAYON, LLC  
529 CENTRAL PARKWAY E.  
SUITE #101  
PLANO, TEXAS 75074

**DEVELOPER:**  
LAYON LAKEPOINTE DEVELOPMENT, LLC  
529 CENTRAL PARKWAY EAST  
SUITE 104  
PLANO, TEXAS 75074

**LANDSCAPE ARCHITECT:**  
STUDIO 13 DESIGN GROUP, P.L.L.C.  
386 W. MAIN STREET  
LEWISVILLE, TEXAS 75056  
(940) 435-1500  
CONTACT: LEONARD W. REEVES, ASLA, RLA  
lreeves@studio13.biz

Exhibit 6C

## EXHIBIT 7

### TO

## DEVELOPMENT DESIGN REGULATIONS & CONCEPT

### APPROVED TREE SPECIES LIST

#### Canopy/Shade Trees:


Red Maple – *Acer rubrum*  
Caddo Maple – *Acer saccharum* ‘Caddo’  
Shantung Maple – *Acer truncatum*  
Pecan – *Carya illinoensis*  
Eastern Persimmon – *Diospyros virginiana*  
Texas Ash – *Fraxinus pennsylvanica*  
Black Walnut – *Juglans nigra*  
Eastern Red Cedar – *Juniperus virginiana*  
Sweetgum – *Liquidambar styraciflua*  
Southern Magnolia – *Magnolia grandiflora*  
Chinese Pistache – *Pistachia chinensis*  
Sycamore – *Platanus occidentalis*  
Buckleys Oak – *Quercus buckleyi*  
Bur Oak – *Quercus macrocarpa*  
Chinquapin Oak – *Quercus muhlenbergii*  
Shumard Oak – *Quercus shumardii*  
Live Oak – *Quercus virginiana*  
American Elm – *Ulmus americana*  
Cedar Elm – *Ulmus Crassifolia*  
Lacebark Elm – *Ulmus parvifolia*

Eastern Redbud – *Cercis canadensis*  
Texas Redbud – *Cercis canadensis* var. *texensis*  
Desert Willow – *Chilopsis linearis*  
Chitalpa – *Chitalpa tashkentensis*  
Flowering Dogwood – *Cornus florida*  
American Smoketree – *Cotinus obovatus*  
Arizona Cypress ‘Blue Ice’ – *Cupressus arizonica*  
Possumhaw Holly – *Ilex decidua*  
Yaupon Holly – *Ilex vomitoria*  
Foster Holly – *Ilex x attenuata* ‘Fosteri’  
Savannah Holly – *Ilex x attenuata* ‘Savannah’  
Crape Myrtle – *Lagerstroemia indica*  
‘Little Gem’ Magnolia – *Magnolia grandiflora*  
‘Little Gem’  
Wax Myrtle – *Myrica cerifera*  
Afghan Pine – *Pinus eldarica*  
Mexican Plum – *Prunus mexicana*  
Lacey Oak – *Quercus laceyi*  
Carolina Buckthorn – *Rhamnus caroliniana*  
Flameleaf Sumac – *Rhus lanceolata*  
Eve’s Necklace – *Sophora affinis*  
Texas Sophora – *sophora secundiflora*  
Mexican Buckeye – *Ungnadia speciosa*  
Rusty Blackhaw – *Viburnum rufidulum*  
Chaste Tree – *Vitex agnus-castus*


#### Ornamental Trees:




# COMMERCIAL PLANNING AREA


 +/- 21.31 ACRES


## BUFFER AREA


 +/- 0.50 ACRES

## RESIDENTIAL PLANNING AREA

 50' LOTS (449)  
99.11 ACRES

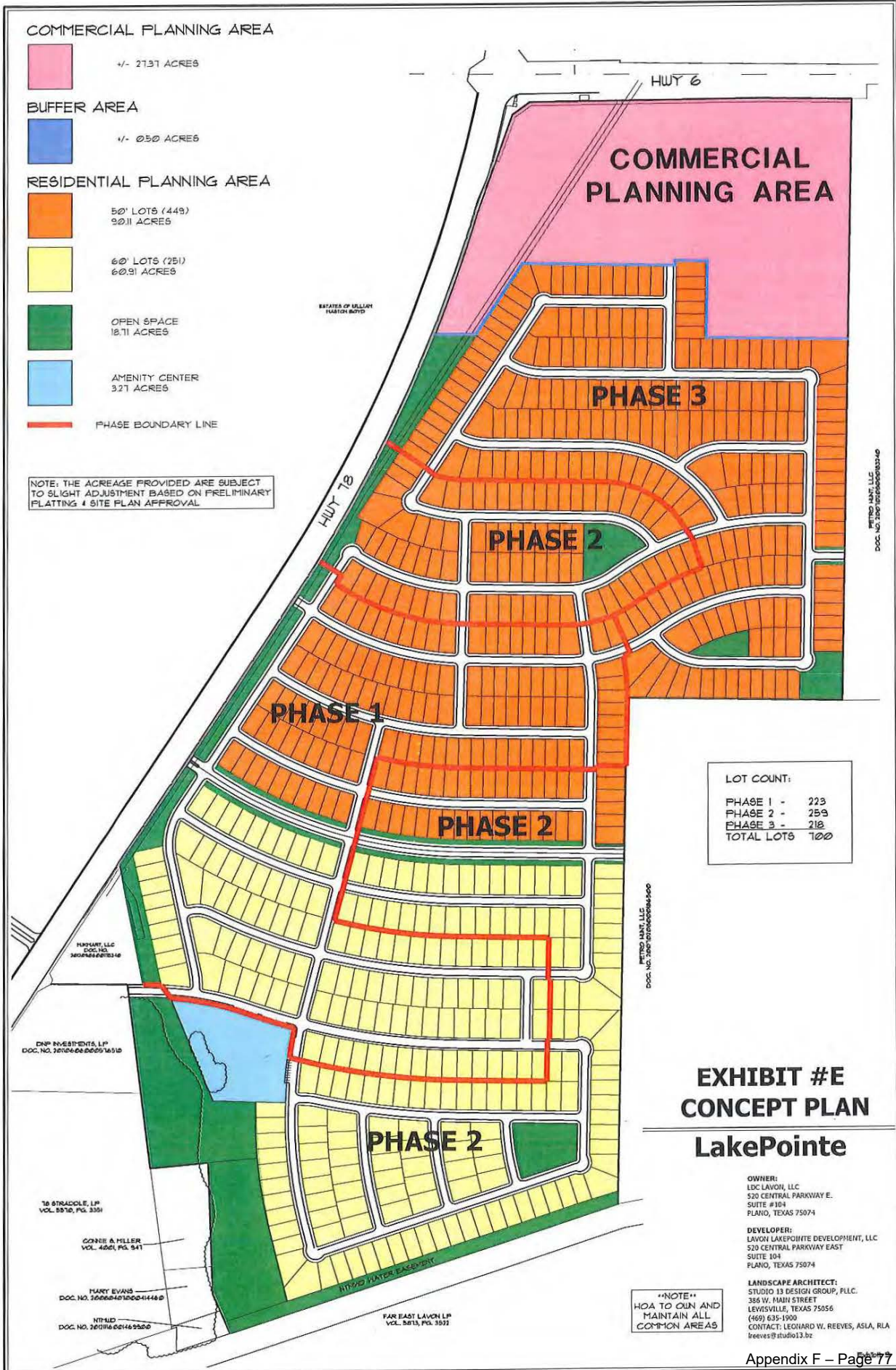
 60' LOTS (251)  
60.91 ACRES

 OPEN SPACE  
18.71 ACRES

 AMENITY CENTER  
3.21 ACRES

 PHASE BOUNDARY LINE

NOTE: THE ACREAGE PROVIDED ARE SUBJECT TO SLIGHT ADJUSTMENT BASED ON PRELIMINARY PLATTING & SITE PLAN APPROVAL



### LOT COUNT:

PHASE 1 - 223  
PHASE 2 - 259  
PHASE 3 - 218  
TOTAL LOTS 700

## EXHIBIT #E CONCEPT PLAN

### LakePointe

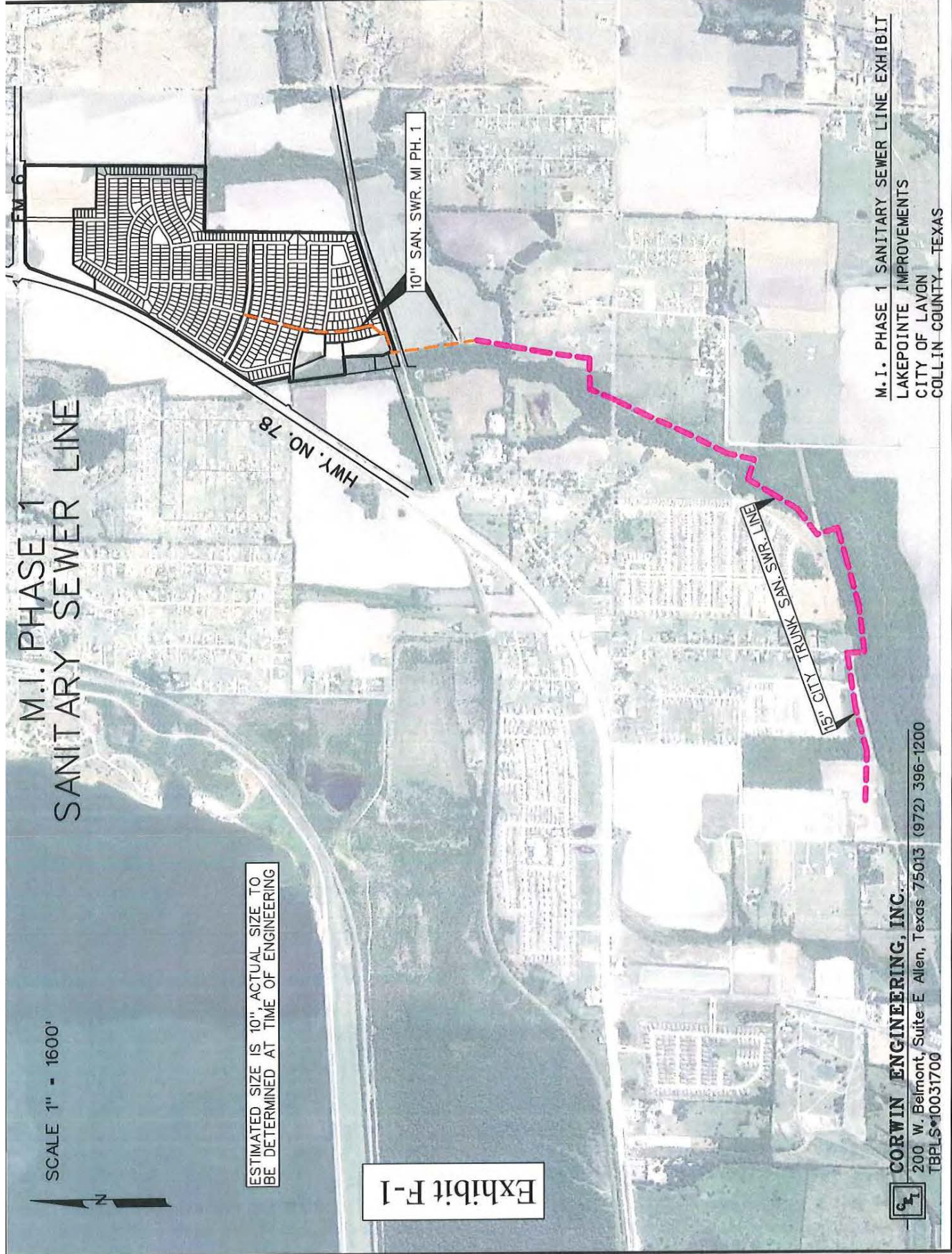
OWNER:  
LDC LAVON, LLC  
520 CENTRAL PARKWAY E.  
SUITE #104  
PLANO, TEXAS 75074

DEVELOPER:  
LAVON LAKEPOINTE DEVELOPMENT, LLC  
520 CENTRAL PARKWAY EAST  
SUITE 104  
PLANO, TEXAS 75074

LANDSCAPE ARCHITECT:  
STUDIO 13 DESIGN GROUP, PLLC  
385 W. MAIN STREET  
LEWISVILLE, TEXAS 75056  
(469) 635-1900  
CONTACT: LEONARD W. REEVES, ASLA, RLA  
lreeves@studio13.biz

NOTE:  
HOA TO OWN AND  
MAINTAIN ALL  
COMMON AREAS





M.I. PHASE 1  
SANITARY SEWER LINE

SCALE 1" = 1600'

ESTIMATED SIZE IS 10", ACTUAL SIZE TO  
BE DETERMINED AT TIME OF ENGINEERING

Exhibit F-1

10" SAN. SWR. MI PH. 1

HWY. NO. 78

15" CITY THUNK SAN. SWR LINE

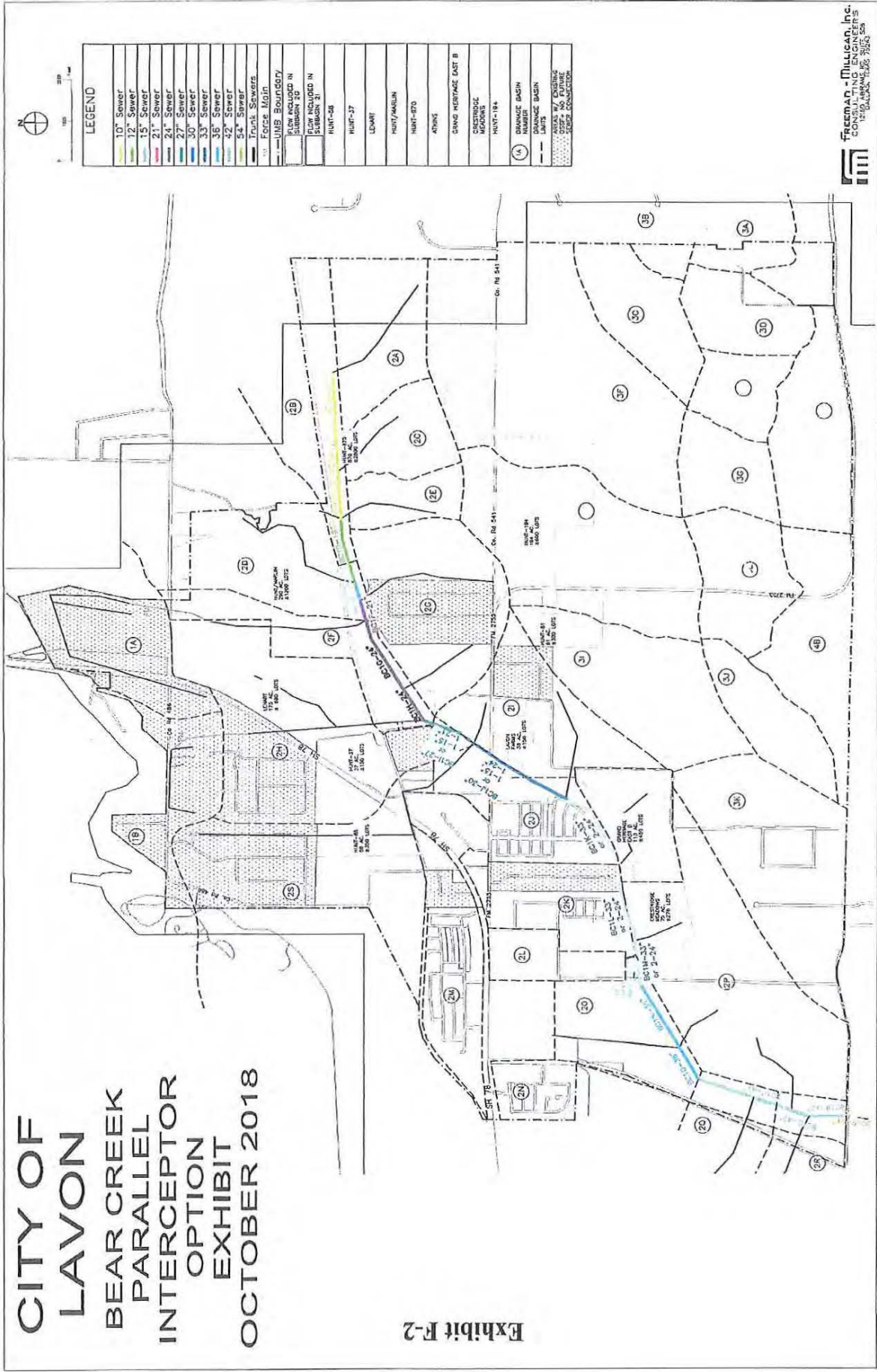
M.I. PHASE 1 SANITARY SEWER LINE EXHIBIT  
LAKEPOINTE IMPROVEMENTS  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

**CORWIN ENGINEERING, INC.**  
200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBELS-10031700

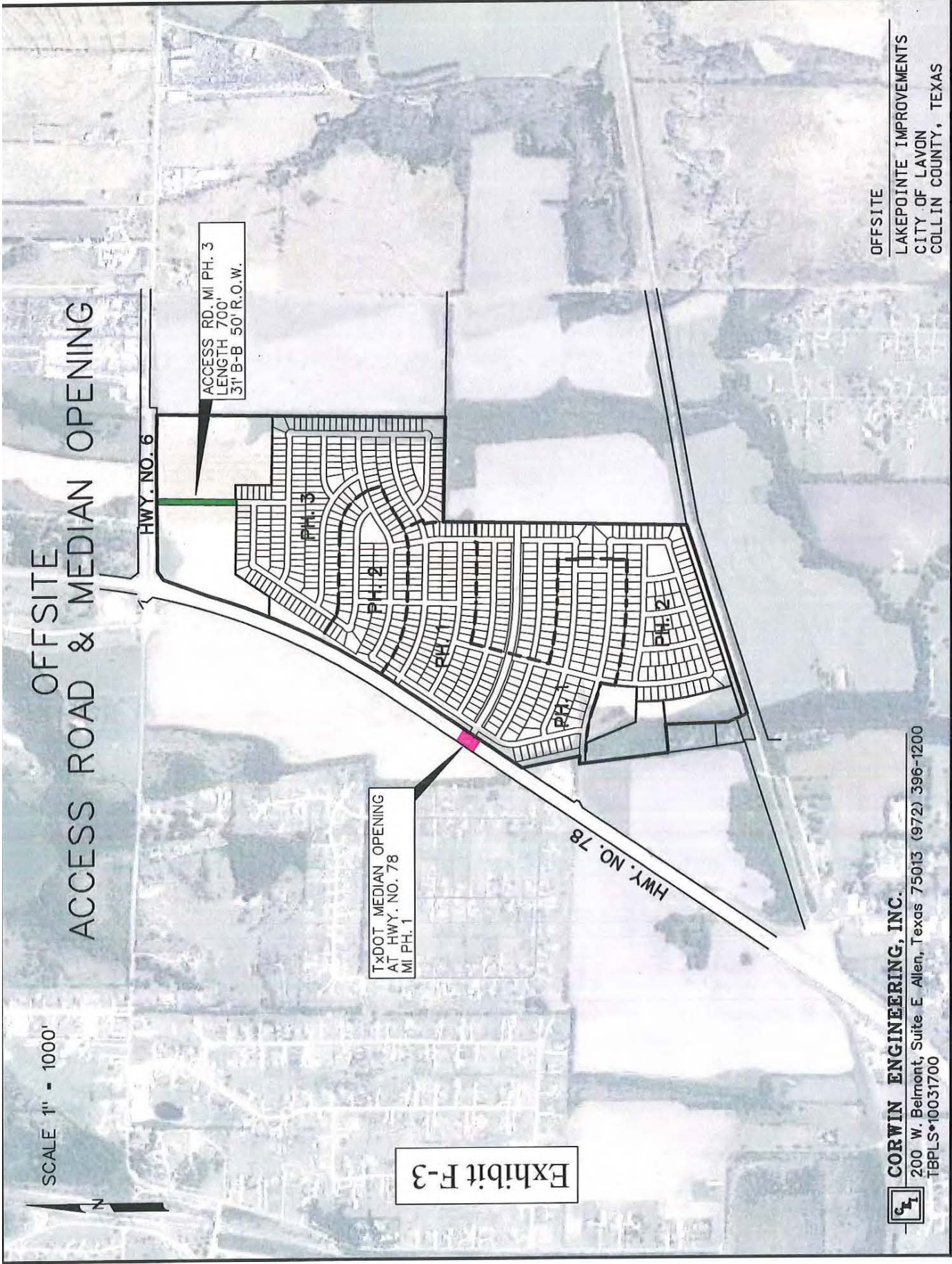


# CITY OF LAVON BEAR CREEK PARALLEL INTERCEPTOR OPTION EXHIBIT OCTOBER 2018

Exhibit F-2







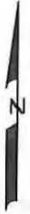
OFFSITE  
LAKEPOINTE IMPROVEMENTS  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

**CORWIN ENGINEERING, INC.**  
200 W. Belmont, Suite E. Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

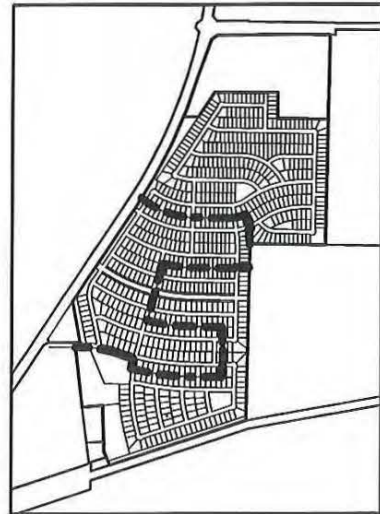




# Exhibit G-1

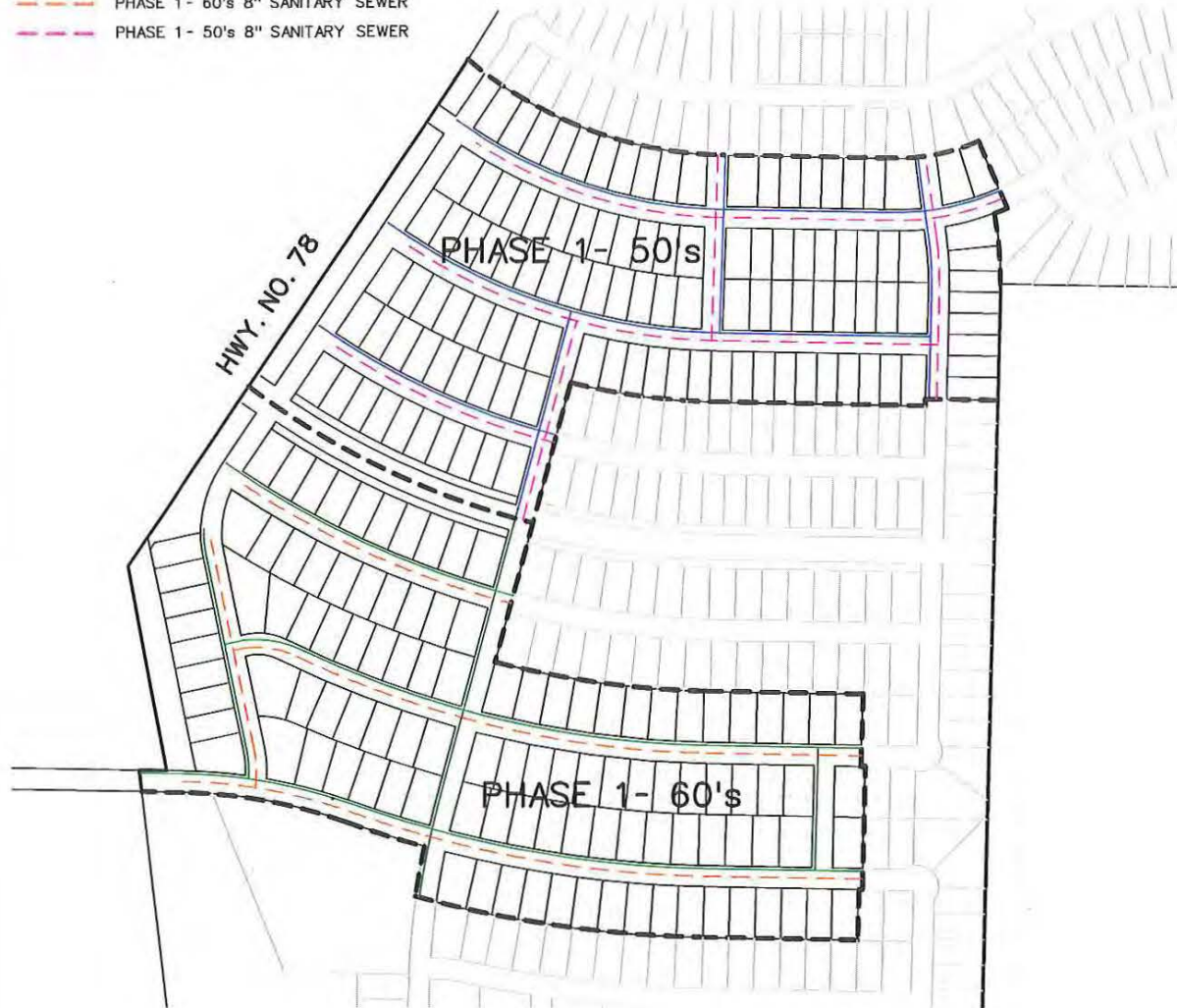


0  
SCALE: 1" = 400'



## LEGEND

- PHASE 1- 60's 8" WATERLINE
- PHASE 1- 50's 8" WATERLINE
- - - PHASE 1- 60's 8" SANITARY SEWER
- - - PHASE 1- 50's 8" SANITARY SEWER



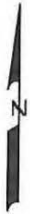
**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

PHASE 1 - DIRECT COST  
WATER LINE & SEWER LINE EXHIBIT  
LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

0  
SCALE: 1" = 400'

## Exhibit G-2



HWY. NO. 78

PHASE 2 - 50's

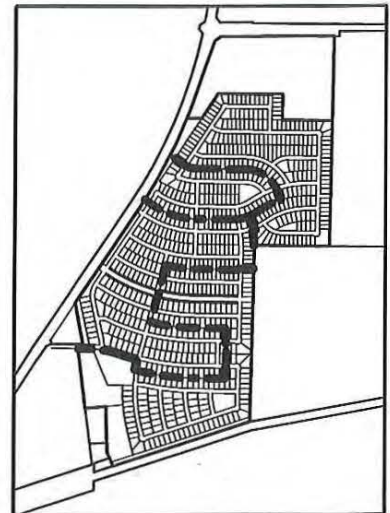
PHASE 2 - 50's

PHASE 2 - 60's

PHASE 2 - 60's

### LEGEND

- PHASE 2 - 60's 8" WATERLINE
- PHASE 2 - 50's 8" WATERLINE
- PHASE 2 - 60's 8" SANITARY SEWER
- PHASE 2 - 50's 8" SANITARY SEWER



**CORWIN ENGINEERING, INC.**

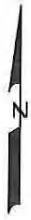
200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

PHASE 2 - DIRECT COST  
WATER LINE & SEWER LINE EXHIBIT  
LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS



0  
SCALE: 1" = 400'

## Exhibit G-3

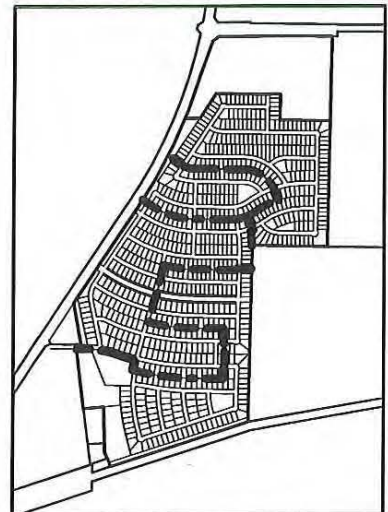


HWY. NO. 78

PHASE 3 - 50's

### LEGEND

- PHASE 3 - 50's 8" WATERLINE
- - - PHASE 3 - 50's 8" SANITARY SEWER



**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

PHASE 3 - DIRECT COST  
WATER LINE & SEWER LINE EXHIBIT  
LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

SCALE 1" = 1000'

ONSITE COLLECTOR

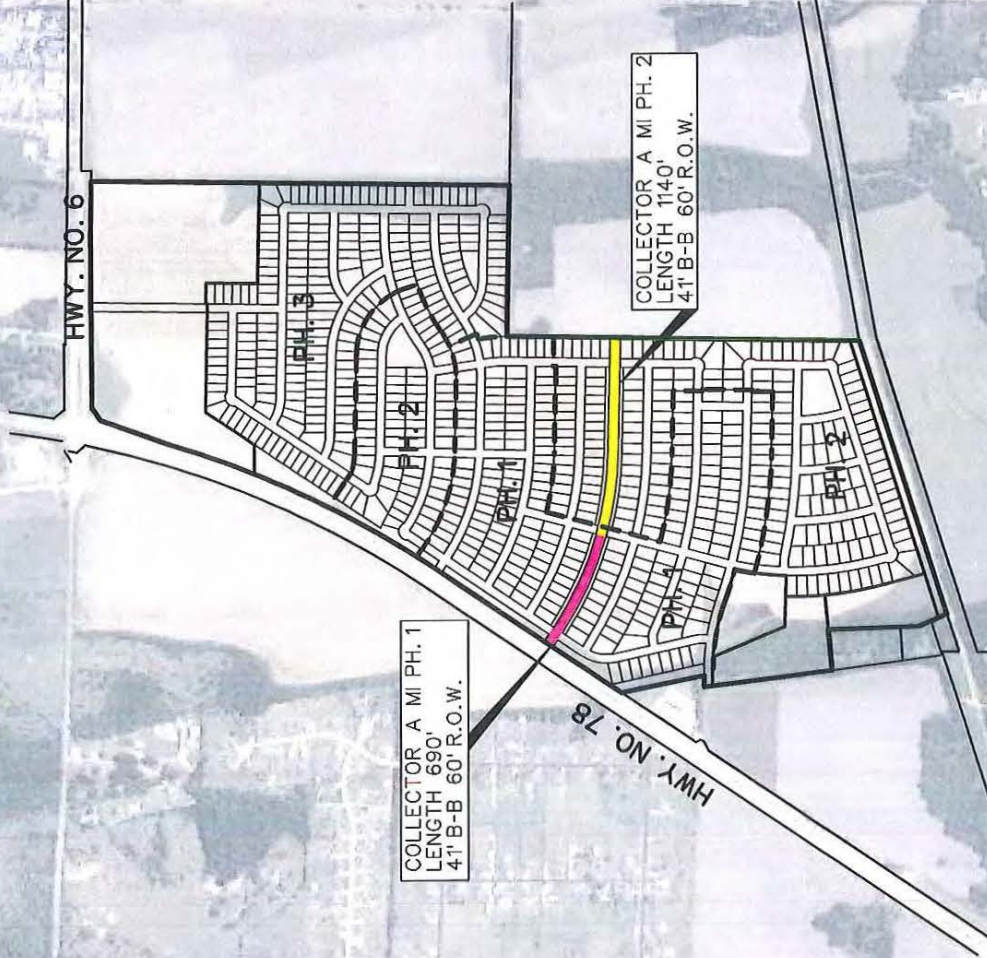


Exhibit G-4

ONSITE COLLECTOR  
LAKEPOINTE IMPROVEMENTS  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E. Allen, Texas 75013 (972) 396-1200  
TBPLS#10031700



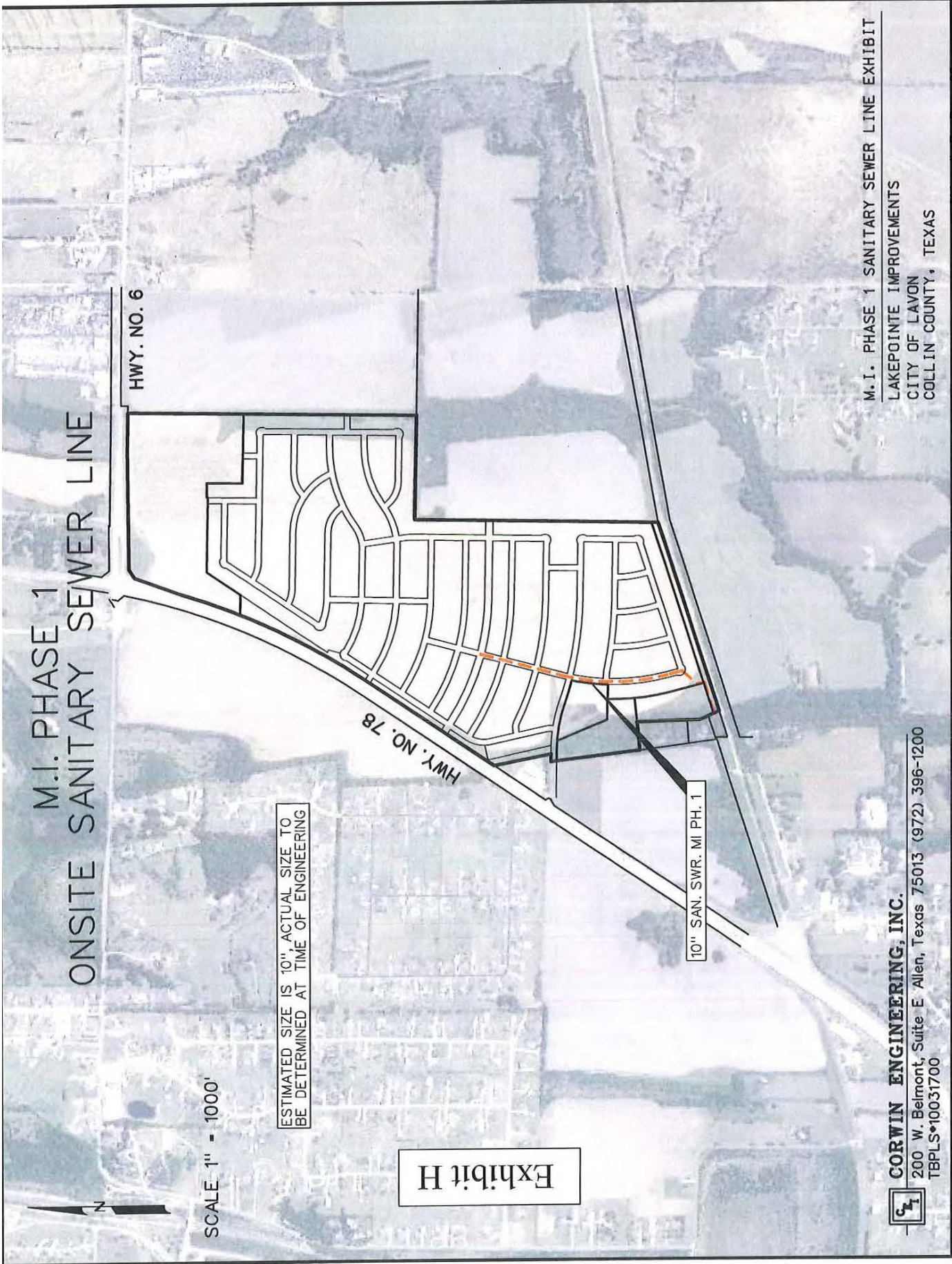


Exhibit H



**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

M.I. PHASE 1 SANITARY SEWER LINE EXHIBIT  
LAKEPOINTE IMPROVEMENTS  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

CORWIN ENGINEERING, INC.  
200 W. Belmont, Suite E  
Allen, Texas 75013  
972-396-1200 Fax: 972-396-4987

LAKEPOINTE

2/23/2019

PID COSTS

	Phase 1 - 50' Lots	Phase 2 - 50' Lots	Phase 3 - 50' Lots	Phase 1 - 60' Lots	Phase 2 - 60' Lots	Phase 1 MI	Phase 2 MI	Phase 3 MI
PID CREATION COST						\$485,000		
MISCELLANEOUS PID	\$519,279	\$553,963	\$1,015,931	\$547,139	\$686,917	\$119,843	\$130,782	\$24,341
SANITARY SEWER	\$272,515	\$260,360	\$492,940	\$266,255	\$351,035	\$1,855,148		
STORM DRAINAGE	\$570,000	\$585,000	\$1,050,000	\$654,000	\$852,000	\$30,000	\$180,000	\$10,000
PAVING	\$681,448	\$695,560	\$1,175,900	\$900,200	\$1,013,940	\$632,350	\$432,790	\$427,560
subtotal	\$2,223,242	\$2,094,883	\$3,774,261	\$2,387,584	\$2,521,852	\$3,121,341	\$1,548,200	\$877,211
Contingency @ 7.5%	\$166,743	\$157,115	\$283,070	\$177,576	\$218,542	\$234,101	\$56,518	\$34,643
TOTAL	\$2,389,985	\$2,251,999	\$4,057,330	\$2,565,160	\$2,740,394	\$3,355,442	\$1,604,718	\$911,854

NON-PID COSTS

	Phase 1 - 50' Lots	Phase 2 - 50' Lots	Phase 3 - 50' Lots	Phase 1 - 60' Lots	Phase 2 - 60' Lots	Phase 1 MI	Phase 2 MI
MISCELLANEOUS NON-PID						\$504,550	
WATER	\$553,650	\$570,270	\$1,072,100	\$760,433	\$924,210	\$1,068,093	\$88,010
HARDSCAPE, LANDSCAPE	\$317,461.88	\$235,175	\$203,408	\$365,915	\$427,210		
AMENITY CENTER		\$603,120.35		\$303,536.12	\$731,992.24		
subtotal	\$1,171,652	\$1,408,555	\$1,752,358	\$1,430,886	\$2,083,752	\$1,068,093	\$88,010
Contingency @ 7.5%	\$88,324	\$105,642	\$134,427	\$107,315	\$154,781	\$80,107	\$61,201
TOTAL	\$1,260,000	\$1,514,207	\$1,886,785	\$1,538,201	\$2,238,533	\$1,148,200	\$877,211
GRAND TOTAL PID & NON-PID	\$3,650,000	\$3,766,207	\$5,944,115	\$4,103,365	\$4,978,927	\$4,503,642	\$1,686,929

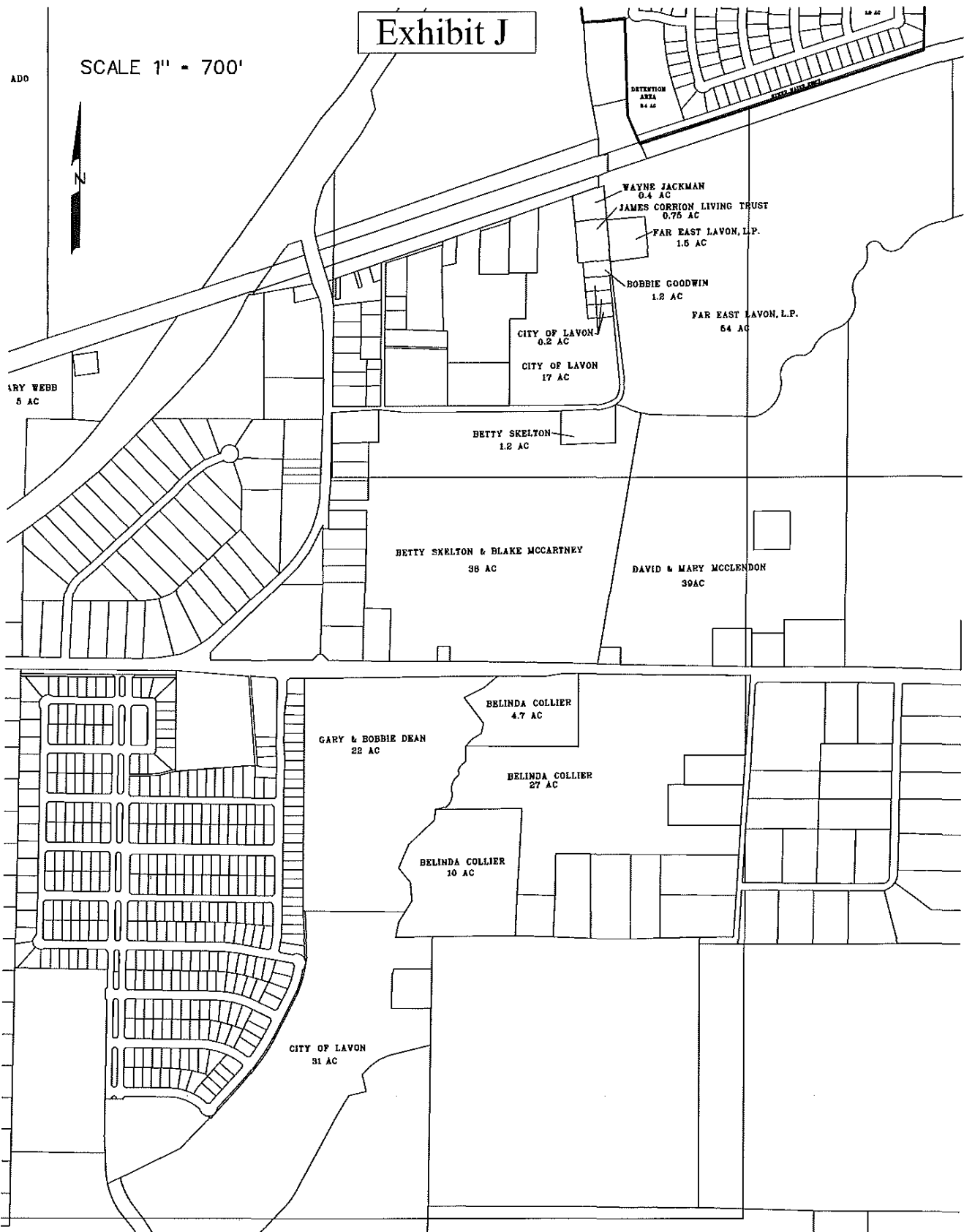
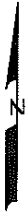
OVERALL SUMMARY

Phase	Lot Count	Phase 1	Phase 2	Phase 3	TOTAL
Phase 1 - 50'	114	\$8,200,686	\$6,194,523	\$4,553,873	\$19,039,083
Phase 2 - 50'	117	\$3,952,376	\$4,509,952	\$1,926,785	\$10,489,115
Phase 3 - 50'	218				
Phase 1 - 60'	109	\$12,243,065	\$10,804,475	\$6,480,658	\$29,528,199
Phase 2 - 60'	142				

# Exhibit J

ADD

SCALE 1" = 700'



**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

**EXHIBIT J**

**LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS**

Appendix F - Page 87

## Exhibit K

### PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT WITHIN THE CITY OF LAVON, TEXAS, FOR THE LAKEPOINTE DEVELOPMENT

This petition (the "Petition") is submitted and filed with the City Secretary of the City of Lavon, Texas (the "City"), by LDC Lavon, LLC, a Texas limited liability company, and Lavon LakePointe Development, LLC, a Texas limited liability company (collectively, the "Owner"), acting pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the "Act"), requesting that the City create a public improvement district (the "District") to include property owned by the Owner and located within the corporate limits of the City (the "Property"), more particularly described in Exhibit A and depicted in Exhibit B. In support of this Petition, the Owner would present the following:

1. General Nature of the Authorized Improvements. The purposes of the District include the design, acquisition, and construction of public improvement projects authorized by the Act that are necessary for development of the Property, which public improvements will include water and wastewater system improvements, drainage improvements, street, roadway and sidewalk improvements, including related drainage, utility relocation, signalization, landscaping, lighting and signage, right-of-way acquisition, utility easement acquisition, projects similar to those listed above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; payment of costs associated with operating and maintaining the public improvements listed above; payment of costs associated with developing and financing the public improvements listed above; and costs of establishing, administering, and operating the District (collectively, the "Authorized Improvements"). These Authorized Improvements shall promote the interests of the City and confer a special benefit on the Property.
2. Estimated Cost of the Authorized Improvements. The Owner estimates that the cost to design, acquire, and construct the Authorized Improvements is \$25,000,000.
3. Boundaries of the Proposed District. The District is proposed to include the Property.
4. Proposed Method of Assessment. The City shall levy an assessment on each residential lot within the District to pay the cost of the Authorized Improvements in a manner that results in imposing equal shares of the cost on property similarly benefited. Each assessment may be paid in full at any time (including accrued and unpaid interest) or may be paid in annual installments (including interest). The assessments must be paid in amounts necessary to meet annual costs for the Authorized Improvements and must continue for a period necessary to retire the indebtedness on the Authorized Improvements.
5. Proposed Apportionment of Cost between the District and the City. The City shall not be obligated to provide any funds to finance the Authorized Improvements. The cost of the Authorized Improvements will be paid from the proceeds of bonds to be issued by the District and from other sources of funds, if any, available to the Owner, which bonds will be



repaid from the assessments.

6. Management of the District. The Owner proposes that the District be managed by the City, with the assistance of a consultant, who shall, from time to time, advise the City regarding certain operations of the District.

7. Owner Requests Establishment of the District. The person signing this Petition requests the establishment of the District.

8. Advisory Board. The Owner proposes that the District be established and managed without the creation of any advisory body.


This Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.

This Petition is hereby filed with the City Secretary of the City in support of the creation of the District by the City Council as herein provided. The undersigned requests that the City Council grant its consent as above stated.

RESPECTFULLY SUBMITTED, on this the 9<sup>th</sup> day of January, 2019.

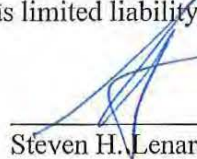
LDC LAVON, LLC,  
a Texas limited liability company

By:

  
Steven H. Lenart, Manager

LAVON LAKEPOINTE DEVELOPMENT, LLC,  
a Texas limited liability company

By:

  
Steven H. Lenart, Manager

## **EXHIBIT A**

### **METES AND BOUNDS DESCRIPTION OF THE PROPERTY**

#### **LEGAL DESCRIPTION**

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 470, in the City of Lavon, Collin County, Texas, being part of a tract of land described in a deed to Meredith M. Roark and Margaret M. Arnold, recorded in Document No. 2010526000533270, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the southeast corner of said Roark and Arnold tract, being the southwest corner of a called 140.22 acre tract of land described in a deed to Petro Hunt, LLC, as recorded in Document No. 20070208000186500, in said Deed Records, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE South 72 degrees 03 minutes 07 seconds West, with the south line of said Roark and Arnold tract and the north line of said Northeast Texas Rural Rail Transportation District tract, a distance of 1,656.82 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the southwest corner of said Roark and Arnold tract, being southeast corner of a 0.478 acre tract of land described in a deed to North Texas Municipal Water District, recorded in Document No. 20121116001469900, in said Deed Records;

THENCE North 23 degrees 30 minutes 56 seconds West, departing the north line of said Northeast Texas Rural Rail Transportation District tract, with the west line of said Roark and Arnold tract, and with the east lines of said 0.478 acre tract and a called 0.91 acre tract described in a deed to Mary Evans, recorded in Document No. 200804070014460, in said Deed Records, a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01 degree 53 minutes 11 seconds West, continuing with the west line of said Roark and Arnold tract, and with the east lines of said 0.91 acre tract and a called 2.062 acre tract of land described in a deed to Connie S. Miller, recorded in Volume 4001, Page 947, in said Deed Records, a distance of 530.40 feet to a 1/2-inch iron rod found at the northeast corner of said 2.062 acre tract;

THENCE South 84 degrees 43 minutes 14 seconds West, continuing with the west line of said Roark and Arnold tract and with the north line of said 2.062 acre tract, a distance of 236.18 feet to a 1/2-inch iron rod found at the northwest corner of said 2.062 acre tract, being in the east line of a tract of land described as Tract Two in a deed to 78 Straddle, LP, recorded in Volume 5571, Page 3351, in said Deed Records, also being the approximate center of Bois D'Arc Lane (no recording information found);

THENCE North 06 degrees 53 minutes 43 seconds West, continuing with the west line of said Roark and Arnold tract, with the east lines of said Tract Two and a tract of land described as Tract No. 2 in a deed to DPB Investments, LP, recorded in Document No. 20110606000576510, in said Deed Records, and along said Bois D'Arc Lane, a distance of 748.23 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the northeast corner of said Tract No. 2, being in the south line of a called 2.25 acre tract of land described in a deed to MJKMart, LLC, recorded in Document No. 20120906001115340, in said Deed Records;

THENCE South 89 degrees 16 minutes 47 seconds East, continuing with the west line of said Roark and Arnold tract and with the south line of said 2.25 acre tract, a distance of 64.98 feet to a 1/2-inch iron rod found at the southeast corner of said 2.25 acre tract;

THENCE North 11 degrees 02 minutes 32 seconds West, continuing with the west line of said Roark and Arnold tract and with the east line of said 2.25 acre tract, a distance of 490.85 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the north corner of said 2.25 acre tract, being in the east line of State Highway 78 (variable width right-of-way);

THENCE North 33 degrees 42 minutes 56 seconds East, continuing with the west line of said Roark and Arnold tract and with the east line of said State Highway 78, a distance of 1,298.45 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found on a non-tangent curve to the left, having a radius of 5,729.57 feet and a central angle of 11 degrees 53 minutes 10 seconds;

THENCE continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, and with said curve to the left, an arc distance of 1,188.61 feet (Chord Bearing North 27 degrees 54 minutes 44 seconds East – 1,186.48 feet);

THENCE, South 88 degrees 51 minutes 28 seconds East, departing said east and west lines, for a distance of 167.90 feet;

THENCE, North 33 degrees 46 minutes 49 seconds East, for a distance of 344.38 feet;

THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 625.77 feet;

THENCE, North 01 degrees 01 minutes 20 seconds East, for a distance of 9.75 feet;

THENCE, South 88 degrees 58 minutes 40 seconds East, for a distance of 118.86 feet;

THENCE, South 01 degrees 01 minutes 20 seconds West, for a distance of 300.00 feet;

THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 580.12 feet, in the east line of said Roark and Arnold tract, being in the west line of called 59.757 acre tract described in a deed to Petro Hunt LLC, records in Document No. 20070208000183240, in said Deed Records;

THENCE South 01 degree 00 minutes 58 seconds West, with the east line of said Roark and Arnold tract, and with the west line of said 59.757 acre tract, a distance of 1,450.63 feet to the southwest corner of said 59.757 acre tract, being in the north line of the aforementioned 140.22 acre tract;

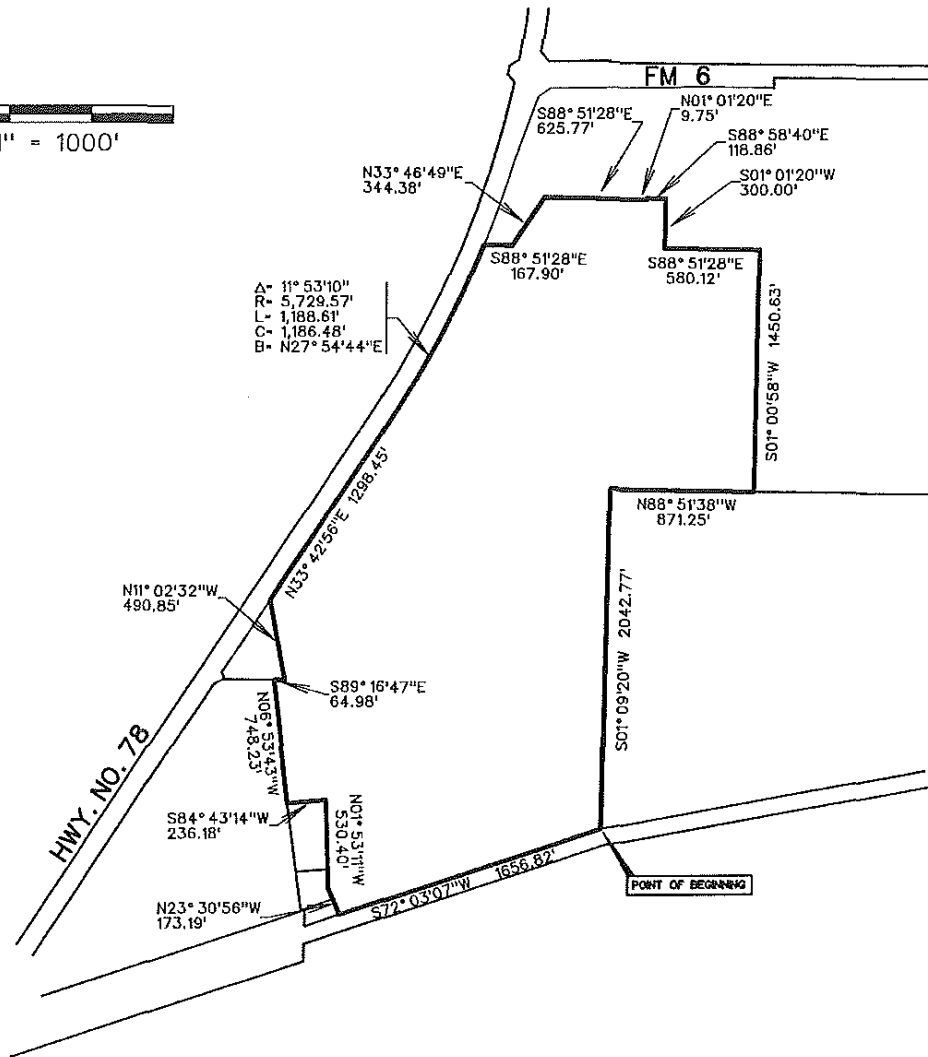
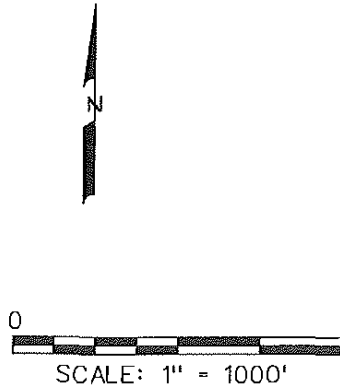
THENCE North 88 degrees 51 minutes 38 seconds West, continuing with the east line of said Roark and Arnold tract and with the north line said 140.22 acre tract, a distance of 871.25 feet to a 1/2-inch iron rod found at the northwest corner of said 140.22 acre tract;

THENCE South 01 degree 09 minutes 20 seconds West, continuing with the east line of said Roark and Arnold tract and with the west line said 140.22 acre tract, a distance of 2,042.77 feet to the POINT OF BEGINNING and containing 173.037 acres of land.

**EXHIBIT B**  
**DEPICTION OF THE PROPERTY**



# EXHIBIT 'B'



**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

BOUNDARY EXHIBIT

LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

**Exhibit L**

**PID Dissolution Petition**

**PETITION FOR THE DISSOLUTION OF A PUBLIC IMPROVEMENT DISTRICT  
WITHIN THE CITY OF LAVON, TEXAS FOR THE LAKEPOINTE PUBLIC  
IMPROVEMENT DISTRICT**

This petition ("**Petition**") is submitted and filed with the City Secretary of the City of Lavon, Texas ("**City**"), by **LDC Lavon, LLC**, a Texas limited liability company, and **Lavon LakePointe Development, LLC**, a Texas limited liability company; the owners of a majority of the real property (collectively the "**Petitioner**") located within the boundaries of the District, as hereinafter defined. Acting pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the "**Act**"), the Petitioner requests that the City dissolve the Lakepoint Public Improvement District, created by resolution on \_\_\_\_\_, 2019 (the "**District**"), that included property located within the City limits of the City, more particularly described by a metes and bounds description in **Exhibit A** and depicted in **Exhibit B** (the "**Property**"). In support of this Petition, the Petitioner would present the following:

**Section 1. Boundaries of the District.** The District created includes the Property.

**Section 2. The Petitioner Requests Dissolution of the District.** The person(s) signing this Petition request(s) the dissolution of the District, is duly authorized, and has the corporate authority to execute and deliver the Petition.

**Section 3. Landowner(s).** This Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment in the District, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment in the District who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment in the District; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment in the District.

This Petition is hereby filed with the City Secretary of the City, or other officer performing the functions of the municipal secretary, in support of the dissolution of the District by the City Council of the City as herein provided. The undersigned requests that the City Council of the City call a public hearing on the advisability of dissolving the District, give notice thereof as provided by law and grant all matters requested in this Petition.

RESPECTFULLY SUBMITTED, on this the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**PETITIONERS:**

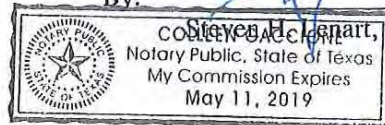
LDC LAVON, LLC,  
a Texas limited liability company

By: Steven H. Lenart, Manager

LAVON LAKEPOINTE DEVELOPMENT, LLC,  
a Texas limited liability company

By: Steven H. Lenart, Manager

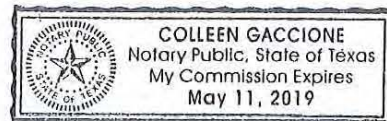
STATE OF TEXAS       §  
                                 §  
COUNTY OF Collin   §



This instrument was acknowledged before me on the 19 day of March, 2019  
by Steven H. Lenart, Manager of LDC Lavon, LLC, a Texas limited liability company on behalf  
of said company.

Colleen Gaccione  
Notary Public, State of Texas

STATE OF TEXAS       §  
                                 §  
COUNTY OF Collin   §



This instrument was acknowledged before me on the 19 day of March, 2019  
by Steven H. Lenart, Manager of Lavon LakePointe Development, LLC, a Texas limited liability  
company on behalf of said company.

Colleen Gaccione  
Notary Public, State of Texas

✓

**Exhibit A to PID Dissolution Petition  
Metes and Bounds Description of PID Property**

**LEGAL DESCRIPTION**

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 470, in the City of Lavon, Collin County, Texas, being part of a tract of land described in a deed to Meredith M. Roark and Margaret M. Arnold, recorded in Document No. 2010526000533270, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the southeast corner of said Roark and Arnold tract, being the southwest corner of a called 140.22 acre tract of land described in a deed to Petro Hunt, LLC, as recorded in Document No. 20070208000186500, in said Deed Records, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE South 72 degrees 03 minutes 07 seconds West, with the south line of said Roark and Arnold tract and the north line of said Northeast Texas Rural Rail Transportation District tract, a distance of 1,656.82 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the southwest corner of said Roark and Arnold tract, being southeast corner of a 0.478 acre tract of land described in a deed to North Texas Municipal Water District, recorded in Document No. 20121116001469900, in said Deed Records;

THENCE North 23 degrees 30 minutes 56 seconds West, departing the north line of said Northeast Texas Rural Rail Transportation District tract, with the west line of said Roark and Arnold tract, and with the east lines of said 0.478 acre tract and a called 0.91 acre tract described in a deed to Mary Evans, recorded in Document No. 200804070014460, in said Deed Records, a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01 degree 53 minutes 11 seconds West, continuing with the west line of said Roark and Arnold tract, and with the east lines of said 0.91 acre tract and a called 2.062 acre tract of land described in a deed to Connie S. Miller, recorded in Volume 4001, Page 947, in said Deed Records, a distance of 530.40 feet to a 1/2-inch iron rod found at the northeast corner of said 2.062 acre tract;

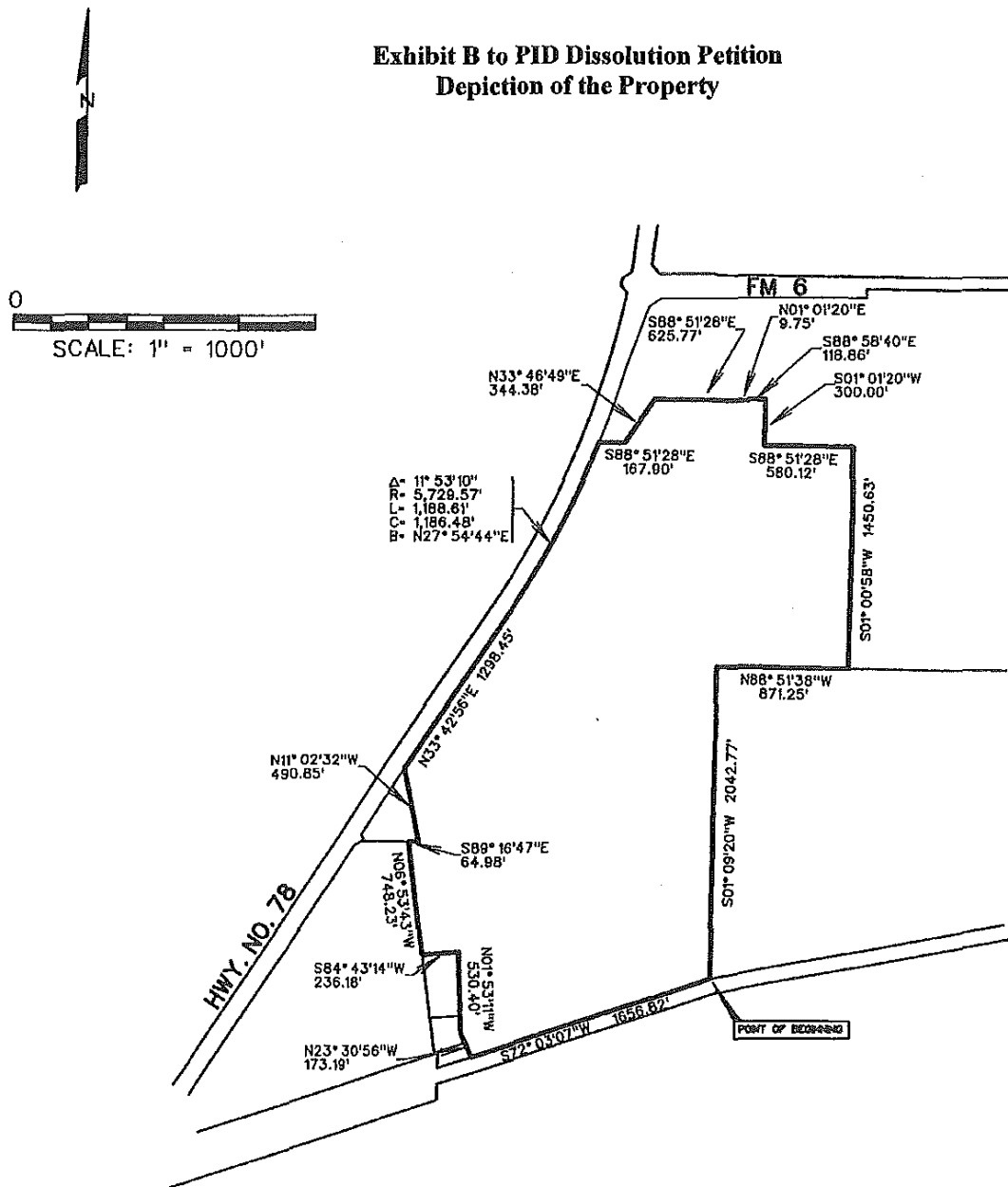
THENCE South 84 degrees 43 minutes 14 seconds West, continuing with the west line of said Roark and Arnold tract and with the north line of said 2.062 acre tract, a distance of 236.18 feet to a 1/2-inch iron rod found at the northwest corner of said 2.062 acre tract, being in the east line of a tract of land described as Tract Two in a deed to 78 Straddle, LP, recorded in Volume 5571, Page 3351, in said Deed Records, also being the approximate center of Bois D'Arc Lane (no recording information found);

THENCE North 06 degrees 53 minutes 43 seconds West, continuing with the west line of said Roark and Arnold tract, with the east lines of said Tract Two and a tract of land described as Tract No. 2 in a deed to DPB Investments, LP, recorded in Document No. 20110606000576510, in said Deed Records, and along said Bois D'Arc Lane, a distance of 748.23 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the northeast corner of said Tract No. 2, being in the south line of a called 2.25 acre tract of land described in a deed to MJKMart, LLC, recorded in Document No. 20120906001115340, in said Deed Records;

THENCE South 89 degrees 16 minutes 47 seconds East, continuing with the west line of said Roark and Arnold tract and with the south line of said 2.25 acre tract, a distance of 64.98 feet to a 1/2-inch iron rod found at the southeast corner of said 2.25 acre tract;

THENCE North 11 degrees 02 minutes 32 seconds West, continuing with the west line of said Roark and Arnold tract and with the east line of said 2.25 acre tract, a distance of 490.85 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the north corner of said 2.25 acre tract, being in the east line of State Highway 78 (variable width right-of-way);  
 THENCE North 33 degrees 42 minutes 56 seconds East, continuing with the west line of said Roark and Arnold tract and with the east line of said State Highway 78, a distance of 1,298.45 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found on a non-tangent curve to the left, having a radius of 5,729.57 feet and a central angle of 11 degrees 53 minutes 10 seconds;  
 THENCE continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, and with said curve to the left, an arc distance of 1,188.61 feet (Chord Bearing North 27 degrees 54 minutes 44 seconds East – 1,186.48 feet);  
 THENCE, South 88 degrees 51 minutes 28 seconds East, departing said east and west lines, for a distance of 167.90 feet;  
 THENCE, North 33 degrees 46 minutes 49 seconds East, for a distance of 344.38 feet;  
 THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 625.77 feet;  
 THENCE, North 01 degrees 01 minutes 20 seconds East, for a distance of 9.75 feet;  
 THENCE, South 88 degrees 58 minutes 40 seconds East, for a distance of 118.86 feet;  
 THENCE, South 01 degrees 01 minutes 20 seconds West, for a distance of 300.00 feet;  
 THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 580.12 feet, in the east line of said Roark and Arnold tract, being in the west line of called 59.757 acre tract described in a deed to Petro Hunt LLC, records in Document No. 20070208000183240, in said Deed Records;  
 THENCE South 01 degree 00 minutes 58 seconds West, with the east line of said Roark and Arnold tract, and with the west line of said 59.757 acre tract, a distance of 1,450.63 feet to the southwest corner of said 59.757 acre tract, being in the north line of the aforementioned 140.22 acre tract;  
 THENCE North 88 degrees 51 minutes 38 seconds West, continuing with the east line of said Roark and Arnold tract and with the north line said 140.22 acre tract, a distance of 871.25 feet to a 1/2-inch iron rod found at the northwest corner of said 140.22 acre tract;  
 THENCE South 01 degree 09 minutes 20 seconds West, continuing with the east line of said Roark and Arnold tract and with the west line said 140.22 acre tract, a distance of 2,042.77 feet to the POINT OF BEGINNING and containing 173.037 acres of land.

**Exhibit B to PID Dissolution Petition  
Depiction of the Property**



**CORWIN ENGINEERING, INC.**

200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

**BOUNDARY EXHIBIT**

LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

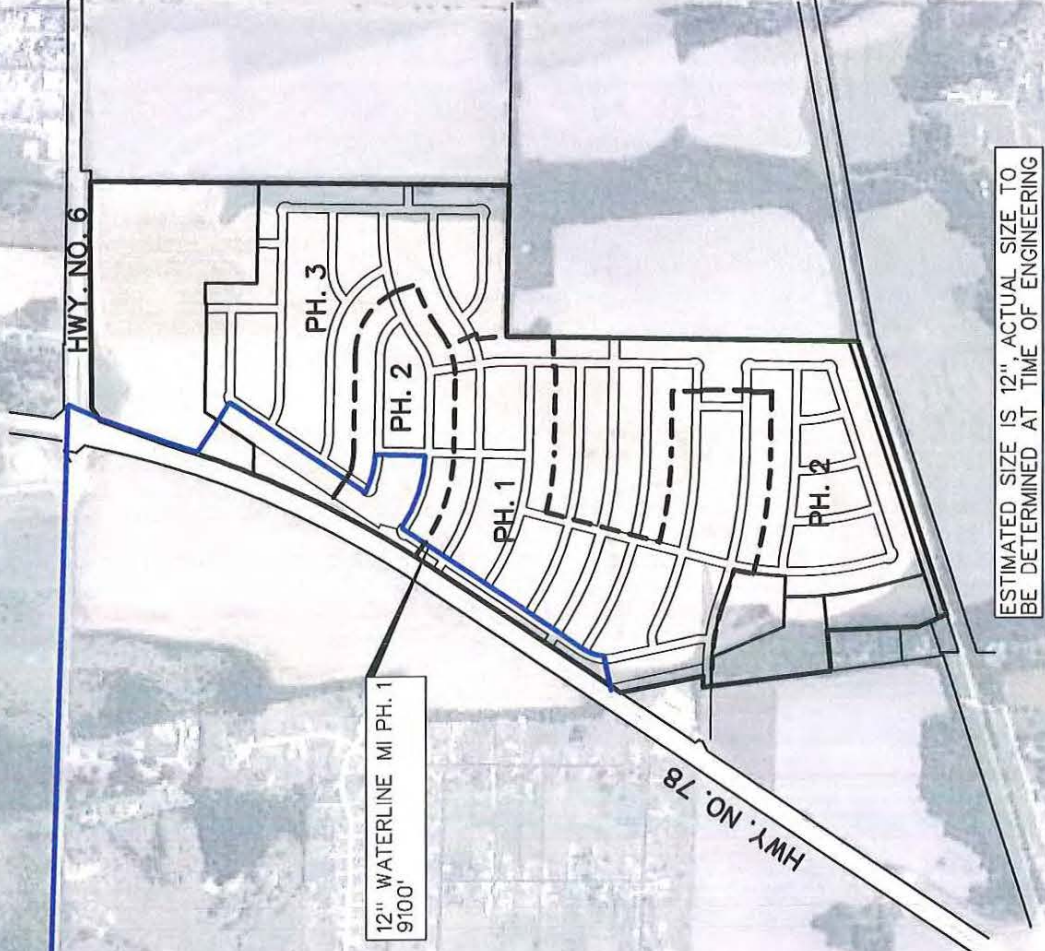


# M.I. PHASE 1 WATERLINE



SCALE: 1" = 1000'

Exhibit M-1

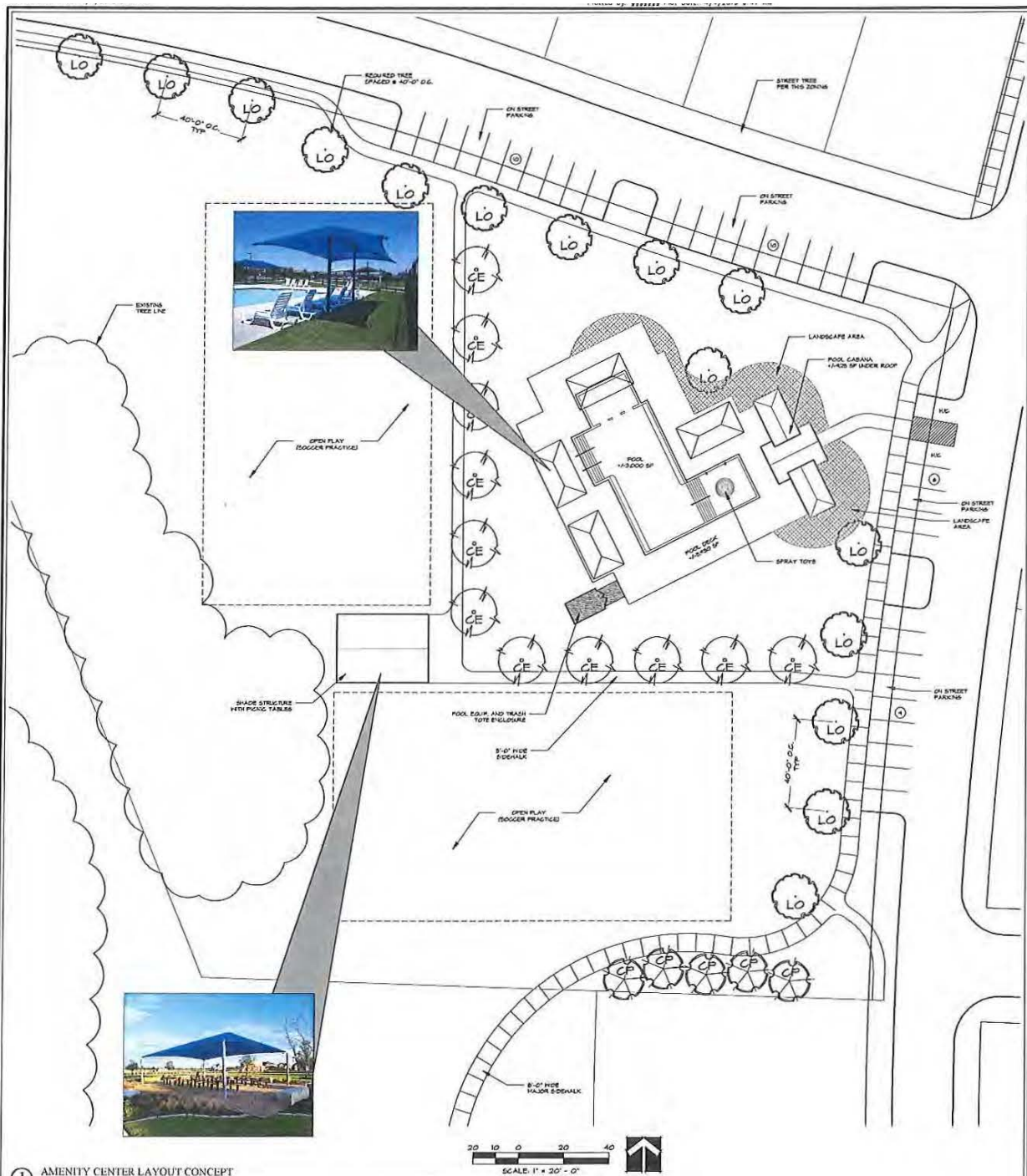


ESTIMATED SIZE IS 12" ACTUAL SIZE TO BE DETERMINED AT TIME OF ENGINEERING

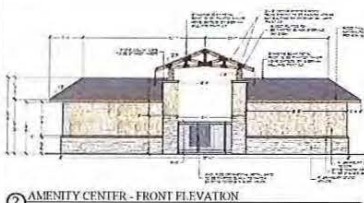
M.I. PHASE 1 WATERLINE EXHIBIT  
LAKEPOINTE IMPROVEMENTS  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

**CORWIN ENGINEERING, INC.**  
200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS-10031700

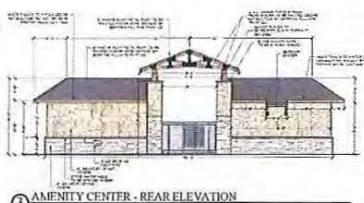




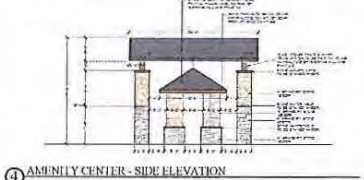
① AMENITY CENTER LAYOUT CONCEPT



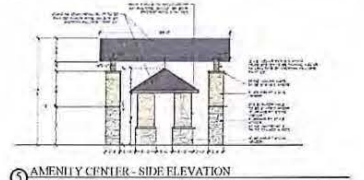
② AMENITY CENTER - FRONT ELEVATION



③ AMENITY CENTER - REAR ELEVATION



④ AMENITY CENTER - SIDE ELEVATION



⑤ AMENITY CENTER - SIDE ELEVATION

## EXHIBIT M-2 AMENITY CENTER LakePointe

OWNER:  
LOC LAYON, LLC  
520 CENTRAL PARKWAY E.  
SUITE #104  
PLANO, TEXAS 75074

DEVELOPER:  
LAVON LAKEPOINTE DEVELOPMENT, LLC  
520 CENTRAL PARKWAY EAST  
SUITE 104  
PLANO, TEXAS 75074

LANDSCAPE ARCHITECT:  
STUDIO 13 DESIGN GROUP, PLLC  
386 W. MAIN STREET  
LEWISVILLE, TEXAS 75056  
(469) 635-1900  
CONTACT: LEONARD W. REEVES, ASLA, RLA  
lreeves@studio13.biz

\*\*\*NOTE\*\*\*  
HOA TO OWN AND  
MAINTAIN ALL  
COMMON AREAS



## **FIRST AMENDMENT TO DEVELOPMENT AGREEMENT**

The Development Agreement executed between the City of Lavon and LDC LAVON, LLC and LAVON LAKEPOINTE DEVELOPMENT, LLC on March 19, 2019 (the “Development Agreement”) is hereby amended with this First Amendment to Development Agreement (this “First Amendment”), which is entered into between the CITY OF LAVON (the “City”), LDC LAVON, LLC, a Texas limited liability company (“LDC”), and LAVON LAKEPOINTE DEVELOPMENT, LLC a Texas limited liability company (“Developer”):

### **RECITALS**

**WHEREAS**, this First Amendment amends the Development Agreement; and

**WHEREAS**, the Development Agreement is only modified as expressly set forth in this First Amendment and the Development Agreement shall otherwise remain in full force and effect; and

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the City and the Developer agree as follows:

1. **The Development Agreement Remains in Full Force and Effect.** The City and Developer acknowledge and agree that, except to the extent amended herein, all provisions and terms contained in the Development Agreement remain in full force and effect. All terms used herein and not defined herein have the meanings assigned to such terms in the Development Agreement.

2. **Specific provisions contained in the Agreement shall be amended as follows:**

a. Water Improvements, as that term is defined in the recitals on Page 2 of the Development Agreement and used throughout the Agreement, are now considered to also be Public Improvements, along with On-Site and Off-Site Public Improvements. Water Improvements constructed, acquired, and improved after the date this First Amendment is executed, are considered Public Improvements, and are eligible for reimbursement to the Developer through the use of funds acquired through the PID, in accordance with the PID Act. Those Water Improvements shall, upon construction and inspection, be accepted by Bear Creek SUD, and be used for the operation of a public water utility that provides retail water service to the Property.

b. Subsection 4.07(b) of the Development Agreement is hereby repealed.

c. The Developer agrees to use its best efforts to acquire, or facilitate the execution of, any agreement between the Bear Creek SUD and the City necessary for the approval of the Attorney General of Texas of any PID Bond.

d. In accordance with Section 7.02 of the Development Agreement, Exhibit A to this agreement is the revised Concept Plan, which Concept Plan will replace the original Concept Plan attached to the Development Agreement as Exhibit E and become the new Exhibit E.

3. The City represents and warrants that this First Amendment has been duly adopted by official action of the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act), and that the individual executing this First Amendment on behalf of the City has been duly authorized to do so. The Developer and LDC represent and warrant that this First Amendment has been approved by the appropriate action of the Developer and LDC, and that the individuals executing this First Amendment on behalf of the Developer and LDC have been duly authorized to do so.

4. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

**EXECUTED BY THE PARTIES TO BE EFFECTIVE ON NOVEMBER 2, 2021:**

CITY OF LAVON

By: Vicki Sanson  
Name: Vicki Sanson  
Title: Mayor



ATTEST:

Rae Norton

Name: Rae Norton  
Title: City Secretary

STATE OF TEXAS

§  
§  
§

COUNTY OF COLLIN

This instrument was acknowledged before me on the 4 day of November, 2021 by Vicki Sanson, Mayor of the City of Lavon, Texas on behalf of said City.

Rae Norton

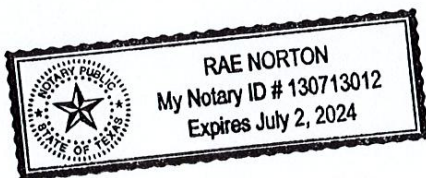
Notary Public, State of Texas

(SEAL)

Rae Norton

Name printed or typed

Commission Expires: 7-2-2024



**DEVELOPER:**

Lavon LakePointe Development, LLC,  
a Texas limited liability company

By: \_\_\_\_\_

Name: Steven H. Lenart

Its: Manager

STATE OF TEXAS           §

§

COUNTY OF COLLIN       §

This instrument was acknowledged before me on the \_\_\_\_\_ day of November, 2021 by Steven H. Lenart, Manager of Lavon LakePointe Development, LLC, a Texas limited liability company, on behalf of said company.

\_\_\_\_\_  
Notary Public, State of Texas

\_\_\_\_\_  
Name printed or typed

Commission Expires: \_\_\_\_\_

**LDC:**

LDC Lavon, LLC,  
a Texas limited liability company

By: \_\_\_\_\_  
Name: Steven H. Lenart  
Its: Manager

STATE OF TEXAS       §  
                                  §  
COUNTY OF COLLIN   §

This instrument was acknowledged before me on the \_\_\_\_ day of November, 2021 by Steven H. Lenart, Manager of LDC Lavon, LLC, a Texas limited liability company, on behalf of said company.

\_\_\_\_\_  
Notary Public, State of Texas

\_\_\_\_\_  
Name printed or typed

Commission Expires: \_\_\_\_\_

**EXHIBIT A**  
**AMENDED CONCEPT PLAN**



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APPENDIX G

REIMBURSEMENT AGREEMENTS

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**LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #2 REIMBURSEMENT AGREEMENT**

This LakePointe Public Improvement District Improvement Area #2 Reimbursement Agreement (this “Reimbursement Agreement”) is executed by and among the **City of Lavon, Texas**, a type A general law municipality of the State of Texas (the “City”) and **Lavon LakePointe Development, LLC**, a Texas limited liability company (the “Developer”) (individually referred to as a “Party” and collectively as the “Parties”) to be effective November 16, 2021 (the “Effective Date”).

**RECITALS**

**WHEREAS**, capitalized terms used in this Reimbursement Agreement shall have the meanings given to them in this Reimbursement Agreement or in the *Amended and Restated LakePointe Public Improvement District Service and Assessment Plan*, dated November 16, 2021, as the same may be amended, supplemented, and updated from time to time (the “SAP” or “Service and Assessment Plan”) passed and approved by the City Council of the City on November 16, 2021; and

**WHEREAS**, on March 19, 2019 the City Council passed and approved Resolution No. 2019-03-04 authorizing the creation of the LakePointe Public Improvement District (the “District”), as amended by Resolution No. 2019-07-03 approved by the City Council on July 16, 2019, covering approximately 173.037 acres of land described by metes and bounds in said Resolutions (the “District Property”); and

**WHEREAS**, the purpose of the District is to finance public improvements (the “Authorized Improvements”) as provided by Chapter 372, Texas Local Government Code, as amended (the “PID Act”) that promote the interests of the City and confer a special benefit on the Assessed Property within the District; and

**WHEREAS**, the District Property is being developed in accordance with that certain Development Agreement executed by and between the City, LDC Lavon, LLC, and the Developer, effective as of March 19, 2019, as amended (the “Development Agreement”); and

**WHEREAS**, the District Property is being developed in phases, and special assessments for each phase have been or will be levied against the Assessed Property within such phase to pay the costs of Authorized Improvements that confer a special benefit on the Assessed Property within such phase; and

**WHEREAS**, Improvement Area #2 Improvements (as defined in the SAP) have been constructed within Improvement Area #2 of the District Property, as described and depicted in the SAP; and

**WHEREAS**, on November 2, 2021, the City Council passed and approved Resolution No. 2021-11-11 determining, among other things, the estimated costs of the Improvement Area #2 Improvements; and

**WHEREAS**, on November 16, 2021, the City Council passed and approved Ordinance No. 2021-11-01 (the “Assessment Ordinance”) which, among other things, approved the SAP (including the Improvement Area #2 Assessment Roll), levied assessments, and established the dates upon which interest on assessments will begin to accrue and collection of assessments will begin; and

**WHEREAS**, in addition to approving the SAP, the Assessment Ordinance levied assessments against property within Improvement Area #2 (the “Improvement Area #2 Assessed Property”) for the Improvement Area #2 Improvements in accordance with the Improvement Area #2 Assessment Roll attached as Exhibit G-1 to the SAP; and

**WHEREAS**, the SAP established \$6,753,000 as the cost of the Improvement Area #2 Improvements to be assessed against Improvement Area #2 of the District Property (the “Improvement Area #2 Improvements Costs”); and

**WHEREAS**, the SAP allocated the Improvement Area #2 Improvements Costs to Improvement Area #2 of the District Property, and the SAP contemplated the allocation of the Improvement Area #2 Improvements Costs among the single family residential lots to be created from the subdivision of the District Property; and

**WHEREAS**, assessments against lots within Improvement Area #2 of the District (the “Improvement Area #2 Assessments”) will be reflected on the Improvement Area #2 Assessment Roll as approved by the City Council; and

**WHEREAS**, the SAP and the Assessment Ordinance provide, in part, that an Assessment or Assessments may be paid in full at any time, and if an Assessment is not paid in full, it shall be due and payable in Annual Installments plus interest for a period of 30 years or until the Assessment is paid in full; and

**WHEREAS**, all revenue received and collected by the City from the collection of the Improvement Area #2 Assessments and Annual Installments (excluding Delinquent Collection Costs and Annual Collection Costs) (the “Improvement Area #2 Assessment Revenue”) shall be deposited as required by the PID Act into an assessment fund that is segregated from all other funds of the City (the “Improvement Area #2 Assessment Fund”); and

**WHEREAS**, if Future Improvement Area #2 Bonds (as defined below) are issued, Improvement Area #2 Assessment Revenue shall be collected and deposited as provided in the indenture(s) authorizing the issuance of the Future Improvement Area #2 Bonds; and

**WHEREAS**, the Improvement Area #2 Assessment Revenue deposited into the Improvement Area #2 Assessment Fund shall be used to reimburse Developer and its assigns for the Improvement Area #2 Improvements Costs advanced by the Developer in an amount not to exceed \$6,753,000, plus interest; and

**WHEREAS**, the obligations of the City to use the Improvement Area #2 Assessments hereunder is authorized by the PID Act; and

**WHEREAS**, at the discretion of the City and in accordance with the Development Agreement, it is anticipated that Future Improvement Area #2 Bonds may be issued for all or a portion of the Improvement Area #2 Improvements; therefore, prior to or contemporaneously with the issuance of any such bonds, Developer and City agree to amend this Agreement and the Development Agreement as determined necessary by City's bond counsel for issuance of any such bonds, for compliance with applicable law and for compliance with the obligations of the parties under this Agreement.

**NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS OF THE PARTIES SET FORTH IN THIS REIMBURSEMENT AGREEMENT AND FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:**

1. The recitals in the "WHEREAS" clauses of this Reimbursement Agreement are true and correct, create obligations of the Parties, and are incorporated as part of this Reimbursement Agreement for all purposes.
2. Strictly subject to the terms, conditions, and requirements and solely from the Improvement Area #2 Assessment Revenues as herein provided and in accordance with the Development Agreement, the City agrees to pay the Developer and its assigns, and the Developer and its assigns shall be entitled to receive from the City, the amount equal to the actual costs of the Improvement Area #2 Improvements paid by the Developer for the Improvement Area #2 Improvements Costs that were within budgeted costs, or authorized Cost Overruns in accordance with the SAP and the Development Agreement, that were paid by the Developer as evidenced by one or more Certifications for Payment (as defined below) approved by the City plus interest on the unpaid balance in accordance with the terms of this Reimbursement Agreement until September 1, 2051 (the "Maturity Date"), and which shall be reimbursed to the Developer and its assigns in a principal amount not to exceed \$6,753,000 (the "Reimbursement Amount"), plus interest accrued, as hereinafter provided. The City hereby covenants to create, concurrently with the execution of this Reimbursement Agreement, a separate fund to be designated the "Improvement Area #2 Assessment Fund." The Reimbursement Amount is payable from Improvement Area #2 Assessment Revenue to be deposited in the Improvement Area #2 Assessment Fund, or from the net proceeds of Future Improvement Area #2 Bonds, as described below and in accordance with the Development Agreement:
  - a. The Reimbursement Amount is payable solely from: (i) the Improvement Area #2 Assessment Revenue received and collected by the City and deposited into the Improvement Area #2 Assessment Fund; (ii) the net proceeds (after payment of

costs of issuance, including the costs paid or incurred by the City and Annual Collection Costs) of one or more series of bonds (the “Future Improvement Area #2 Bonds”) issued by the City in accordance with the terms of the Development Agreement and secured by the Improvement Area #2 Assessment Revenue; or (iii) a combination of items (i) and (ii) immediately above. The Improvement Area #2 Assessment Revenue shall be received, collected and deposited into the Improvement Area #2 Assessment Fund subject to the following limitations:

- i. Calculation of the Improvement Area #2 Assessments and the first Annual Installment for a Parcel shall begin as provided for in the SAP.
  - ii. Until such time as Future Improvement Area #2 Bonds are issued, the Improvement Area #2 Assessments shall accrue interest at the per annum rates set forth in this Section 2. Interest shall continue on the unpaid principal amount of the Improvement Area #2 Assessments for a Parcel for the earlier of 30 years or until the Improvement Area #2 Assessments for such Parcel are paid in full.
  - iii. The Developer and its assigns shall be reimbursed in a combined aggregate amount not to exceed \$6,753,000 plus interest from the Improvement Area #2 Assessment Fund and as allowed under this Section 2(a).
  - iv. The unpaid Reimbursement Amount shall bear simple interest per annum at the rate of (x) 7.59% from the Effective Date through August 14, 2022, and (y) 4.00% thereafter; provided that, in the event Future Improvement Area #2 Bonds are issued, the per annum interest rate on the Reimbursement Amount shall not exceed, and shall be limited to, the per annum interest rate on such bonds. The interest rate has been approved by the City Council and is authorized by the PID Act and was determined based upon the S&P Municipal High Yield Bond Index published by *The Bond Buyer*, a daily publication that publishes this interest rate index, which the highest average index rate for tax-exempt bonds reported in the previous month was 2.59%. The interest rate of 7.59% and 4.00% contained herein comply with Subsections 372.023(e)(1) and (e)(2) of the PID Act.
  - v. If Future Improvement Area #2 Bonds are issued, the City shall bill, collect, and upon receipt, deposit all Improvement Area #2 Assessment Revenue relating to such bonds in the manner set forth in the Indenture(s) authorizing such bonds.
3. The amount of the Reimbursement Amount that has not been paid, plus the interest accrued as described in Section 2(a)(iv) above, are collectively, the “Unpaid Balance.” The Unpaid Balance is secured by and payable solely from the Improvement Area #2 Assessment

Revenue received and collected by the City and deposited into the Improvement Area #2 Assessment Fund or from the net proceeds of the Future Improvement Area #2 Bonds. No other City funds, revenue, taxes, or income of any kind shall be used to pay the Unpaid Balance, even if the Unpaid Balance is not paid in full by the Maturity Date, and such unpaid amount shall be canceled and for all purposes of this Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL, and such Unpaid Balance shall no longer be deemed to be payable. This Reimbursement Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than Improvement Area #2 Assessment Revenue received, collected and deposited into the Improvement Area #2 Assessment Fund. The City covenants that it will comply with the provisions of this Reimbursement Agreement, the Development Agreement, and the PID Act, including provisions relating to the administration of the District and the enforcement and collection of taxes and assessments, and all other covenants provided therein. Notwithstanding its collection efforts, if the City fails to receive all or any part of the Improvement Area #2 Assessment Revenue and, as a result, is unable to make transfers from the Improvement Area #2 Assessment Revenue Fund for payments to the Developer as required under this Reimbursement Agreement, such failure and inability shall not constitute a Failure or Default by the City under this Reimbursement Agreement.

4. If Future Improvement Area #2 Bonds are issued, the net proceeds of such Future Improvement Area #2 Bonds shall be used, from time to time, first to pay the Unpaid Balance due to the Developer under this Reimbursement Agreement for the costs of Improvement Area #2 Improvements that have already been paid by the Developer and then to pay all or any portion of any Improvement Area #2 Improvements Cost, as set forth in the SAP such that no Future Improvement Area #2 Bonds are issued unless the funds necessary to complete the Improvement Area #2 Improvements are deposited with the net proceeds of the Future Improvement Area #2 Bonds on the closing date of the Future Improvement Area #2 Bonds. The Reimbursement Agreement shall terminate on the earlier of (i) the payment of amounts due pursuant to this Agreement, (ii) the issuance of the Future Improvement Area #2 Bond, (iii) the expiration of thirty (30) years, or (iv) termination of this Agreement pursuant to an Event of Default herein or under the Development Agreement. Notwithstanding the foregoing, the Developer shall only be entitled to repayment of the costs of the Improvement Area #2 Improvements as set forth in the SAP. If costs of completion of the Improvement Area #2 Improvement is less than the amounts set forth in the SAP, the Developer shall not be entitled to such excess amounts.
5. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the City, the Developer's right, title, or interest under this Reimbursement Agreement including, but not limited to, any right, title, or interest of the Developer in and to payment of the Unpaid

Balance (any of the foregoing, a “Transfer,” and the person or entity to whom the Transfer is made, a “Transferee”). The rights of the Developer to assignment are conditioned upon the Transferee agreeing, in writing, to assume the rights, title or interest being assigned and to be bound by the terms and conditions of this Reimbursement Agreement to the extent they apply to the rights, title or interest being assigned. An assignment by the Developer pursuant to this Section shall be effective upon delivery to the City of a copy of the fully executed assignment, which shall include the information required by Section 9 below and unambiguous provisions regarding any apportionment between the Developer and the Transferee of the right to receive payment of the Unpaid Balance or any other payment. The City may rely on any notice of a Transfer or executed assignment received from the Developer without obligation to investigate or confirm the validity or occurrence of such Transfer. The Developer waives all rights or claims against the City for any such funds provided to a third party as a result of a Transfer for which the City has received notice, and the Developer’s sole remedy shall be to seek the funds directly from the third party. If the City determines in its sole discretion that the executed assignment received from the Developer does not unambiguously provide for the apportionment between the Developer and the Transferee of the right to receive payments of the Unpaid Balance or any other amount, the City will make such payments solely to that Developer until such time as the executed assignment is amended to unambiguously provide for such apportionment and the Transferee or other third party’s sole remedy shall be to seek the funds directly from the Developer. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor or assignee of the Developer that results in the City being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission. The City shall not be required to make payments pursuant to this Reimbursement Agreement to more than two parties. Any assignment by a Transferee of its rights, title or interest under this Reimbursement Agreement shall be subject to the requirements of the Developer under this Section 5.

6. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from the Improvement Area #2 Assessment Fund or the net proceeds of the Future Improvement Area #2 Bonds and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. None of the City or any of its elected or appointed officials or any of its officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Reimbursement Agreement.
7. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Reimbursement Agreement against the Developer, any Transferee, 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 as a Party hereto and not solely as an owner of property in the District. Nothing herein shall be constructed, nor is intended, to affect the City's or Developer's rights and duties to perform their respective obligations under other agreements, regulations and ordinances.

8. This Reimbursement 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 to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, exclusive venue for such dispute shall lie in any court of competent jurisdiction in Collin County, Texas.
9. Any notice required or contemplated by this Reimbursement Agreement shall be signed by or on behalf of the Party giving the Notice, and shall be deemed effective as follows: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section. All Notices given pursuant to this Section shall be addressed as follows:

To the City:                   City of Lavon, Texas  
Attn: City Administrator  
P.O. Box 340  
120 School Road  
Lavon, Texas 75166

With a copy to:           Messer, Rockefeller & Fort, PLLC  
Attn: Julie Fort  
6371 Preston Road, Suite 200  
Frisco, Texas 75034

To the Developer:       Lavon LakePointe Development, LLC  
Attn: Steve Lenart  
520 Central Parkway East, Suite 104  
Plano, Texas 75074

With a copy to:           Miklos Cinclair, PLLC  
Attn: Robert Miklos  
1800 Valley View Lane, Suite 360  
Farmers Branch, Texas 75234

10. Notwithstanding anything herein to the contrary, nothing herein shall otherwise authorize or permit the use by the City of the Improvement Area #2 Assessments contrary to the provisions of the PID Act.
11. Remedies:
  - a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement 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.” Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all Transferees of the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional 30-day period so long as the non-performing Party is diligently pursuing a cure. Any Transferee shall have the same rights as the Developer to enforce the obligations of the City under this Reimbursement Agreement and shall also have the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Reimbursement Agreement with respect to Developer obligations under this Reimbursement Agreement unless the Transferee agrees to be bound or is bound as a result of a Transfer to the Transferee.
  - b. If the City is in Default, the Developer’s sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the City; or (2) seek specific enforcement of this Reimbursement Agreement.
  - c. If the Developer is in Default, the City may pursue any legal or equitable remedy or remedies, including, without limitation, damages, and termination of this Agreement. The City shall not terminate this Agreement unless it delivers to the Developer a second notice expressly providing that the City will terminate within thirty (30) additional days. Termination or non-termination of this Agreement upon a Developer Event of Default shall not prevent the City from suing the Developer for specific performance, damages, actual damages, excluding punitive, special and consequential damages, injunctive relief or other available remedies with respect to obligations that expressly survive termination. In the event the Developer fails to pay any of the expenses or amounts or perform any obligation specified in this

Agreement, then to the extent such failure constitutes an Event of Default hereunder, the City may, but shall not be obligated to do so, pay any such amount or perform any such obligations and the amount so paid and the reasonable out of pocket costs incurred by the City in said performance shall be due and payable by the Developer to the City within thirty (30) days after the Developer's receipt of an itemized list of such costs.

- d. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law or in equity.
  - e. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.
- 12. To the extent there is a conflict between this Reimbursement Agreement and an Indenture securing the Future Improvement Area #2 Bonds, the Indenture securing the Future Improvement Area #2 Bonds shall control as the provisions relate to the Improvement Area #2 Assessments.
  - 13. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement 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 Reimbursement Agreement.
  - 14. The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow the Developer to enforce its remedies under this Reimbursement Agreement.
  - 15. Nothing in this Reimbursement Agreement, express or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer and its assigns any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and the Developer.
  - 16. In this Reimbursement Agreement, time is of the essence and compliance with the times for performance herein is required.
  - 17. The City represents and warrants that this Reimbursement Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Reimbursement Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that

this Reimbursement Agreement has been approved by appropriate action of the Developer, and that the individual executing this Reimbursement Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Reimbursement Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

18. This Reimbursement Agreement represents the entire agreement of the Parties and no other agreement, statement or promise made by any Party or any employee, officer or agent of any Party with respect to any matters covered hereby that is not in writing and signed by all the Parties to this Agreement shall be binding. This Reimbursement Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Reimbursement Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Reimbursement Agreement; and (b) the remainder of this Reimbursement Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.
19. This Reimbursement Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
20. The term of this Reimbursement Agreement is the earlier of (i) thirty (30) years, (ii) until the Unpaid Balance is paid in full in accordance herewith, (iii) the issuance of Future Improvement Area #2 Bonds, or (iv) termination pursuant to an Event of Default, whichever occurs first. If the Developer defaults under this Reimbursement Agreement or the Development Agreement, this Reimbursement Agreement and the Development Agreement shall not terminate with respect to the costs of the Improvement Area #2 Improvements that have been approved by the City pursuant to a Certification for Payment prior to the date of default.
21. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Reimbursement 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 Reimbursement Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three (3) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, 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. The term "force majeure" shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care,

such as by reason of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the Party (financial inability excepted).

22. Any amounts or remedies due pursuant to this Reimbursement Agreement are not subject to acceleration.
23. The City and the Developer agree that the Developer shall submit one or more Certifications for Payment in substantially the form of **Exhibit A** attached hereto (each a "Certification for Payment") for cost(s) of Improvement Area #2 Improvements in an aggregate amount up to the maximum Reimbursement Amount set forth in Section 2 hereof. The amount of each Certification for Payment approved by the City shall be added to the principal amount of the Reimbursement Amount, not to exceed the maximum Reimbursement Amount set forth in Section 2 hereof.
24. Upon receipt of a Certification for Payment, substantially in the form of **Exhibit A** hereto (along with all accompanying documentation required by the City) from the Developer, the City engineer or other individual employed by the City to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected (the "City Inspector") shall conduct a review in order to confirm that such request is complete, to confirm that the work with respect to such Improvement Area #2 Improvement identified therein for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable plans therefor and with the terms of this Reimbursement Agreement and the Development Agreement, and to verify and approve the actual cost of such work specified in such Certification for Payment (collectively, the "Developer Compliance Requirements"), and shall, upon the conclusion of the review, forward the request to the City Administrator of the City, or any other official or agent of the City later authorized by the City Council to undertake the action referenced herein (the "City Representative"). The City Inspector and/or City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the City Inspector and/or City Representative in conducting each such review and to provide the City Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the City Inspector and/or City Representative to conclude each such review. Within fifteen (15) business days of receipt of any Certification for Payment, the City Inspector shall either (i) approve and execute the Certification for Payment and forward the same to City Representative for approval (A) as an additional principal amount of the Reimbursement Amount for payment from those funds available in the Improvement Area #2 Assessment Fund in accordance with this Reimbursement Agreement, or, (B) if Future Improvement Area #2 Bonds have been issued by the City, the City Representative shall forward the Certification for Payment to the Trustee for payment pursuant to the related Indenture, or (ii) in the event the City Inspector disapproves the Certification for Payment, give written notification to the Developer of the City Inspector's disapproval, in whole or in part, of

such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the City Inspector shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the City Representative for approval in accordance with this Section 24, and any such partial work shall be processed for payment under this Section 24, notwithstanding such partial denial. If the City Inspector fails to act with respect to a Certification for Payment within the time period herein provided, the Developer shall submit the Certification for Payment directly to the City Representative for approval. Within five (5) business days of receipt of any Certification for Payment, the City Representative shall approve or deny the Certification for Payment, and provide notice to the Administrator and Developer. The approval of the Certification for Payment by the City Representative shall constitute a representation by the City Representative of the Developer's compliance therein. If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the City Representative or the Trustee, if applicable, for payment until the dispute is resolved by the City and the Developer. The Developer shall deliver the approved or partially approved Certification for Payment by the City Representative as provided herein, or approved by the City Council, to the City Representative for payment from the Improvement Area #2 Assessment Fund in accordance with this Reimbursement Agreement; provided, however, if Future Improvement Area #2 Bonds have been issued, the City Representative shall provide the Certification for Payment to the Trustee for payment in accordance with the related Indenture.

25. The amount of a Certification for Payment approved by the City constituting a portion of the Reimbursement Amount shall accrue interest at the per annum rates set forth in Section 2 hereof from the date of approval by the City Representative of the Certification for Payment.
26. Upon the final completion of an Improvement Area #2 Improvement (or its completed segment or phase thereof) and payment of all outstanding invoices for such Improvement Area #2 Improvement, if the actual cost(s) of such Improvement Area #2 Improvement (or its completed segment or phase thereof) is less than the budgeted cost(s) (a "Cost Underrun"), any remaining budgeted cost(s) will be available to pay cost overruns ("Cost Overruns") on any other Improvement Area #2 Improvement (or its completed segment or phase thereof). The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, and the 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 Improvement Area #2 Improvements. Any Cost Underrun for any Improvement Area #2 Improvement (or its completed segment or phase

thereof) is available to pay Cost Overruns on any other Improvement Area #2 Improvement (or its completed segment or phase thereof), and may be added to the amount approved for payment in any Certification for Payment, as agreed to by the Developer, the Administrator, and the City Representative.

27. The Developer hereby verifies that it and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Reimbursement Agreement is a contract for goods or services, will not boycott Israel during the term of this Reimbursement 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.
28. The Developer hereby represents that neither it nor any of its parent companies, 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.
29. 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.

30. 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,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(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.

[SIGNATURE PAGES TO FOLLOW]

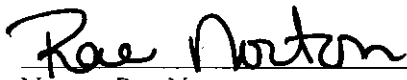


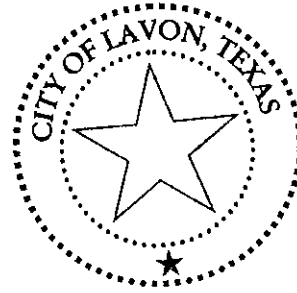
Executed by Developer and City to be effective on the Effective Date.

**CITY OF LAVON, TEXAS**

By:   
Name: Vicki Sanson  
Title: Mayor

ATTEST:

  
Name: Rae Norton  
Title: City Secretary



[Signature Page for LakePointe PID Improvement Area #2 Reimbursement Agreement]

**DEVELOPER:**

Lavon LakePointe Development, LLC,  
a Texas limited liability company

By: 

Name: Steven H. Lenart

Its: Manager

[Signature Page for LakePointe PID Improvement Area #2 Reimbursement Agreement]

## Exhibit A

### SUBSTANTIAL FORM OF CERTIFICATION FOR PAYMENT

The undersigned is an agent for Lavon LakePointe Development, LLC, a Texas limited liability (the “Developer”) and requests payment from the Improvement Area #2 Assessment Fund (as defined in the LakePointe Public Improvement District Improvement Area #2 Reimbursement Agreement) from the City of Lavon, Texas (the “City”) in the amount of \$\_\_\_\_\_ for labor, materials, fees, and/or other general costs related to the construction of certain Improvement Area #2 Improvements related to the LakePointe Public Improvement District (the “Improvement Area #2 Improvements”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the LakePointe Public Improvement District Improvement Area #2 Reimbursement Agreement (the “IA #2 Reimbursement Agreement”) dated November 16, 2021.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Improvement Area #2 Improvements have not been the subject of any prior payment request submitted to the City or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Improvement Area #2 Improvements below is a true and accurate representation of the costs associated with the creation, acquisition, or construction of said Improvement Area #2 Improvement, and such costs are in compliance with the IA #2 Reimbursement Agreement and the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the IA #2 Reimbursement Agreement, the Development Agreement and the Service and Assessment Plan.
5. All conditions set forth in the IA #2 Reimbursement Agreement, and the Development Agreement for the payment hereby requested have been satisfied.
6. The work with respect to the Improvement Area #2 Improvement referenced below (or its completed segment) has been completed and the City may begin inspection of the Improvement Area #2 Improvement.
7. 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 should include the following:**

<b>Payee / Description of Improvement Area #2 Improvement</b>	<b>Total Cost of Improvement Area #2 Improvement</b>	<b>Budgeted Cost of Improvement Area #2 Improvement</b>	<b>Amount to be paid from the Improvement Area #2 Assessment Fund</b>

Attached hereto are 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 evidencing that any contractor or subcontractor having performed work on an Improvement Area #2 Project described above has been paid in full for all work completed through the previous Certification for Payment.

Pursuant to the IA #2 Reimbursement Agreement, after receiving this payment request, the City Inspector has inspected the Improvement Area #2 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.

**Payments requested hereunder shall be made as directed below:**

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment instructions

I hereby declare that the above representations and warranties are true and correct.

Dated: \_\_\_\_\_.

**DEVELOPER:**

Lavon LakePointe Development, LLC,  
a Texas limited liability company

By: \_\_\_\_\_  
Name: Steven H. Lenart  
Its: Manager

### **APPROVAL OF REQUEST BY CITY**

The City is in receipt of the attached Certification for Payment, acknowledges the Certification for Payment, and finds the Certification for Payment to be in order. After reviewing the Certification for Payment, the City approves the Certification for Payment. The City [authorizes the amount of this Certification for Payment ][to be added to the principal amount of the Reimbursement Amount pursuant to the IA #2 Reimbursement Agreement][authorizes and directs the amount of this Certification for Payment to be paid by Trustee from the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment]. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Reimbursement Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Improvement Area #2 Improvements.

### **CITY OF LAVON, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
11/19/2021 12:55:26 PM  
\$630.00 CARLA  
20211119002373550



A handwritten signature in cursive script that reads "Stacey Kemp".

**LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #3 REIMBURSEMENT AGREEMENT**

This LakePointe Public Improvement District Improvement Area #3 Reimbursement Agreement (this “Reimbursement Agreement”) is executed by and among the **City of Lavon, Texas**, a type A general law municipality of the State of Texas (the “City”) and **Lavon LakePointe Development, LLC**, a Texas limited liability company (the “Developer”) (individually referred to as a “Party” and collectively as the “Parties”) to be effective September 6, 2022 (the “Effective Date”).

**RECITALS**

**WHEREAS**, capitalized terms used in this Reimbursement Agreement shall have the meanings given to them in this Reimbursement Agreement or in the *Amended and Restated LakePointe Public Improvement District Service and Assessment Plan*, dated September 6, 2022, as the same may be amended, supplemented, and updated from time to time (the “SAP” or “Service and Assessment Plan”) passed and approved by the City Council of the City on September 6, 2022; and

**WHEREAS**, on March 19, 2019 the City Council passed and approved Resolution No. 2019-03-04 authorizing the creation of the LakePointe Public Improvement District (the “District”), as amended by Resolution No. 2019-07-03 approved by the City Council on July 16, 2019, covering approximately 173.037 acres of land described by metes and bounds in said Resolutions (the “District Property”); and

**WHEREAS**, the purpose of the District is to finance public improvements (the “Authorized Improvements”) as provided by Chapter 372, Texas Local Government Code, as amended (the “PID Act”) that promote the interests of the City and confer a special benefit on the Assessed Property within the District; and

**WHEREAS**, the District Property is being developed in accordance with that certain Development Agreement executed by and between the City, LDC Lavon, LLC, and the Developer, effective as of March 19, 2019, as amended (the “Development Agreement”); and

**WHEREAS**, the District Property is being developed in phases, and special assessments for each phase have been or will be levied against the Assessed Property within such phase to pay the costs of Authorized Improvements that confer a special benefit on the Assessed Property within such phase; and

**WHEREAS**, Improvement Area #3 Improvements (as defined in the SAP) will be or are being constructed within Improvement Area #3 of the District Property, as described and depicted in the SAP; and

**WHEREAS**, on August 16, 2022, the City Council passed and approved Resolution No. 2022-11-11 determining, among other things, the estimated costs of the Improvement Area #3 Improvements; and

**WHEREAS**, on September 6, 2022, the City Council passed and approved Ordinance No. 2022-09-01 (the “Assessment Ordinance”) which, among other things, approved the SAP (including the Improvement Area #3 Assessment Roll), levied assessments, and established the dates upon which interest on assessments will begin to accrue and collection of assessments will begin; and

**WHEREAS**, in addition to approving the SAP, the Assessment Ordinance levied assessments against property within Improvement Area #3 (the “Improvement Area #3 Assessed Property”) for the Improvement Area #3 Improvements in accordance with the Improvement Area #3 Assessment Roll attached as Exhibit H-1 to the SAP; and

**WHEREAS**, the SAP established \$5,843,847 as the cost of the Improvement Area #3 Improvements to be assessed against Improvement Area #3 of the District Property (the “Improvement Area #3 Improvements Costs”); and

**WHEREAS**, the SAP allocated the Improvement Area #3 Improvements Costs to Improvement Area #3 of the District Property, and the SAP contemplated the allocation of the Improvement Area #3 Improvements Costs among the single family residential lots to be created from the subdivision of the District Property; and

**WHEREAS**, assessments against lots within Improvement Area #3 of the District (the “Improvement Area #3 Assessments”) will be reflected on the Improvement Area #3 Assessment Roll as approved by the City Council; and

**WHEREAS**, the SAP and the Assessment Ordinance provide, in part, that an Assessment or Assessments may be paid in full at any time, and if an Assessment is not paid in full, it shall be due and payable in Annual Installments plus interest for a period of 30 years or until the Assessment is paid in full; and

**WHEREAS**, all revenue received and collected by the City from the collection of the Improvement Area #3 Assessments and Annual Installments (excluding Delinquent Collection Costs and Annual Collection Costs) (the “Improvement Area #3 Assessment Revenue”) shall be deposited as required by the PID Act into an assessment fund that is segregated from all other funds of the City (the “Improvement Area #3 Assessment Fund”); and

**WHEREAS**, if Future Improvement Area #3 Bonds (as defined below) are issued, Improvement Area #3 Assessment Revenue shall be collected and deposited as provided in the indenture(s) authorizing the issuance of the Future Improvement Area #3 Bonds; and

**WHEREAS**, the Improvement Area #3 Assessment Revenue deposited into the Improvement Area #3 Assessment Fund shall be used to reimburse Developer and its assigns for the Improvement Area #3 Improvements Costs advanced by the Developer in an amount not to exceed \$5,843,847, plus interest; and

**WHEREAS**, the obligations of the City to use the Improvement Area #3 Assessments hereunder is authorized by the PID Act; and

**WHEREAS**, at the discretion of the City and in accordance with the Development Agreement, it is anticipated that Future Improvement Area #3 Bonds may be issued for all or a portion of the Improvement Area #3 Improvements; therefore, prior to or contemporaneously with the issuance of any such bonds, Developer and City agree to amend this Agreement and the Development Agreement as determined necessary by City's bond counsel for issuance of any such bonds, for compliance with applicable law and for compliance with the obligations of the parties under this Agreement.

**NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS OF THE PARTIES SET FORTH IN THIS REIMBURSEMENT AGREEMENT AND FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:**

1. The recitals in the "WHEREAS" clauses of this Reimbursement Agreement are true and correct, create obligations of the Parties, and are incorporated as part of this Reimbursement Agreement for all purposes.
2. Strictly subject to the terms, conditions, and requirements and solely from the Improvement Area #3 Assessment Revenues as herein provided and in accordance with the Development Agreement, the City agrees to pay the Developer and its assigns, and the Developer and its assigns shall be entitled to receive from the City, the amount equal to the actual costs of the Improvement Area #3 Improvements paid by the Developer for the Improvement Area #3 Improvements Costs that were within budgeted costs, or authorized Cost Overruns in accordance with the SAP and the Development Agreement, that were paid by the Developer as evidenced by one or more Certifications for Payment (as defined below) approved by the City plus interest on the unpaid balance in accordance with the terms of this Reimbursement Agreement until September 1, 2052 (the "Maturity Date"), and which shall be reimbursed to the Developer and its assigns in a principal amount not to exceed \$5,843,847 (the "Reimbursement Amount"), plus interest accrued, as hereinafter provided. Notwithstanding anything to the contrary herein, unless otherwise approved by the City Council, the City will not pay the Developer or its assigns for costs of Improvement Area #3 Improvements constituting Water Improvements (as defined in the Development Agreement). In the event the City Council does not provide such approval due to the fact a SUD Agreement (as defined below) has not been acquired or executed, if the Developer incurs or will incur Improvement Area #3 Costs constituting costs of Water Improvements, the City will use its best efforts to amend the SAP to replace rights-of-way acquisition in Improvement Area #3 as a replacement Authorized Improvement for such Water Improvements, which rights-of-way acquisition cost shall not exceed: (i) the actual costs



of such Water Improvements, and (ii) the fair market value supported by an independent appraisal as required by Section 252.051 of the Texas Local Government Code. The Developer agrees to use its best efforts to acquire, or facilitate the execution of, any agreement between the Bear Creek Special Utility District and the City relating to Water Improvements (the “SUD Agreement”) necessary for the approval of the Attorney General of Texas of any Future Improvement Area #3 Bond.

The City hereby covenants to create, concurrently with the execution of this Reimbursement Agreement, a separate fund to be designated the “Improvement Area #3 Assessment Fund.” The Reimbursement Amount is payable from Improvement Area #3 Assessment Revenue to be deposited in the Improvement Area #3 Assessment Fund, or from the net proceeds of Future Improvement Area #3 Bonds, as described below and in accordance with the Development Agreement:

- a. The Reimbursement Amount is payable solely from: (i) the Improvement Area #3 Assessment Revenue received and collected by the City and deposited into the Improvement Area #3 Assessment Fund; (ii) the net proceeds (after payment of costs of issuance, including the costs paid or incurred by the City and Annual Collection Costs) of one or more series of bonds (the “Future Improvement Area #3 Bonds”) issued by the City in accordance with the terms of the Development Agreement and secured by the Improvement Area #3 Assessment Revenue; or (iii) a combination of items (i) and (ii) immediately above. The Improvement Area #3 Assessment Revenue shall be received, collected and deposited into the Improvement Area #3 Assessment Fund subject to the following limitations:
  - i. Calculation of the Improvement Area #3 Assessments and the first Annual Installment for a Parcel shall begin as provided for in the SAP.
  - ii. Until such time as Future Improvement Area #3 Bonds are issued, the Improvement Area #3 Assessments shall accrue interest at the per annum rates set forth in this Section 2. Interest shall continue on the unpaid principal amount of the Improvement Area #3 Assessments for a Parcel for the earlier of 30 years or until the Improvement Area #3 Assessments for such Parcel are paid in full.
  - iii. The Developer and its assigns shall be reimbursed in a combined aggregate amount not to exceed \$5,843,847 plus interest from the Improvement Area #3 Assessment Fund and as allowed under this Section 2(a).
  - iv. The unpaid Reimbursement Amount shall bear simple interest per annum at the rate of 5.920% from the Effective Date; provided that, in the event Future Improvement Area #3 Bonds are issued, the per annum interest rate on the Reimbursement Amount shall not exceed, and shall be limited to, the

per annum interest rate on such bonds. The interest rate has been approved by the City Council and is authorized by the PID Act and was determined based upon the S&P Municipal High Yield Bond Index published by *The Bond Buyer*, a daily publication that publishes this interest rate index, which the highest average index rate for tax-exempt bonds reported in the previous month was 3.920%. The interest rate of 5.920% contained herein complies with Subsections 372.023(e)(1) and (e)(2) of the PID Act.

- v. If Future Improvement Area #3 Bonds are issued, the City shall bill, collect, and upon receipt, deposit all Improvement Area #3 Assessment Revenue relating to such bonds in the manner set forth in the Indenture(s) authorizing such bonds.
3. The amount of the Reimbursement Amount that has not been paid, plus the interest accrued as described in Section 2(a)(iv) above, are collectively, the “Unpaid Balance.” The Unpaid Balance is payable solely from the Improvement Area #3 Assessment Revenue received and collected by the City and deposited into the Improvement Area #3 Assessment Fund or from the net proceeds of the Future Improvement Area #3 Bonds. Additionally, at such time as the Developer provides evidence satisfactory to the City that the conditions for the issuance or incurrence of “Future Improvement Area Bonds” for Improvement Area #3 in Section I3(e) of the Indenture of Trust dated as of September 1, 2019, by and between the City and Wilmington Trust, National Association, securing the City of Lavon, Texas special Assessment Revenue Bonds, Series 2019 (LakePointe Public Improvement District Major Improvement Area Project) have been satisfied, the City hereby grants a security interest to the Developer in and to the Improvement Area #3 Assessment Revenue received and collected by the City and deposited into the Improvement Area #3 Assessment Fund or from the net proceeds of the Future Improvement Area #3 Bonds for the payment of the Unpaid Balance. No other City funds, revenue, taxes, or income of any kind shall be used to pay the Unpaid Balance, even if the Unpaid Balance is not paid in full by the Maturity Date, and such unpaid amount shall be canceled and for all purposes of this Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL, and such Unpaid Balance shall no longer be deemed to be payable. This Reimbursement Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than Improvement Area #3 Assessment Revenue received, collected and deposited into the Improvement Area #3 Assessment Fund. The City covenants that it will comply with the provisions of this Reimbursement Agreement, the Development Agreement, and the PID Act, including provisions relating to the administration of the District and the enforcement and collection of taxes and assessments, and all other covenants provided therein. Notwithstanding its collection efforts, if the City fails to receive all or any part of the Improvement Area #3 Assessment Revenue and, as a result, is unable to make transfers

from the Improvement Area #3 Assessment Revenue Fund for payments to the Developer as required under this Reimbursement Agreement, such failure and inability shall not constitute a Failure or Default by the City under this Reimbursement Agreement.

4. If Future Improvement Area #3 Bonds are issued, the net proceeds of such Future Improvement Area #3 Bonds shall be used, from time to time, first to pay the Unpaid Balance due to the Developer under this Reimbursement Agreement for the costs of Improvement Area #3 Improvements that have already been paid by the Developer and then to pay all or any portion of any Improvement Area #3 Improvements Cost, as set forth in the SAP such that no Future Improvement Area #3 Bonds are issued unless the funds necessary to complete the Improvement Area #3 Improvements are deposited with the net proceeds of the Future Improvement Area #3 Bonds on the closing date of the Future Improvement Area #3 Bonds. The Reimbursement Agreement shall terminate on the earlier of (i) the payment of amounts due pursuant to this Agreement, (ii) the issuance of the Future Improvement Area #3 Bond, (iii) the expiration of thirty (30) years, or (iv) termination of this Agreement pursuant to an Event of Default herein or under the Development Agreement. Notwithstanding the foregoing, the Developer shall only be entitled to repayment of the costs of the Improvement Area #3 Improvements as set forth in the SAP. If costs of completion of the Improvement Area #3 Improvement is less than the amounts set forth in the SAP, the Developer shall not be entitled to such excess amounts.
5. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the City, the Developer's right, title, or interest under this Reimbursement Agreement including, but not limited to, any right, title, or interest of the Developer in and to payment of the Unpaid Balance (any of the foregoing, a "Transfer," and the person or entity to whom the Transfer is made, a "Transferee"). The rights of the Developer to assignment are conditioned upon the Transferee agreeing, in writing, to assume the rights, title or interest being assigned and to be bound by the terms and conditions of this Reimbursement Agreement to the extent they apply to the rights, title or interest being assigned. An assignment by the Developer pursuant to this Section shall be effective upon delivery to the City of a copy of the fully executed assignment, which shall include the information required by Section 9 below and unambiguous provisions regarding any apportionment between the Developer and the Transferee of the right to receive payment of the Unpaid Balance or any other payment. The City may rely on any notice of a Transfer or executed assignment received from the Developer without obligation to investigate or confirm the validity or occurrence of such Transfer. The Developer waives all rights or claims against the City for any such funds provided to a third party as a result of a Transfer for which the City has received notice, and the Developer's sole remedy shall be to seek the funds directly from the third party. If the City determines in its sole discretion that the executed assignment received from the Developer does not unambiguously provide for the apportionment between the Developer

and the Transferee of the right to receive payments of the Unpaid Balance or any other amount, the City will make such payments solely to that Developer until such time as the executed assignment is amended to unambiguously provide for such apportionment and the Transferee or other third party's sole remedy shall be to seek the funds directly from the Developer. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor or assignee of the Developer that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission. The City shall not be required to make payments pursuant to this Reimbursement Agreement to more than two parties. Any assignment by a Transferee of its rights, title or interest under this Reimbursement Agreement shall be subject to the requirements of the Developer under this Section 5.

6. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from the Improvement Area #3 Assessment Fund or the net proceeds of the Future Improvement Area #3 Bonds and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. None of the City or any of its elected or appointed officials or any of its officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Reimbursement Agreement.
7. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Reimbursement Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction or installation of the Improvement Area #3 Improvements. The obligations of Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the District. Nothing herein shall be constructed, nor is intended, to affect the City's or Developer's rights and duties to perform their respective obligations under other agreements, regulations and ordinances.
8. This Reimbursement 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 to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, exclusive venue for such dispute shall lie in any court of competent jurisdiction in Collin County, Texas.
9. Any notice required or contemplated by this Reimbursement Agreement shall be signed by or on behalf of the Party giving the Notice, and shall be deemed effective as follows: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States

Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section. All Notices given pursuant to this Section shall be addressed as follows:

To the City: City of Lavon, Texas  
Attn: City Administrator  
P.O. Box 340  
120 School Road  
Lavon, Texas 75166

With a copy to: Messer, Rockefeller & Fort, PLLC  
Attn: Julie Fort  
6371 Preston Road, Suite 200  
Frisco, Texas 75034

To the Developer: Lavon LakePointe Development, LLC  
Attn: Steve Lenart  
520 Central Parkway East, Suite 104  
Plano, Texas 75074

With a copy to: Miklos Cinclair, PLLC  
Attn: Robert Miklos  
1800 Valley View Lane, Suite 360  
Farmers Branch, Texas 75234

10. Notwithstanding anything herein to the contrary, nothing herein shall otherwise authorize or permit the use by the City of the Improvement Area #3 Assessments contrary to the provisions of the PID Act.
11. Remedies:
  - a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement 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." Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all Transferees of the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional 30-day period so long as the non-performing Party is diligently pursuing a cure. Any Transferee shall have the same

rights as the Developer to enforce the obligations of the City under this Reimbursement Agreement and shall also have the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Reimbursement Agreement with respect to Developer obligations under this Reimbursement Agreement unless the Transferee agrees to be bound or is bound as a result of a Transfer to the Transferee.

- b. If the City is in Default, the Developer's sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the City; or (2) seek specific enforcement of this Reimbursement Agreement.
  - c. If the Developer is in Default, the City may pursue any legal or equitable remedy or remedies, including, without limitation, damages, and termination of this Agreement. The City shall not terminate this Agreement unless it delivers to the Developer a second notice expressly providing that the City will terminate within thirty (30) additional days. Termination or non-termination of this Agreement upon a Developer Event of Default shall not prevent the City from suing the Developer for specific performance, damages, actual damages, excluding punitive, special and consequential damages, injunctive relief or other available remedies with respect to obligations that expressly survive termination. In the event the Developer fails to pay any of the expenses or amounts or perform any obligation specified in this Agreement, then to the extent such failure constitutes an Event of Default hereunder, the City may, but shall not be obligated to do so, pay any such amount or perform any such obligations and the amount so paid and the reasonable out of pocket costs incurred by the City in said performance shall be due and payable by the Developer to the City within thirty (30) days after the Developer's receipt of an itemized list of such costs.
  - d. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law or in equity.
  - e. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.
12. To the extent there is a conflict between this Reimbursement Agreement and an Indenture securing the Future Improvement Area #3 Bonds, the Indenture securing the Future Improvement Area #3 Bonds shall control as the provisions relate to the Improvement Area #3 Assessments.

13. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement 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 Reimbursement Agreement.
14. The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow the Developer to enforce its remedies under this Reimbursement Agreement.
15. Nothing in this Reimbursement Agreement, express or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer and its assigns any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and the Developer.
16. In this Reimbursement Agreement, time is of the essence and compliance with the times for performance herein is required.
17. The City represents and warrants that this Reimbursement Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Reimbursement Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Reimbursement Agreement has been approved by appropriate action of the Developer, and that the individual executing this Reimbursement Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Reimbursement Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.
18. This Reimbursement Agreement represents the entire agreement of the Parties and no other agreement, statement or promise made by any Party or any employee, officer or agent of any Party with respect to any matters covered hereby that is not in writing and signed by all the Parties to this Agreement shall be binding. This Reimbursement Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Reimbursement Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Reimbursement Agreement; and (b) the remainder of this Reimbursement Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

19. This Reimbursement Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
20. The term of this Reimbursement Agreement is the earlier of (i) thirty (30) years, (ii) until the Unpaid Balance is paid in full in accordance herewith, (iii) the issuance of Future Improvement Area #3 Bonds, or (iv) termination pursuant to an Event of Default, whichever occurs first. If the Developer defaults under this Reimbursement Agreement or the Development Agreement, this Reimbursement Agreement and the Development Agreement shall not terminate with respect to the costs of the Improvement Area #3 Improvements that have been approved by the City pursuant to a Certification for Payment prior to the date of default.
21. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Reimbursement 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 Reimbursement Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three (3) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, 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. The term “force majeure” shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care, such as by reason of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the Party (financial inability excepted).
22. Any amounts or remedies due pursuant to this Reimbursement Agreement are not subject to acceleration.
23. The City and the Developer agree that the Developer shall submit one or more Certifications for Payment in substantially the form of **Exhibit A** attached hereto (each a “Certification for Payment”) for cost(s) of Improvement Area #3 Improvements in an aggregate amount up to the maximum Reimbursement Amount set forth in Section 2 hereof. The amount of each Certification for Payment approved by the City shall be added to the principal amount of the Reimbursement Amount, not to exceed the maximum Reimbursement Amount set forth in Section 2 hereof.
24. Upon receipt of a Certification for Payment, substantially in the form of **Exhibit A** hereto (along with all accompanying documentation required by the City) from the Developer, the City engineer or other individual employed by the City to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the



development and the infrastructure inspected (the “City Inspector”) shall conduct a review in order to confirm that such request is complete, to confirm that the work with respect to such Improvement Area #3 Improvement identified therein for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable plans therefor and with the terms of this Reimbursement Agreement and the Development Agreement, and to verify and approve the actual cost of such work specified in such Certification for Payment (collectively, the “Developer Compliance Requirements”), and shall, upon the conclusion of the review, forward the request to the City Administrator of the City, or any other official or agent of the City later authorized by the City Council to undertake the action referenced herein (the “City Representative”). The City Inspector and/or City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the City Inspector and/or City Representative in conducting each such review and to provide the City Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the City Inspector and/or City Representative to conclude each such review. Within fifteen (15) business days of receipt of any Certification for Payment, the City Inspector shall either (i) approve and execute the Certification for Payment and forward the same to City Representative for approval (A) as an additional principal amount of the Reimbursement Amount for payment from those funds available in the Improvement Area #3 Assessment Fund in accordance with this Reimbursement Agreement, or, (B) if Future Improvement Area #3 Bonds have been issued by the City, the City Representative shall forward the Certification for Payment to the Trustee for payment pursuant to the related Indenture, or (ii) in the event the City Inspector disapproves the Certification for Payment, give written notification to the Developer of the City Inspector’s disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the City Inspector shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the City Representative for approval in accordance with this Section 24, and any such partial work shall be processed for payment under this Section 24, notwithstanding such partial denial. If the City Inspector fails to act with respect to a Certification for Payment within the time period herein provided, the Developer shall submit the Certification for Payment directly to the City Representative for approval. Within five (5) business days of receipt of any Certification for Payment, the City Representative shall approve or deny the Certification for Payment, and provide notice to the Administrator and Developer. The approval of the Certification for Payment by the City Representative shall constitute a representation by the City Representative of the Developer’s compliance therein. If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for

denial. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the City Representative or the Trustee, if applicable, for payment until the dispute is resolved by the City and the Developer. The Developer shall deliver the approved or partially approved Certification for Payment by the City Representative as provided herein, or approved by the City Council, to the City Representative for payment from the Improvement Area #3 Assessment Fund in accordance with this Reimbursement Agreement; provided, however, if Future Improvement Area #3 Bonds have been issued, the City Representative shall provide the Certification for Payment to the Trustee for payment in accordance with the related Indenture.

25. The amount of a Certification for Payment approved by the City constituting a portion of the Reimbursement Amount shall accrue interest at the per annum rates set forth in Section 2 hereof from the date of approval by the City Representative of the Certification for Payment.
26. Upon the final completion of an Improvement Area #3 Improvement (or its completed segment or phase thereof) and payment of all outstanding invoices for such Improvement Area #3 Improvement, if the actual cost(s) of such Improvement Area #3 Improvement (or its completed segment or phase thereof) is less than the budgeted cost(s) (a "Cost Underrun"), any remaining budgeted cost(s) will be available to pay cost overruns ("Cost Overruns") on any other Improvement Area #3 Improvement (or its completed segment or phase thereof). The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, and the 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 Improvement Area #3 Improvements. Any Cost Underrun for any Improvement Area #3 Improvement (or its completed segment or phase thereof) is available to pay Cost Overruns on any other Improvement Area #3 Improvement (or its completed segment or phase thereof), and may be added to the amount approved for payment in any Certification for Payment, as agreed to by the Developer, the Administrator, and the City Representative.
27. The Developer hereby verifies that it and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Reimbursement Agreement is a contract for goods or services, will not boycott Israel during the term of this Reimbursement 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.

28. The Developer hereby represents that neither it nor any of its parent companies, 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.
29. 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.
30. 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,

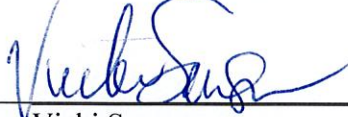
- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

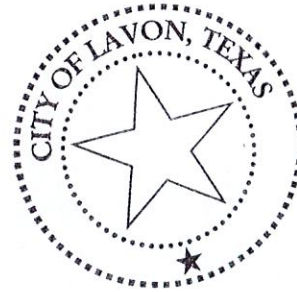
The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm 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.

[SIGNATURE PAGES TO FOLLOW]


Executed by Developer and City to be effective on the Effective Date.

**CITY OF LAVON, TEXAS**

By:   
Name: Vicki Sanson  
Title: Mayor



ATTEST:

  
Name: Rae Norton  
Title: City Secretary

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[Signature Page for LakePointe PID Improvement Area #3 Reimbursement Agreement]

**DEVELOPER:**

Lavon LakePointe Development, LLC,  
a Texas limited liability company

By: 

Name: Steven H. Lenart

Its: Manager

[Signature Page for LakePointe PID Improvement Area #3 Reimbursement Agreement]

LakePointe PID Improvement Area #3 Reimbursement Agreement

## Exhibit A

### SUBSTANTIAL FORM OF CERTIFICATION FOR PAYMENT

The undersigned is an agent for Lavon LakePointe Development, LLC, a Texas limited liability (the “Developer”) and requests payment from the Improvement Area #3 Assessment Fund (as defined in the LakePointe Public Improvement District Improvement Area #3 Reimbursement Agreement) from the City of Lavon, Texas (the “City”) in the amount of \$ \_\_\_\_\_ for labor, materials, fees, and/or other general costs related to the construction of certain Improvement Area #3 Improvements related to the LakePointe Public Improvement District (the “Improvement Area #3 Improvements”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the LakePointe Public Improvement District Improvement Area #3 Reimbursement Agreement (the “IA #3 Reimbursement Agreement”) dated September 6, 2022.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Improvement Area #3 Improvements have not been the subject of any prior payment request submitted to the City or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Improvement Area #3 Improvements below is a true and accurate representation of the costs associated with the creation, acquisition, or construction of said Improvement Area #3 Improvement, and such costs are in compliance with the IA #3 Reimbursement Agreement and the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the IA #3 Reimbursement Agreement, the Development Agreement and the Service and Assessment Plan.
5. All conditions set forth in the IA #3 Reimbursement Agreement, and the Development Agreement for the payment hereby requested have been satisfied.
6. The work with respect to the Improvement Area #3 Improvement referenced below (or its completed segment) has been completed and the City may begin inspection of the Improvement Area #3 Improvement.
7. 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 should include the following:

Payee / Description of Improvement Area #3 Improvement	Total Cost of Improvement Area #3 Improvement	Budgeted Cost of Improvement Area #3 Improvement	Amount to be paid from the Improvement Area #3 Assessment Fund

Attached hereto are 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 evidencing that any contractor or subcontractor having performed work on an Improvement Area #3 Project described above has been paid in full for all work completed through the previous Certification for Payment.

Pursuant to the IA #3 Reimbursement Agreement, after receiving this payment request, the City Inspector has inspected the Improvement Area #3 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.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment instructions

I hereby declare that the above representations and warranties are true and correct.

Dated: \_\_\_\_\_.

**DEVELOPER:**

Lavon LakePointe Development, LLC,  
a Texas limited liability company

By: \_\_\_\_\_  
Name: Steven H. Lenart  
Its: Manager

LakePointe PID Improvement Area #3 Reimbursement Agreement



### **APPROVAL OF REQUEST BY CITY**

The City is in receipt of the attached Certification for Payment, acknowledges the Certification for Payment, and finds the Certification for Payment to be in order. After reviewing the Certification for Payment, the City approves the Certification for Payment. The City [authorizes the amount of this Certification for Payment ][to be added to the principal amount of the Reimbursement Amount pursuant to the IA #3 Reimbursement Agreement][authorizes and directs the amount of this Certification for Payment to be paid by Trustee from the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment]. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Reimbursement Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Improvement Area #3 Improvements.

### **CITY OF LAVON, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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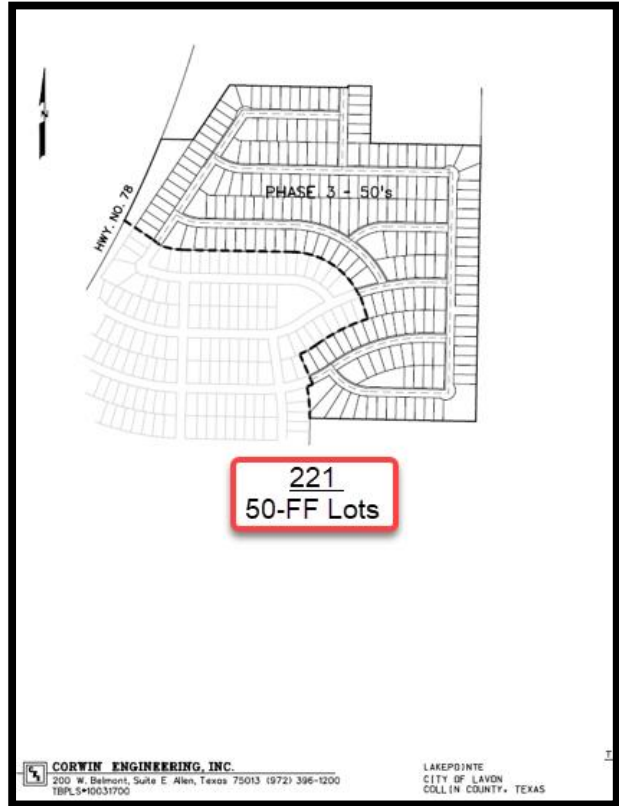
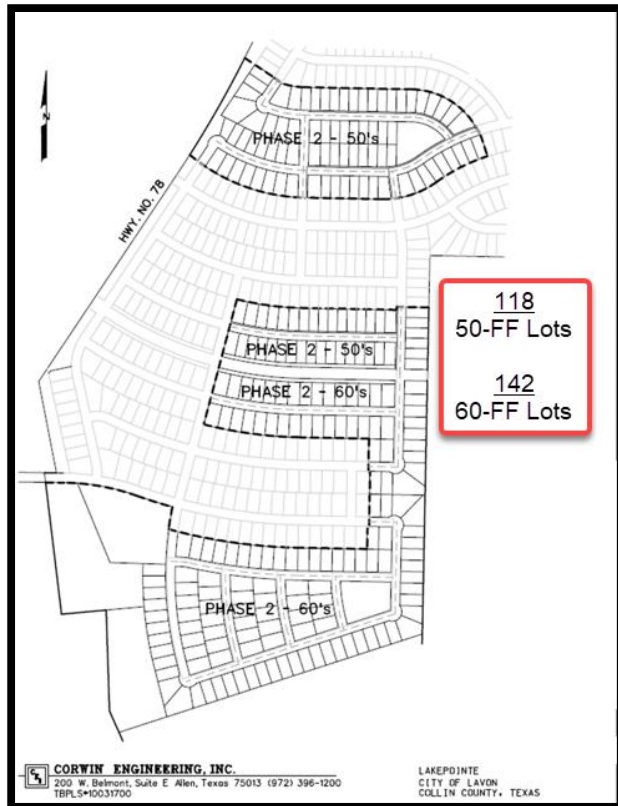
## APPENDIX H

### APPRAISAL

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# Appraisal Report

PROJECT # A22-0713-01



**LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT (IA#2 AND IA#3)  
431 IMPROVED LOTS AND 50 IMPROVED RESIDENCES  
IN A MASTER-PLANNED RESIDENTIAL COMMUNITY  
LAVON, TX 75166**

**CITY OF LAVON  
120 SCHOOL RD.  
LAVON, TEXAS 75166**

**FMSBONDS, INC.  
5 COWBOYS WAY, STE. 300-25  
FRISCO, TEXAS 75034**

**EFFECTIVE DATE OF APPRAISAL:  
OCTOBER 23, 2022 (IMPROVEMENT AREA #2)  
APRIL 1, 2023 (IMPROVEMENT AREA #3)**

**PREPARED BY:  
JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER  
AND SHERIDAN ENGEL, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER, OF:**

**PEYCO SOUTHWEST REALTY, INC.  
1703 NORTH PEYCO DRIVE  
ARLINGTON, TEXAS 76001**

**October 31, 2022**

**Ms. Kim Dobbs**  
City Administrator  
City of Lavon  
120 School Road  
Lavon, TX 75166  
kdobbs@lavontx.gov

**Mr. R.R “Tripp” Davenport, III**  
Director  
FMSbonds, Inc  
5 Cowboys Way, Ste. 300-25  
Frisco, TX 75034  
tdavenport@fmsbonds.com

SUBJECT:     Market Value “As-Is” and “Upon Completion” Appraisal  
                  Lavon Public Improvement District Improvement Areas #2 & #3  
                  Lavon, Collin County, Texas 75166

Ms. Dobbs and Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of market value of the fee simple interest of Improvement Areas #2 and #3 in the LakePointe Public Improvement District (“LakePointe PID IA#2 and IA#3”) which consists of the following:

- Market Value “As-Is” of Improvement Area #2 – **210 improved residential lots and 50 improved residences as of October 23, 2022**, on 74.979 acres. The improved lots consist of **76 vacant developed lots with 50-foot frontages (FF) and 134 vacant developed lots with 60-foot frontages (FF)**. The residences are completed as of the effective date and have an **average size of 2,383-SF**.
- Prospective Market Value “Upon Completion” of **221 residential improved lots as of April 1, 2023**, on 44.633 acres. The improved lots consist of **221 lots with 50-foot frontages (FF)**.

The clients for the assignment are the City of Lavon and FMSbonds, Inc. The intended use is underwriting of a proposed PID bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City of Lavon or Collin County, nor is it the basis of a determination of the benefit any constructed or installed public improvements will have on properties within the LakePointe PID.

Per the Preliminary Service and Assessment Plan (PSAP) distributed by P3 Works, the LakePointe PID is approximately 173.037 contiguous acres and a final build-out of 704 homes. The subject property of our report – the LakePointe Public Improvement District Improvement Areas #2 & #3 – has a total size of 119.612 acres and a final build-out of 481 homes. Both the subject property and larger LakePointe development are in the City of Lavon, Collin County, Texas. The owner/developer (LDC Lavon, LLC and Lavon LakePointe Development, LLC) and the City of Lavon have set up a PID to reimburse the owner for the cost of public improvements.

Improvement Area #2 contains 118 – 50-FF lots and 142 – 60-FF lots. Construction on the 260 improved residential lots in Improvement Area #2 was completed in 4Q2021 with final plats recorded for the 260 improved lots in December 2021. Vertical construction by the homebuilders in IA#2 is now underway and **fifty (50) homes** have been completed with Certificates of Occupancy granted by the City of Lavon. Since these residences have

LakePointe Public Improvement District – IA#2 & IA#3

vertical as well as horizontal construction complete, we have valued each completed residence based on recent residential sales in LakePointe in the past 60 days. Since 50 of the 260 improved lots in IA#2 have vertical construction in place, we have valued the 210 improved vacant developed lots (which consists of 76 – 50-FF lots and 134 – 60-FF lots) as well as the 50 completed residential homes. Since Substantial Completion on the entirety of IA#2 is complete, our date of valuation for both the improved lots and the improved residences is the date of our most recent site visit – October 23, 2022.

Improvement Area #3 contains 221 – 50-FF lots. Horizontal construction by the developer on Improvement Area #3 is in progress and Substantial Construction Completion is expected by the end of the 1Q2023, so our effective date is the next full month – April 1, 2023.

Each of the 50-foot frontage lot types on the subject property will have a minimum of 6,000-square feet (SF) lot size and each of the 60-foot frontage lot types will have a minimum lot size of 7,200-SF. For shorthand we will often refer to 50-foot frontage lots as “50’s,” or “50-FF”, and the 60-foot frontage lots as “60’s,” or “60-FF”, which is typical in residential land development.

At Substantial Completion (which IA#2 has attained), the subject property is expected to consist of the infrastructure necessary to provide residential streets, drainage, and utilities to the individual lots within Improvement Areas #2 and #3 of the LakePointe PID. The entire LakePointe PID is governed by a development agreement with the City of Lavon (dated March 19, 2019) and is zoned by the City of Lavon, each of which allows detached single-family residential development. Each of the residential lots are designed for front-access and have mandatory Homeowner’s Association membership.

The 260 individual lots within Improvement Area #2 of the development were purchased by Bluehaven Homes on December 17, 2021. A number of those lots have since been resold to Trophy Signature Homes and Christie Homes with Bluehaven Homes retaining the majority of lots. The land within Improvement Area #3 of the development is owned by Lavon LakePointe Development LLC which is an affiliate of the developer, Lenart Development Company, who developed the entire LakePointe community beginning in 2019.

Following is a discussion of Extraordinary Assumptions and Hypothetical Conditions utilized in this appraisal.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

- Our opinions of prospective market value at completion for Improvement Area #3 assumes that the proposed improvements are completed in accordance with plans and specifications provided by the Preliminary Service and Assessment Plan (PSAP) published by P3 Works, the development agreement between the City of Lavon and the developer owner (LDC Lavon, LLC and Lavon LakePointe Development, LLC) and the engineering plans published by Corwin Engineering, Inc. as of April 1, 2023, for 221 improved residential lots in Improvement Area #3 of the LakePointe PID.
- All information relative to the property located within the LakePointe PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by FMSbonds, LDC Lavon, LLC and Lavon LakePointe Development, LLC (owner/developer), Corwin Engineering, Inc. (professional engineers), the City of Lavon, Collin County, and the Collin Central Appraisal District is assumed to be correct.
- Part of the subject property (Improvement Area #3) is proposed residential lot construction with an expected Substantial Completion date of the first quarter of 2023; therefore, this report contains a prospective opinion of value. Considering this, 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 global events that alter market conditions prior to the prospective effective dates.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **hypothetical conditions** that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.



LakePointe Public Improvement District – IA#2 & IA#3

Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions, extraordinary assumptions, and hypothetical condition expressed in the report, our opinion of the cumulative retail lot value as of the effective dates of the appraisal is as follows:

LakePointe PID - Improvement Area #2 & #3						
Improvement Area	Total Lots	Feet Frontage (FF)	Retail Price/Lot on Oct. 23, 2022	Retail Price/Lot on Apr. 1, 2023	Price/FF (\$/FF)	Total Retail Value (\$)
2	76	50	\$82,500	-	\$1650/FF	\$6,270,000
2	134	60	\$99,000	-	\$1650/FF	\$13,266,000
3	221	50	-	\$85,388	\$1708/FF	\$18,870,638
						<b>\$38,406,638</b>

In addition, the 50 completed residences have an average value of \$426,000 and a cumulative value of \$21,300,000. After considering a bulk-sale on the vacant developed lots in Improvement Area #2, the overall value of the improved residences in Improvement Area #2, and discounted cash flows in Improvement Area #3 (which simulates a bulk-sale), our final market value conclusions are:

FINAL MARKET VALUE CONCLUSION	
<i>Fee Simple Interest as of October 23, 2022</i>	
<b>LakePointe PID - Improvement Area #2</b> <i>210 Improved Lots</i>	<b>\$17,600,000 (\$83,810/Lot)</b>
<b>LakePointe PID - Improvement Area #2</b> <i>50 Improved Residences</i>	<b>\$21,300,000 (\$426,000/Home)</b>
<i>Fee Simple Interest as of April 1, 2023</i>	
<b>LakePointe PID - Improvement Area #3</b> <i>221 Improved Lots</i>	<b>\$17,000,000 (\$76,923/Lot)</b>

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusions. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty



James L. Maibach, C.P.M.  
TX-1323658  
State Certified General Real Estate Appraiser



Sheridan Engel  
TX-1381232  
State Certified General Real Estate Appraiser

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## EXECUTIVE SUMMARY

Subject Property	
<b>Property Name</b>	Lavon Public Improvement District – Improvement Areas #2 & #3
<b>Property Type</b>	Master-Planned Residential Community
<b>Location</b>	East Side of SH 78, South of FM 6, Northeast of Downtown Lavon
<b>Town, County, State, Zip</b>	City of Lavon, Collin County, TX 75068
<b>Legal Descriptions</b>	Multiple (261 Separate Tracts)
<b>Owner of Record</b>	<ul style="list-style-type: none"> <li>Improvement Area #2 – Bluehaven Homes LakePointe LLC; JTM Acquisitions, Inc.; TSHH LLC</li> <li>Improvements Area #3 – Lavon LakePointe Development LLC</li> </ul>
<b>Census Tract</b>	0312.01
<b>Tax ID – Collin Central Appraisal District</b>	Multiple (261 Separate Tracts)
<b>Land Area</b>	Improvement Area #2: 74.979 Acres (3,266,085 Square Feet) Improvement Area #3: 44.633 Acres (1,944,213 Square Feet)
<b>Total Lots</b>	260 in Improvement Area #2: <b>50'</b> (118 total) <i>and</i> <b>60'</b> (142 total) <ul style="list-style-type: none"> <li>50 lots in IA#2 have completed residences, 76 total <b>50' lots</b> and 134 total <b>60' lots</b> remain</li> </ul> 221 in Improvement Area #3: <b>50'</b> (221 total)
<b>Topography</b>	Gently Sloping
<b>FEMA Flood Zones FEMA Panel</b>	100% Zone X (Minimal Chance Flood Hazard) 48085C0445J (Effective 6/2/2009)
<b>Utilities</b>	
<b>Water</b>	Bear Creek Special Utility District
<b>Sewer</b>	City of Lavon
<b>Electric</b>	Oncor
<b>Natural Gas</b>	Atmos
<b>Zoning (City of Lavon)</b>	“PD-SF” – Planned Development for Single-Family Residential Uses
<b>Future Land Use</b>	Single-Family Residential Subdivision
<b>Highest &amp; Best Use</b>	Single-Family Residential Subdivision
<b>Final Value Conclusion</b>	<ul style="list-style-type: none"> <li><b>Improvement Area #2: <u>\$38,900,000</u> (combining improved residences, 60-FF lots, and 50-FF lots) as of October 23, 2022</b></li> <li><b>Improvement Area #3: <u>\$17,000,000</u> (\$76,923/Lot for 50-FF lots) as of April 1, 2023</b></li> </ul>
<b>Exposure Period</b>	6-12 Months
<b>Marketing Period</b>	6-12 Months
<b>Date of Inspection</b>	October 23, 2022
<b>Date of Valuation</b>	October 23, 2022 (IA#2) and April 1, 2023 (IA#3)
<b>Report Date</b>	October 31, 2022

## **CERTIFICATION**

We certify that, to the best of our knowledge and belief...

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, opinions and conclusions.
- (3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.
- (4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- (7) James L. Maibach and Sheridan Engel have inspected the subject property. The values herein were developed and reported by James L. Maibach, CPM. and Sheridan Engel.
- (8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.
- (9) None of the signatories have previously performed services as an appraiser or in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.



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*James L. Maibach, C.P.M.*  
*TX-1323658*  
*State Certified General Real Estate Appraiser*



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*Sheridan Engel*  
*TX-1381232*  
*State Certified General Real Estate Appraiser*

## **SCOPE OF WORK**

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as “the type and extent of research and analyses in an assignment.” Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

The problems to be solved are:

- Determine the Current Market Value “As-Is” for **210 improved lots** in Improvement Area #2 of the LakePointe PID as of October 23, 2022, and the 50 improved residences as of the most recent date of our site visit which includes the following lot count and lot mix: **76 – 50-FF lots, 134 – 60-FF lots, and 50 completed residences with average gross building area (GBA) size of 2,383-SF** which are set on 42 – 50-FF lots and 8 – 60-FF lots
- Determine the Prospective Market Value “Upon Completion” for **221 improved 50-FF lots** in the LakePointe PID Improvement Area #3 as of April 1, 2023 (following expected Substantial Completion)

The definition of market value<sup>1</sup> utilized herein is as follows:

**Market Value** is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>2</sup>

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and

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<sup>1</sup> The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

This Appraisal Report summarizes all pertinent data, descriptions, and discussions germane to the appraisal of the subject of this report. This appraisal included an inspection of the subject property and comparable sales and an analysis of the surrounding neighborhood with recognition of existing and future trends. Empirical information relative to the market was gathered from reliable sources, including, but not limited to various federal governmental agencies, the North Texas Real Estate Information System (NTREIS), CoStar, the Texas A&M Real Estate Research Center, and Zonda (formerly Metrostudy). Data was also gathered from various sources, including review of county deed records, various industry specific databases, as well as public domain databases, and conversations with residential developers and homebuilders throughout the Dallas-Fort Worth Metroplex and specifically Collin County. The appraisers also reviewed information pertaining to the development, such as:

- The subject property address and salient facts
- Flood plain maps
- Topographic Maps
- Development Agreement between the City of Lavon, LDC Lavon, LLC, and Lavon LakePointe Development, LLC
- City of Lavon Land Use Plans and Zoning Maps
- Planned Development Ordinance (2019-07-04)
- PID exhibits and Budgeted Costs – Corwin Engineering, Inc.
- Preliminary Service and Assessment Plan from P3 Works
- Contracts between Lavon LakePointe Development, LLC (Seller) and Bluehaven Homes LakePointe, LLC (Purchaser)
- Comparable improved residential sales within the LakePointe PID development (NTREIS)

## **VALUATION METHODOLOGY**

Three approaches to value are typically considered when developing a market value opinion for real property: the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach,.

### **Residential Subdivision (431 Improved Residential Lots)**

#### ***Cost Approach***

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer and compared to cost figures on competing developments. Developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. Since the subject property has had multiple phases developed in previous years and much of the major improvements are in-place, *the Cost Approach is not the most appropriate and thus was not utilized.*

### ***Income (Subdivision Development) Approach***

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner is exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6% so the lots are not released in bulk to the home builders. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow (DCF) analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since one of the problems to be solved in this appraisal is to determine the bulk sale value 221 proposed improved lots in Improvement Area #3 “Upon Completion” as of April 1, 2023, *the Income (Subdivision Development) Approach is the most appropriate and was developed for Improvement Area #3.*

*Since Improvement Area #2 had lots sold in a bulk-sale scenario in December 2021, the Income (Subdivision Development) Approach was not relevant to those lots, and it was not development for Improvement Area #2.*

### ***Sales Comparison Approach***

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer can be difficult, perhaps impossible. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics.

*The Sales Comparison Approach was the most appropriate approach for determining the market value of the improved lots in Improvement Area #2 – which were sold in a bulk-sale transaction and were not subject to discounted cash flows. Since data on highly similar bulk sales to a single purchaser is difficult find and verify, we estimated the retail value of the lots by comparing the subject to other improved lot sales in the vicinity to determine the retail lot value of a single-lot, or small group of lots – we were able to utilize these retail lot values in the Income Approach for IA#3 in the DCF analysis as well. After determining the retail value of the lots in Improvement Area #2, we then applied a discount factor to determine the market value of the lots in a bulk-sale scenario. We determined the discount factor after interviewing developers and homebuilders and reviewing bulk-sale discounts for residential lots across the Metroplex.*

## **50 Improved Residences in Improvement Area #2**

Within Improvement Area #2, at least 50 residences have been constructed (and most have been sold to end-users) which is confirmed by the certificates of occupancy (CO) provided by the City of Lavon. In addition, the appraisers confirmed the residences are complete via visual exterior inspection on October 23, 2022. There are likely up to a dozen more improvements that are nearing completion, however, these 50 were confirmed by Roy Magno of T. Wilson and via on-site visit on the effective date.

In valuing the single-family residences, we reviewed the 3 approaches to value and concluded that the Cost Approach and the Income Approach to value would not be relevant to the valuation of residential properties as these approaches are rarely utilized in residential valuation. The only credible method of valuation for the improved residences is through sales comparison. We reviewed the NTREIS residential multiple listing service in DFW for recent sales within the LakePointe community. We found there were 12 sales in LakePointe that closed within the 60 days prior to the effective date. Four sales were for homes much larger than any of the 50 improved residences we are valuing so we did not utilize those home sales. We noted that market conditions for single-family residences have slowed in 2022 but has been relatively consistent in the past two months. We selected the best eight comparable sales and determined the average price per square foot of the improved residences then utilized that value in determining the market value of the 50 improved residences.

Use of the approaches for the valuation of the improved lots in LakePointe PID IA#2 & IA#3 is summarized as follows:

<b><i>Approach</i></b>	<b><i>Applicability to Subject</i></b>	<b><i>Use in Assignment</i></b>
<b>Cost Approach</b>	<i>Not Appropriate Since Much of the LakePointe development is Built-Out</i>	<i>Not Utilized</i>
<b>Income (Subdivision Development) Approach</b>	<i>Appropriate in Determining Market Value for Improvement Area #3 which is Under Construction</i>	<i>Utilized</i>
<b>Sales Comparison Approach</b>	<i>Appropriate in Determining Market Value for Improvement Area #2 which has Sold Lots in Bulk-Sale Scenario as well as Improved Residences which are Best Determined Using Sales Comparison Approach to Value</i>	<i>Utilized</i>



## **COMPETENCY OF THE APPRAISER**

James L. Maibach, CPM is a Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.0 million SF of which 70% is industrial warehouse, 20% is Class B and C office and 10% in retail product in Tarrant, Johnson, Ellis, and Dallas Counties. Sheridan Engel is also a State Certified General Real Estate Appraiser who has been at Peyco for three years and has assisted in the analysis and appraisal of numerous properties similar to the subject. Attention is invited to the qualifications of each individual, which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. The subject is located in the City of Lavon, Collin County, Texas. The primary appraiser currently owns, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties.

## **INTENDED USE AND USERS**

The intended use of the appraisal is to estimate the prospective market value upon completion for the underwriting of a proposed Public Improvement District bond transaction. The client and intended users are the City of Lavon and FMSbonds, Inc. The appraisal is not intended for any other use or user. No party or parties other than the City of Lavon and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; provided that it is acknowledged that this appraisal will be used in a limited offering memorandum for public improvement district bonds. The Client may, without Appraiser's prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

## **DATE OF THE APPRAISAL REPORT**

The preparation of this Appraisal Report was completed on **October 31, 2022**. James L. Maibach and Sheridan Engel most recently inspected the subject property on October 23, 2022.

## **EFFECTIVE DATES OF THE APPRAISAL**

The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of the following dates:

- **October 23, 2022, for Improvement Area #2** which is the date of our site visit. Improvement Area #2 has Substantial Construction on the lots complete and dozens of lots are currently being improved with single-family residences.
- **April 1, 2023, for Improvement Area #3** which is the first full month following the expected date of Substantial Construction completion expected by the end of 1Q2023.

## **ASSIGNMENT CONDITIONS**

Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the "Assumptions and Limiting Conditions". There are no other material and specific hypothetical conditions or extraordinary assumptions other than those referenced in this report.

## **PROPERTY RIGHTS APPRAISED**

The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

## **ASSETS APPRAISED**

The assets appraised in this appraisal assignment include land, any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights or business value was included in the valuation process.

## **ENVIRONMENTAL CONDITIONS**

No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain status of the property regarding asbestos and other hazardous materials.

## **HISTORY OF SUBJECT PROPERTY**

The subject property was developed by Lavon LakePointe Development, LLC and LDC Lavon, LLC which are both affiliates of Lenart Development Company. The owner/developer purchased the property on August 20, 2018, from the Arnold Living Trust for a sale price of \$4,720,445 (\$23,500/Acre, \$0.54/SF), via deed instrument #20180821001049570, for 200.9089 acres that fully contains the subject property (Improvement Areas #2 and #3) of the LakePointe PID. The developer entered into a development agreement with the City of Lavon to develop approximately 700 lots north of Downtown Lavon in 2019.

Lavon LakePointe Development, LLC is the owner of the 44.633 acres in Improvement Area #3 that is under construction. Lavon LakePointe Development, LLC and LDC Lavon, LLC developed the improved lots in Improvement Area #2 and sold them to Bluehaven Homes LakePointe, LLC in a bulk-sale transaction on December 17, 2021, via General Warranty Deed (#20211221002562530), according to Collin County deed records. The transfer included a promissory note for \$10,000,000. According to contracts we reviewed, the base price for each of the 118 50-FF lots was \$52,500 (\$1,050/FF) and the base price for each of the 142 60-FF lot was \$60,500 (\$1,008/FF) which totals **\$14,786,000**. The contract for Phase 3 (Improvement Area #3) has a base price of \$54,000 (\$1,080/FF) for each of the 221 50-FF lots (**\$11,934,000**).

We are unaware of any other attempts to sell the subject property as of the report date other than the pending contracts in place for improved lots.

## **LEGAL DESCRIPTION – IMPROVEMENT AREA #3**

Complete legal descriptions for both Improvement Areas #2 and #3 are located in the Addenda. Improvement Area #2 has been platted and the lots have been sold off, as of our effective date. Improvement Area #3 is under construction and is currently is legally described as ABS A0740 S M Rainer Survey, Sheet 1, Tract 165, 44.633 Acres.

## **PENDING TRANSACTIONS TO BUILDERS**

The developer of the LakePointe PID – Lavon LakePointe Development, LLC – sold all lots in Improvement Area #2 to Bluehaven Homes LakePointe, LLC in a bulk-sale transaction. The base price for each of the 118 50-FF lots was \$52,500 (\$1,050/FF) and the base price for each of the 142 60-FF lot was \$60,500 (\$1,008/FF) which totals **\$14,786,000**. This contract is dated January 14, 2021.

Bluehaven Homes LakePointe, LLC resold 50 of lots it acquired in IA#2 to JTM Acquisitions, Inc. which is an affiliate of Christie Homes. We were not provided information on the consideration paid for those lots but the deed date of that was sale was December 21, 2021.

Bluehaven Homes LakePointe, LLC resold 91 of lots it acquired in IA#2 to TSHH, LLC which is an affiliate of Trophy Signature Homes. We were not provided information on the consideration paid for those lots. The deed dates of those sales were January 7, March 4, March 30, and June 23, 2022.

Lavon LakePointe Development, LLC is also under contract to sell the 221 lots in Improvement Area #3 to Bluehaven Homes LakePointe, LLC in a bulk-sale transaction. The base price for the lots in IA#3 is set at \$54,000 (\$1,080/FF) for each of the 221 50-FF lots (**\$11,934,000**). This is the same contract as IA#2 and is dated January 14, 2021.

Since the improved lot market has increased significantly in the past two years due to strong demand for new construction homes in suburban and quasi-rural communities in addition to rising development costs, the price for vacant developed lots has increased significantly. These contracted base lot prices are now well-below market for improved lots in DFW.

### **Real Estate Taxes - Collin County Appraisal District**

Real estate tax assessments are administered by the Collin Central Appraisal District and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate. Real estate taxes and assessments for the most recent tax year are shown in the following table which include taxes/assessments due in 2022 to Community ISD, the City of Lavon, and Collin County. The current combined tax rate for those tracts in Community ISD is 2.188565 per \$100 assessed.

Because the lots in Improvement Area #2 have been subdivided into 260 residential lots, there are a corresponding number of tax records for each of those lots so we will not report the assessment total of each lot. In reviewing Collin CAD records, the individual lots in Improvement Area #2 have assessed values between \$50,000 and \$78,660. This is below current market values for improved developed lots.

Collin CAD has valued the 44.633 acres of land (ID# for Improvement Area #3 at **\$5,832,640 (\$130,680/AC, \$3.00/SF)**. The land areas represented by Collin CAD are not necessarily accurate but this appears close to market value for an entitled property in Collin County with access to nearby utilities like the subject property.

When Substantial Construction is complete on Improvement Area #3, the appraised value is expected to increase significantly; however, based on our company's experience as tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by tax districts at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

The table below shows the tax rates for the subject property. Taxes are due to Community ISD, City of Lavon, Collin College, and Collin County. The effect of rollback taxes (if any) and the tax rate equivalent (TRE) of the public improvement district are not reflected in the tables below.

<b>Entity</b>	<b>Tax Rate</b>
Community ISD	1.460300
City of Lavon	0.478956
Collin College	0.081222
Collin County	0.168087
<b>Total</b>	<b>2.188565</b>

*Note: the Collin Central Appraisal District utilize an ad-valorem "mass appraisal" technique for tax assessment valuation. Mass appraisal is defined as the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing. This method of analysis is based on, but not necessarily equivalent to, its market value. Tax assessment is utilized for the equitable distribution of the tax burden throughout the district, and it is not for developing individual opinions of value for specific properties for use outside of ad valorem taxation.*

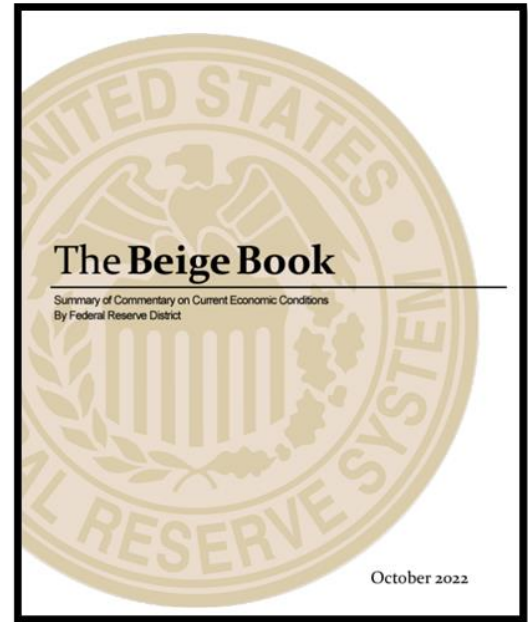
## **MARKET OVERVIEW**

### **ECONOMIC INDICATORS: BEIGE BOOK FEDERAL RESERVE BANK (OCTOBER 19, 2022)**

Due to the subject's location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book.

#### **HIGHLIGHTS FROM OCTOBER BEIGE BOOK:**

- **Businesses have gloomy expectations for the economy going into next year**
- **Prices remain stubbornly high, but the increases are starting to plateau, driven by lower commodity costs**
- **Pricing power looks like it will continue to be a key determinant of winners and losers until inflation is under control**
- **Retailers are increasingly seeing customers move to lower-priced options as they balk at higher prices**



Excerpts from the most recent Beige Book are presented below:

#### **National Summary**

*National economic activity expanded modestly on net since the previous report; however, conditions varied across industries and Districts. Four Districts noted flat activity and two cited declines, with slowing or weak demand attributed to higher interest rates, inflation, and supply disruptions. Retail spending was relatively flat, reflecting lower discretionary spending, and auto dealers noted sustained sluggishness in sales stemming from limited inventories, high vehicle prices, and rising interest rates. Travel and tourist activity rose strongly, boosted by continued strength in leisure activity and a pickup in business travel. Manufacturing activity held steady or expanded in most Districts in part due to easing in supply chain disruptions, though there were a few reports of output declines. Demand for nonfinancial services rose. Activity in transportation services was mixed, as port activity increased strongly whereas reports of trucking and freight demand were mixed. Rising mortgage rates and elevated house prices further weakened single-family starts and sales, but helped buoy apartment leasing and rents, which generally remained high. Commercial real estate slowed in both construction and sales amid supply shortages and elevated construction and borrowing costs, and there were scattered reports of declining property prices. Industrial leasing remained robust, while office demand was tepid. Bankers in most reporting Districts cited declines in loan volumes, partly a result of shrinking residential real estate lending. Energy activity expanded moderately, whereas agriculture reports were mixed, as drought conditions and high input costs remained a challenge. Outlooks grew more pessimistic amidst growing concerns about weakening demand.*

#### **Labor Markets**

*Employment continued to rise at a modest to moderate pace in most Districts. Several Districts reported a cooling in labor demand, with some noting that businesses were hesitant to add to payrolls amid increased concerns of an economic downturn. There were also scattered mentions of hiring freezes. Overall labor market conditions remained tight, though half of Districts noted some easing of hiring and/or retention difficulties. Competition for workers has led to some labor poaching by competitors or competing industries able to offer higher pay. Wage growth remained widespread, though an easing was reported in several Districts. Some businesses said elevated*

*inflation and higher costs of living were pushing wages up, coupled with upward pressure from labor market tightness. Contacts expect wage growth to continue as higher pay remains essential for retaining talent in the current environment.*

### **Prices**

*Price growth remained elevated, though some easing was noted across several Districts. Significant input price increases were reported in a variety of industries, though some declines in commodity, fuel, and freight costs were noted. Growth in selling prices was mixed, with stronger increases reported by some Districts and a moderation seen in others. Some contacts noted solid pricing power over the past six weeks, while others said cost passthrough was becoming more difficult as customers push back. Looking ahead, expectations were for price increases to generally moderate.*

## **ELEVENTH DISTRICT**

### **FEDERAL RESERVE BANK OF DALLAS – OCTOBER 19, 2022**

### **Summary**

*Growth in the Eleventh District economy continued at a modest pace overall. Expansion in manufacturing activity picked up a bit while service sector expansion eased slightly. Retail and home sales fell. Loan demand declined for the first time in nearly two years, amid rising interest rates. The energy sector continued to expand but growth was constrained by equipment and labor shortages. Local nonprofits reported increased demand for assistance as household costs rose. Drought conditions eased but the relief came too late in the growing season for row crop producers. Solid employment growth continued, though some contacts reported a hiring slowdown. Wage growth remained elevated but eased slightly. Selling price growth eased slightly as well, amid reports of greater difficulty passing on cost increases to customers. Outlooks were generally pessimistic outside of the energy industry, and uncertainty remained elevated. Contacts primarily voiced concern about inflation, labor shortages, and weakening demand.*

### **Labor Markets**

*Solid employment growth continued, with a slight pickup seen in the energy sector. There were, however, scattered reports of a slowdown in hiring amid weaker demand and recession fears. Labor markets nevertheless remained quite tight. Commercial truck and bus drivers were in very short supply, as were healthcare workers. Several contacts noted an inability to find skilled tradespeople. Industries that require onsite work were having difficulty competing for workers with industries that can offer remote work and flexible hours. Some employers have rebranded undesirable positions to attract workers. A few contacts noted a higher degree of apathy among workers towards attendance and work quality. Some contacts said their growth plans were being constrained by an inability to bring on and retain sufficient staff. Among 384 Texas business executives responding to a Dallas Fed September survey, nearly half cited labor shortages as a primary concern around their firm's outlook.*

*Wage growth eased slightly but remained high. Employees continued to demand higher pay, and companies responded in an effort to recruit and retain employees. Some contacts noted losing employees to competitors or other industries offering higher pay. A staffing firm said they were seeing a lot of workers switching jobs to attain higher wages.*

### **Prices**

*Input costs continued to climb at about the same elevated pace as during the prior period, while growth in selling prices continued to ease. Manufacturers reported higher raw materials prices driven by supply-chain constraints, particularly from overseas suppliers. Services firms commented that the ripple effect of inflation was a challenge, and numerous contacts noted greater difficulty passing on cost increases to customers. A restaurant said their biggest concern was customer pushback on menu price increases. Retailers also said customers were starting to push back on pricing. Fuel prices moved lower over the past six weeks, but airlines noted increases in ticket prices amid solid demand and higher labor and non-fuel costs.*

### **Nonfinancial Services**

*Service sector activity expanded at a more modest pace during the reporting period. Revenue growth was broad based, though some contacts noted weaker demand. Transportation services firms reported higher cargo volumes and ridership. Airlines noted unseasonably strong leisure travel in the third quarter. Staffing services firms reported strong demand, with increases in requests for both low and high-skill workers. However, several contacts noted a pullback in customer activity amid recession worries. Service sector outlooks were largely unchanged overall.*

### **Construction and Real Estate**

*Activity in the housing market remained weak. Sales slipped further and contract cancellations were highly elevated in part due to rising mortgage rates pricing more buyers out of the market. Buyer incentives increased, putting downward pressure on home prices and builders' margins. Outlooks worsened, with contacts expecting further deterioration in sales and starts. Apartment leasing moderated, though year-over-year rent growth remained solid. Office leasing ticked up, but uncertainty was elevated. Fundamentals in the industrial market stayed solid. Contacts noted that the higher cost of capital was pushing investors to the sidelines.*

### **Financial Services**

*Loan demand declined for the first time in nearly two years, and overall loan volume decreased over the past six weeks. Volume declines were seen in all loan categories, but the steepest came in residential real estate lending. Loan nonperformance varied by category but was largely unchanged overall. Loan pricing continued to rise notably, with 85 percent of contacts reporting an increase—the largest share since the survey began in 2017. Credit standards and terms tightened further. Looking six months ahead, contacts expressed greater pessimism than in the prior period and expect loan demand and general business activity to decrease and loan delinquency to increase.*

**Texas A&M University**  
Texas Real Estate Research Center  
**Outlook for the Texas Economy (Excerpts)**  
Joshua Roberson, Weiling Yan, and John Shaunfield  
(October 14, 2022)



### Summary

*The Texas economy had a mostly positive month in August, but several metrics are showing more signs of an upcoming slowdown. August job growth fell short of prior months and may continue to stall as a result of Federal Reserve efforts to tackle high inflation. The Fed's influence on rising interest rates has resulted in an abrupt halt in real estate activity, particularly in the residential sector. Between the Fed's current monetary regime and negative global economic factors, the Texas economy is expected to slow in the coming months.*

### Economic Activity

*Texas' economy strengthened in August according to the Dallas Fed's Texas Business-Cycle Index, reporting half percent growth over July on a seasonally adjusted annualized rate (SAAR). Growth varied by metro, with the commonality being a diminished growth rate across each metro compared with July. Austin and San Antonio were hit hardest, posting modest 0.2 and 0.1 percent gains, respectively. Houston remains the only metro outpacing its August 2021 year-over-year (YOY) growth at 9.1 percent SAAR.*

*The Texas Leading Economic Index (a measure of future directional changes in the business cycle) ended the streak of post-pandemic expansion and edged down for the fourth month. The index suggests there is likely more economic pain on the horizon as a result of inflation reduction policies. Despite this outlook, the Texas Consumer Confidence Index made sturdy gains as Fed rate hikes are expected to lessen recession fears. Soon-to-be-released inflation figures will provide a clearer picture of near future economic activity.*

### Financial Activity

*Following the Fed's 0.75 percentage point increase in June, the national inflation rate appears to have peaked. The U.S. Consumer Price Index (CPI) decelerated 25 basis points to an 8.25 percent YOY growth. Notwithstanding, core inflation (excluding food and energy) stepped up to 6.3 percent, a 0.4 percent increase over July. Energy prices remained the primary contributor to August's reduction, dropping 5 percent from the previous month's index. The Houston CPI remained elevated over core inflation at 9.5 percent YOY, with rising costs in transportation and food/beverage making up the majority of the increase. The relatively unchanged core inflation corroborated with concerns on an overheated economy.*

*The Federal Reserve is expected to impose more forceful monetary policies in the second half of the year to combat inflation. The ten-year U.S. Treasury bond yield remained at 2.9 percent, while the two-year counterpart continued to march upward. The spread difference between the ten-year and two-year bonds remained in negative territory and continued their decline, outlining the market's greater concern of the near-term outlook versus the longer-term outlook.*



## **Housing**

*As a result of higher mortgage rates, housing demand has fallen sharply, and homes are sitting on the market for longer. Texas housing sales improved slightly in August, up 5 percent from July's steep decline, and reached a seasonally adjusted rate of 29,300 sales. Overall home sales have been in free fall since around April, and at the current rate 2022, sales will likely fall short of 2021. According to the Texas Real Estate Research Center's Data Relevance Program, the sales level was down 16.3 percent from a year earlier.*

*Sales in all major metros remained low as mortgage pressures rattled buyers. Austin's and Houston's closed listings were most affected with a reduction of 20 percent YOY, while DFW and San Antonio pulled back over 10 percent. Sales of existing homes, which make up 80 percent of Texas' housing market, inched down for the seventh straight month. Texas' marginal recovery in August was concentrated in the remaining 20 percent of the housing market, where Dallas' new-construction market had a double-digit growth.*

## **Employment**

*Texas' nonfarm employment slowed in August, posting the smallest job creation since February 2021. Payroll expansion was mixed across industries with the biggest losses in management, manufacturing of nondurable goods, and wholesale trade. Additionally, the Dallas Fed's annual employment forecast expects growth to slow in the second half of the year as a weaker U.S. economy outlook puts downward pressure on Texas companies.*

*In August the national unemployment rate ticked up 20 basis points to reach 3.7 percent. Texas' unemployment rate remained above the national level in August at 4.1 percent. Even though the Texas rate has been higher than the national rate since COVID, the state's workforce has been consistently more engaged with the state's labor force participation rate at 63.8 percent versus the national rate of 62.4 percent. The national labor force rate still remains around 1 percent below pre-pandemic levels, whereas Texas recovered in summer 2022.*

*The number of Texans filing initial unemployment insurance claims dropped to the lowest it's been in a decade, with only 41,900 applications filed. Claims have trended downward since the spike at the start of the pandemic, culminating in record lows not seen in decades.. In general, the number of total claims nearly reverted to pre-pandemic levels.*

## **Construction**

*With interest rates rising, August posted a decrease in construction employment, dropping 500 jobs from July's record high. The average hourly construction earnings (\$29.53) are down \$0.34 from the previous month, ending the trend of upward price hikes. Total construction values escalated, bucking the trend of the previous months, led by an uptick in commercial activity. Residential activities tightened by single and double digits across single-family and two-family housing, respectively, as a result of climbing mortgage rates.*

## **Services**

*Texas' service-providing sector accounted for the bulk of employment gains, adding 13,400 new workers. Respondents to the Dallas Fed's Service Sector Outlook Survey communicated that the revenue index weakened amid slower sector growth. The outlook uncertainty index dropped as perceptions of broader business conditions stagnated. However, respondents held a positive outlook as the future revenue index stepped up 4 points.*

*Texas' retail sector had a flat month for job growth, adding only 200 jobs over the previous month. According to the Dallas Fed's Retail Outlook Survey the outlook for retail appears fairly bleak, likely in anticipation of a possible economic downturn on the horizon. The rise in retail inventory levels, increased input costs, rising labor costs, and slow revenue growth contributed to this negative outlook.*

## TEXAS HOUSING INSIGHT (EXCERPTS)

Texas A&M University – Texas Real Estate Research Center

Joshua Roberson, Weiling Yan, and John Shaunfield (September 29, 2022)



### SUMMARY

*The pandemic-induced housing frenzy is easing as the Fed's aggressive monetary policies directly affect the housing market. Mortgage interest rates rose from 2.84 to 5.22 percent in the past year. Amid these robust rate increases, Texas' housing market quickly dialed back sales while supplies have gradually accumulated. Despite the slowdown, inventory levels remain below historical levels, and prices are still high. While prices have dipped some in recent months, they still remain considerably high compared with before the pandemic. As of August, Texas' median price remains 11.4 percent elevated from a year earlier.*

### SUPPLY

*Interest rates continued to increase following more aggressive Federal Reserve intervention. Despite mounting interest rate pressure, Texas' single-family construction permits recovered 12,500 permits in August, rising 9.3 percent month over month (MOM). Permits rebounded in three of the state's four largest metros (San Antonio being the exception). Houston (3,700) and Dallas (3,693) had the most permits, while Austin (1,609) and San Antonio (681) followed third and fourth in the state. Meanwhile, Texas' single-family construction values continued to fall by double digits, tumbling to a two-year low. All major metros reported double-digit negative year-to-date (YTD) growth.*

*Permits for Texas' multifamily sector corrected. After July's abnormally high request of 12,500 construction permits, 9,000 permits were issued in August.*

*Total overall housing starts in the Southern Census Bureau Region also recovered some in August with 885,000 new starts. However, single-family housing starts, which account for the biggest share of the overall count, remained 100,000 units short of the year-ago average with 530,000. August's boost could be partially explained by declining input costs such as lumber. The lumber producer price index (PPI) decreased for the third time in a row in August.*

*In the existing-home market, the state's current supply has accumulated throughout the summer. Active listings rose more than 30,000 units since May. This loosening up of housing availability indicates a break-through considering the distinctly low inventories of the past two years. Texas' housing supply, which had been below two months of inventory (MOI) from November 2020 to June 2022, ticked up to 2.4 months. San Antonio led with 2.7 months, and Dallas remained the tightest with two months (Table 1). The Texas Real Estate Research Center considers six to 6.5 months of inventory a balanced market.*

## **DEMAND**

*As a result of higher mortgage rates, housing demand has fallen, and homes are sitting on the market longer. Sales improved slightly in August (5 percent MOM) from July's steep decline, reaching a seasonally adjusted rate of 29,300 sales. Overall home sales have been in freefall since around April. At the current rate, 2022 sales will likely fall short of 2021. According to the Center's Data Relevance Program, the sales level was down 16.3 percent from a year earlier.*

*Sales in all major metros remained low as mortgage pressures rattled buyers. Austin and Houston's closed listings were most affected with a 20 percent year-over-year (YOY) reduction, while DFW and San Antonio pulled back more than 10 percent. Existing-home sales, which make up 80 percent of Texas' housing market, inched down for the seventh straight month. Texas' marginal recovery in August was concentrated in the remaining 20 percent of the housing market, where Dallas' new-construction market had double-digit growth.*

*Texas' average days on market (DOM) was 38 days, up from 29 days in March. However, compared with the five-year average of 57 days between 2014 and the early 2020s, the relatively short time suggests a persistent imbalance between sellers' and buyers' bargaining-power. Amid slowing sales, Austin's market reacted most aggressively, doubling the listing time in the past five months, while DFW reacted most moderately.*

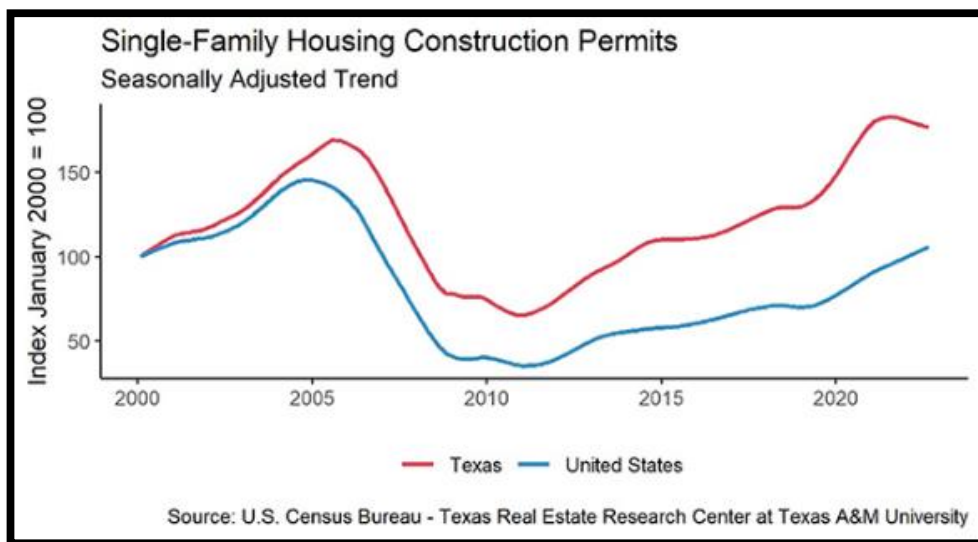
*When days on market are differentiated based on the home market, the existing homes' DOMs are conspicuously lower than new homes'. This could possibly be due to differing price points as new homes tend to be more expensive than the average existing-home listing. Categorized by price cohorts, homes priced between \$300K and \$500K had the shortest listing time, taken off list in 34 days.*

## **PRICES**

*The downward trend for Texas' median home price continued in August. The state's seasonally adjusted median price was \$342,000, falling more than \$10,000 in three months. Prices dropped in all metros except San Antonio, which advanced \$2,000 this month (Table 2). Dallas and Houston, Texas' two largest MSA areas, reported modest declines of \$2,000, while Austin took the biggest hit of \$11,000. Although housing prices are recently under correction, they remain much elevated from year-ago prices, accelerating 11.4 percent YOY. Even for Austin, the price in this much-affected market was up 5.5 percent YOY.*

*The Federal Reserve is expected to impose more forceful monetary policies throughout the latter half of this year and likely into the upcoming year to combat inflation. While the ten-year U.S. Treasury bond yield persisted at 2.9 percent<sup>2</sup>, the two-year counterpart continued to march upward. The spread between the ten-year and the two-year bond yields dipped further in the negative territory, indicating the market's economic uncertainties about the near future. The Federal Home Loan Mortgage Corporation's 30-year fixed-rate refrained from June's high of 5.52 percent and slipped 30 basis points in the past two months. The last time the mortgage rate was over 5 percent was 2009.*

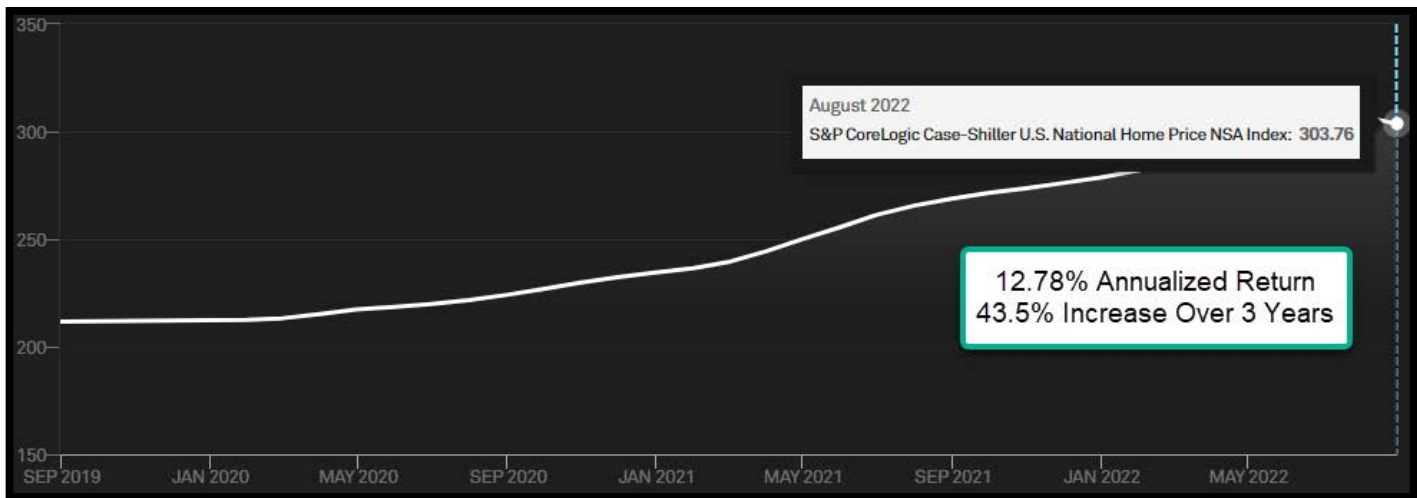
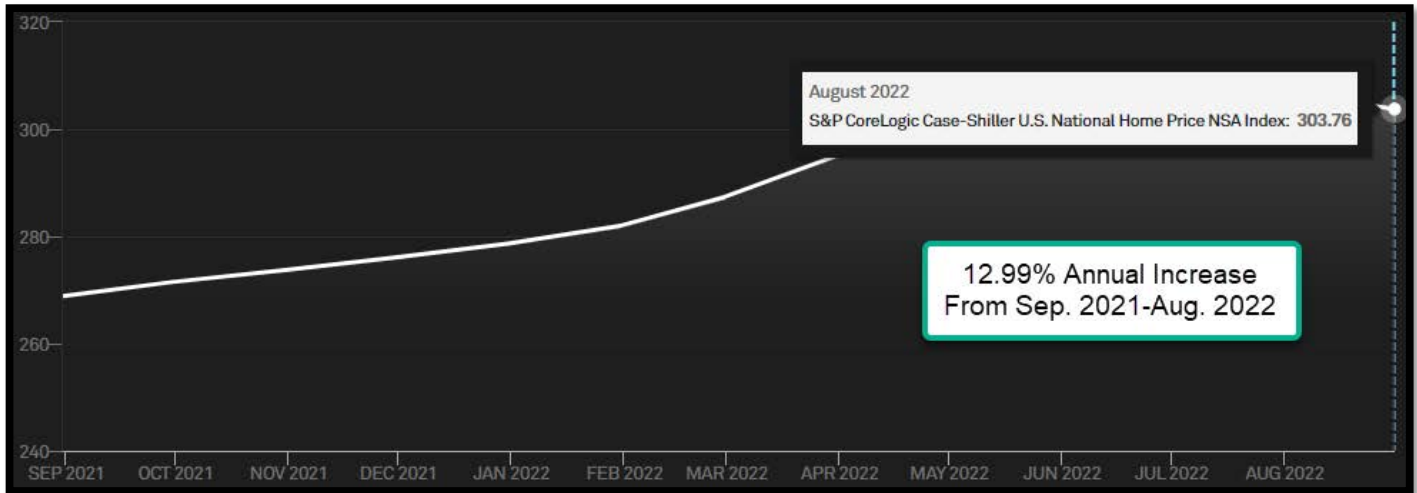
*The Texas Repeat Sales Home Price Index, which accounts for compositional price effects, corroborated the trend of depreciation. The index's monthly decline was the second in a row. Annual appreciation slowed to 12.1 percent YOY in August compared with 20.4 percent YOY growth in January. While Dallas' home price index remained above the state average, Austin's YOY rate fell to a single digit, behind Houston's yearly growth and down to the slowest appreciating metro.*



## S&P CORELOGIC CASE-SHILLER INDEX

October 25, 2022

Data reported for the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) from late October 2022 showed that home prices nationally are up 12.99% YOY while the Dallas Metropolitan Area is up 20.2% YOY. The price increases are now retreating but and fell in Dallas by 1.9% from July to August 1.0%. Annual price appreciation has been strongest in the South and Southeast but every region in the country reported YOY gains.

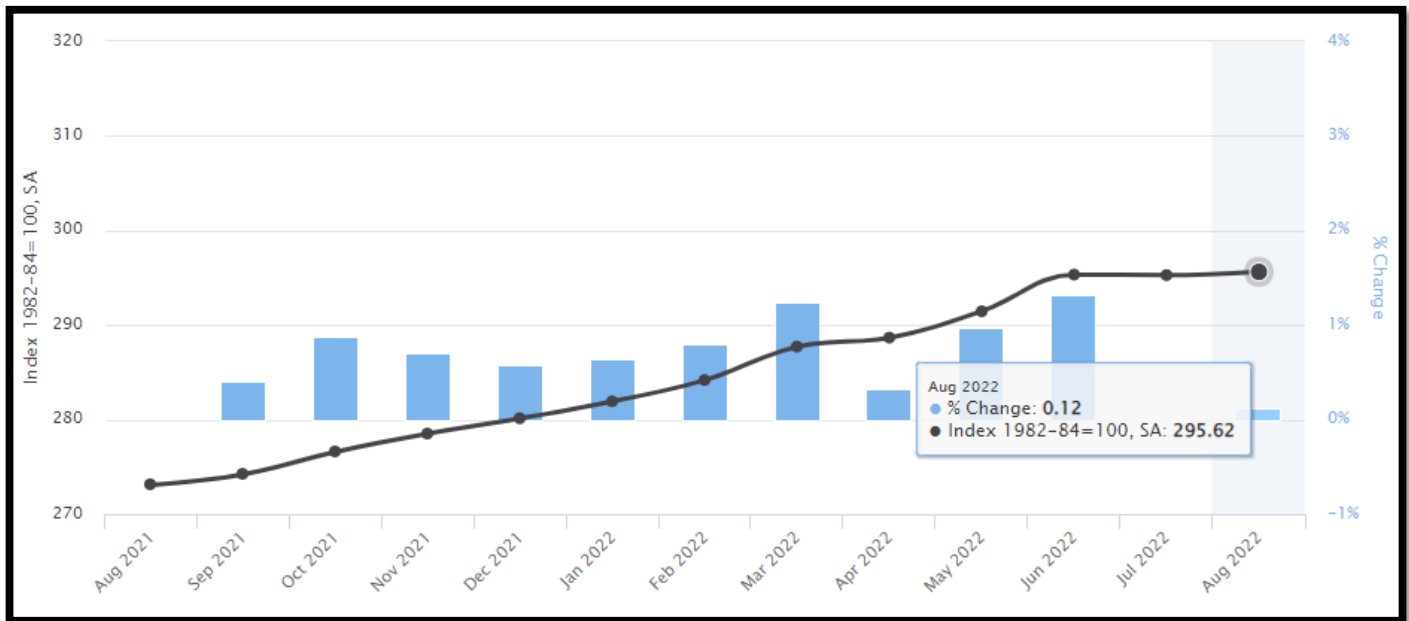


Metropolitan Area	August 2022 Level	August/July Change (%)	July/June Change (%)	1-Year Change (%)
Dallas	300.67	-1.9%	-0.4%	20.2%
Composite-10	322.06	-1.6%	-0.9%	12.1%
Composite-20	310.99	-1.6%	-0.8%	13.1%
U.S. National	303.76	-1.1%	-0.5%	13.0%

Sources: S&P Dow Jones Indices and CoreLogic  
Data through August 2022

## CONSUMER PRICE INDEX (CPI)

MOODY'S ANALYTICS CONSUMER PRICE INDEX (CPI) CHART



The US Bureau of Labor Statistics tracks the Consumer Price Index (CPI) and a chart prepared by Moody's Analytics is shown above. The CPI measures the change in prices paid by consumers for goods and services which is an indicator of how costs for goods and services are trending throughout the country. The CPI is based on prices of food, clothing, shelter, fuels, transportation, healthcare services, drugs, and other goods and services that people buy for day-to-day living.

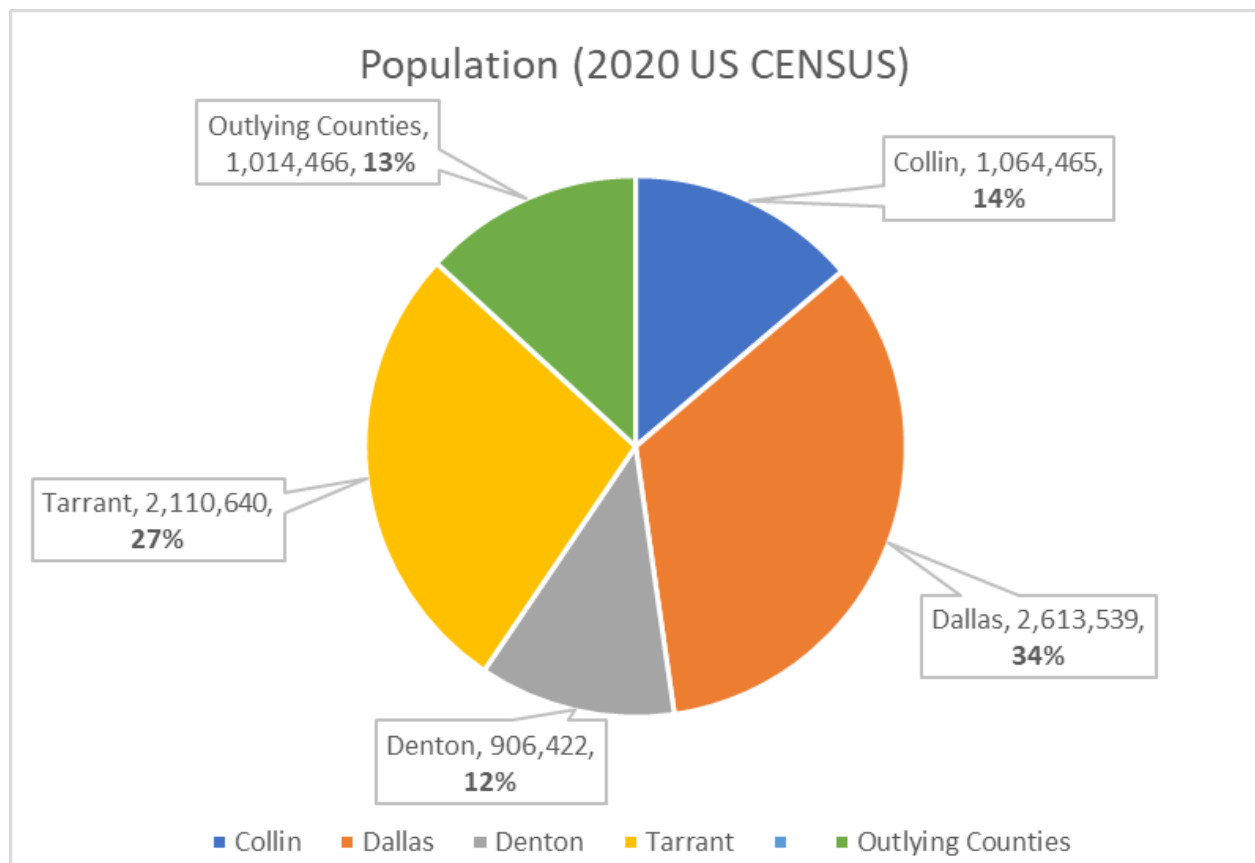
The BLS has reported significant increases in the CPI over the past year. Increases for energy, shelter, food, healthcare, household furnishings, and transportation are the most pronounced. There is little doubt that a period of inflation has arrived although the inflation rate acceleration hit its zenith in June as MOM inflation in August was 0.12% and July was -0.02%, compared to 0.97% in June and 1.32% in May. Whether this inflationary environment will last past the following few months and for several years is debatable; however, many indications point to higher periods of inflation even as supply chain issues emanating from the COVID-19 Pandemic are easing.

### **REGIONAL ANALYSIS**

The subject is located in Collin County within the Dallas-Fort Worth-Arlington Consolidated Metropolitan Statistical Area (CMSA), more commonly referred to as the Metroplex, which encompasses parts of 13 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), the estimated population as of Jan. 1, 2020, was 7,709,532 which makes it the most populous region in Texas and the fourth largest in the United States. In the most recent count (2019), the population of the Metroplex grew by 159,480 led by Fort Worth which added more than 24,000 people. Since 2010, the region has added almost 1.2 million new residents – an almost 19% increase.

A chart of the four counties in the Metroplex with the highest populations, with Collin County as the third most populous, is shown in the chart below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. In 2021, the US Census Bureau estimated the population of the Metroplex had increased to more than 7.75 million residents. The subject property is in southeast Collin County just north of Rockwall County where there is still ample land for development and where numerous communities are in the planning or development phases.

**PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX**



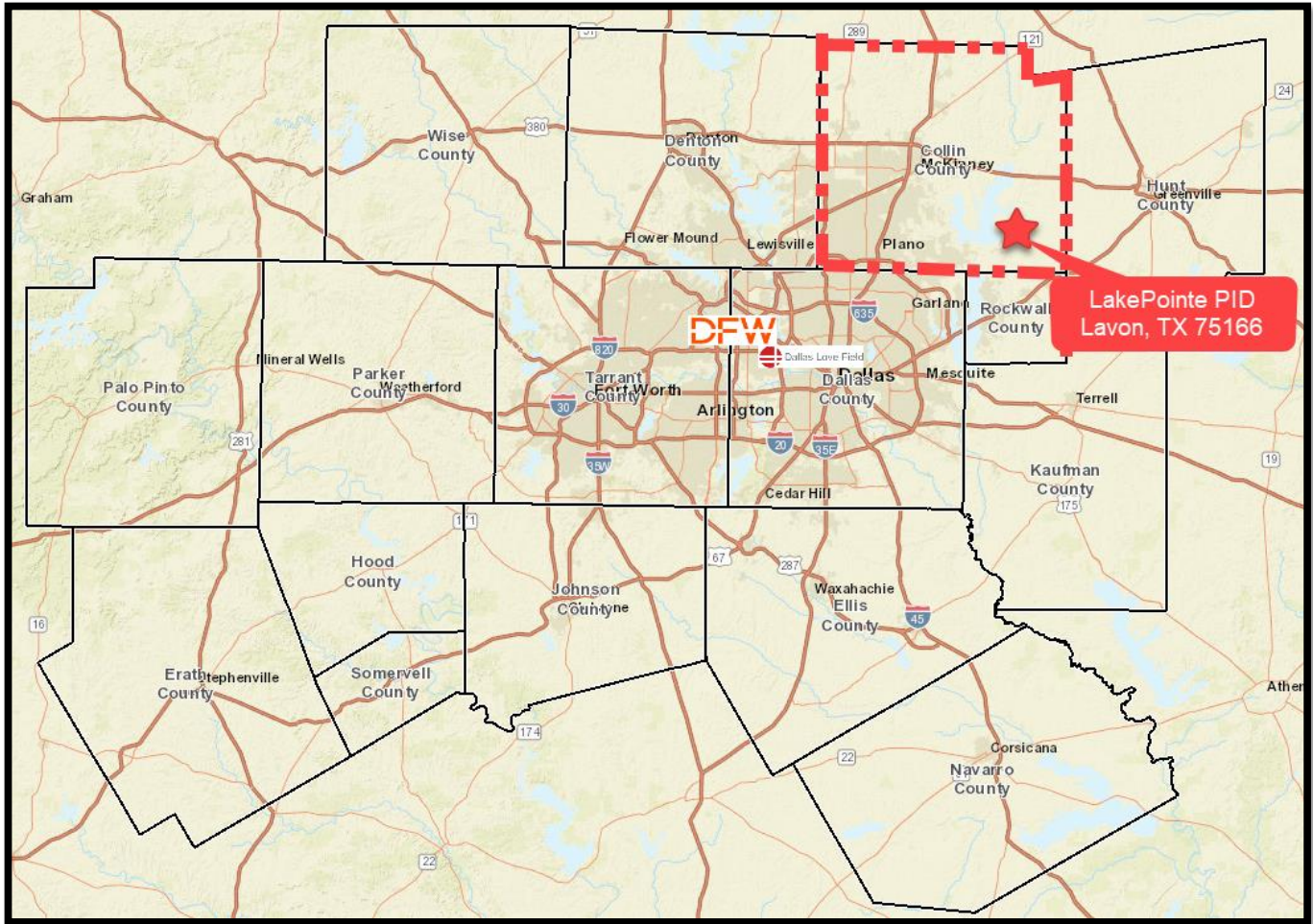


LakePointe Public Improvement District – IA#2 & IA#3

The region is serviced by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the third busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines and Dallas Love Field Airport (DAL), which is a city owned airport and the largest hub for Southwest Airlines – the largest carrier in the world in terms of passengers carried.

**MAP OF DALLAS-FORT WORTH METROPLEX**

*Red Lines Showing Collin County Boundary*



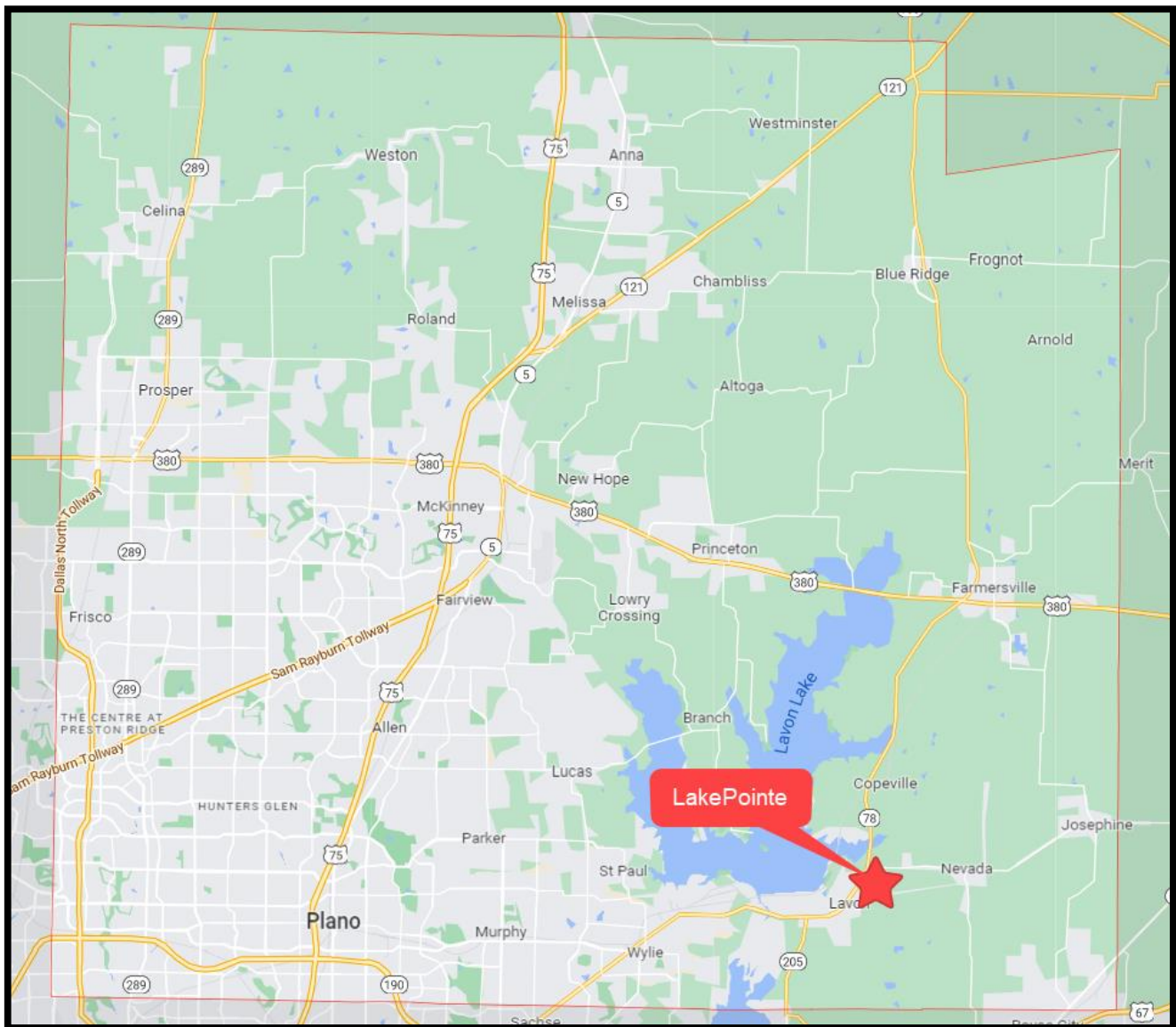


## COLLIN COUNTY OVERVIEW

The subject site is located in Collin County, which is a fast-growing area of the DFW Metroplex which, according to US Census counts, has more than doubled in population since the year 2000 – from 491,675 to an estimated (2020) 1,064,465. This population growth follows an over three-fold increase in population from 1980 to 2000. Collin County is one of the wealthiest counties in the US with many residents living in affluent communities like Frisco, McKinney, Plano, Allen, Prosper, Celina, Wylie, and Murphy while working and commuting to nearby Dallas. Collin County’s population is projected to increase at a 1.7% annual rate from 2021-2026, equivalent to the addition of an average of 19,082 residents per year. Collin County’s growth rate is expected to exceed that of the Dallas MSA, which is projected to be 1.5%. The county seat for the county is McKinney which is a city that has grown immensely in recent decades with the outgrowth of the DFW Metroplex and completion of the Sam Rayburn Tollway (Texas 121) linking the community to DFW Airport and other counties in the Metroplex.

## MAP OF COLLIN COUNTY

*Subject Located In Southeast Collin County*



- County Seat: **McKinney**
- Area: **848** sq. miles of land; **38** sq. miles of water
- Towns and Cities: **27**
- Population 2010 Census: **782,341**
- Population 2020 Census: **1,064,465**
- Growth since 2010: **36.1%**
- Female-to-Male ratio: **51%-49%**
- Median age: **37.3** years
- Under 18 years old: **27%**
- Over 65 years of age: **11%**
- Number of housing units, 2019: **390,255**
- Number of households, 2019: **363,599**
- Average Family Size (2019): **3.32**
- Average Number per Household: **2.83**
- Median Household Income (2019): **\$96,134**
- New residents moving in each day (2019): **80**
- Density: **1,265** people/sq. mile (2020)
- Paved County Roads: **726** miles
- Average Taxable Home Value (2020): **\$374,202**
- County Tax Rate (2020): **\$0.172531** per \$100 assessed value
- Independent School Districts: **21**
- Special Districts: **2**
- Hospital Districts: **None**

The 2020 national census showed that the DFW Metroplex led the country in nominal population growth from 2019-2020. Between 2020 and 2021, Collin County ranked second in the nation in nominal population growth. Residents were pulled to communities in Collin County for quality of life, relatively affordable living, well-regarded school districts, and followed corporate relocations to the area. For reference, Dallas County's population shrank by approximately 25,000 residents over the same period which indicates population growth is in the suburban communities. New residential growth in the Metroplex is typically concentrated in suburban counties such as Collin, Denton, Rockwall, Kaufman, Ellis, Johnson, Parker which border the two most population counties in the region – Dallas County and Tarrant County.

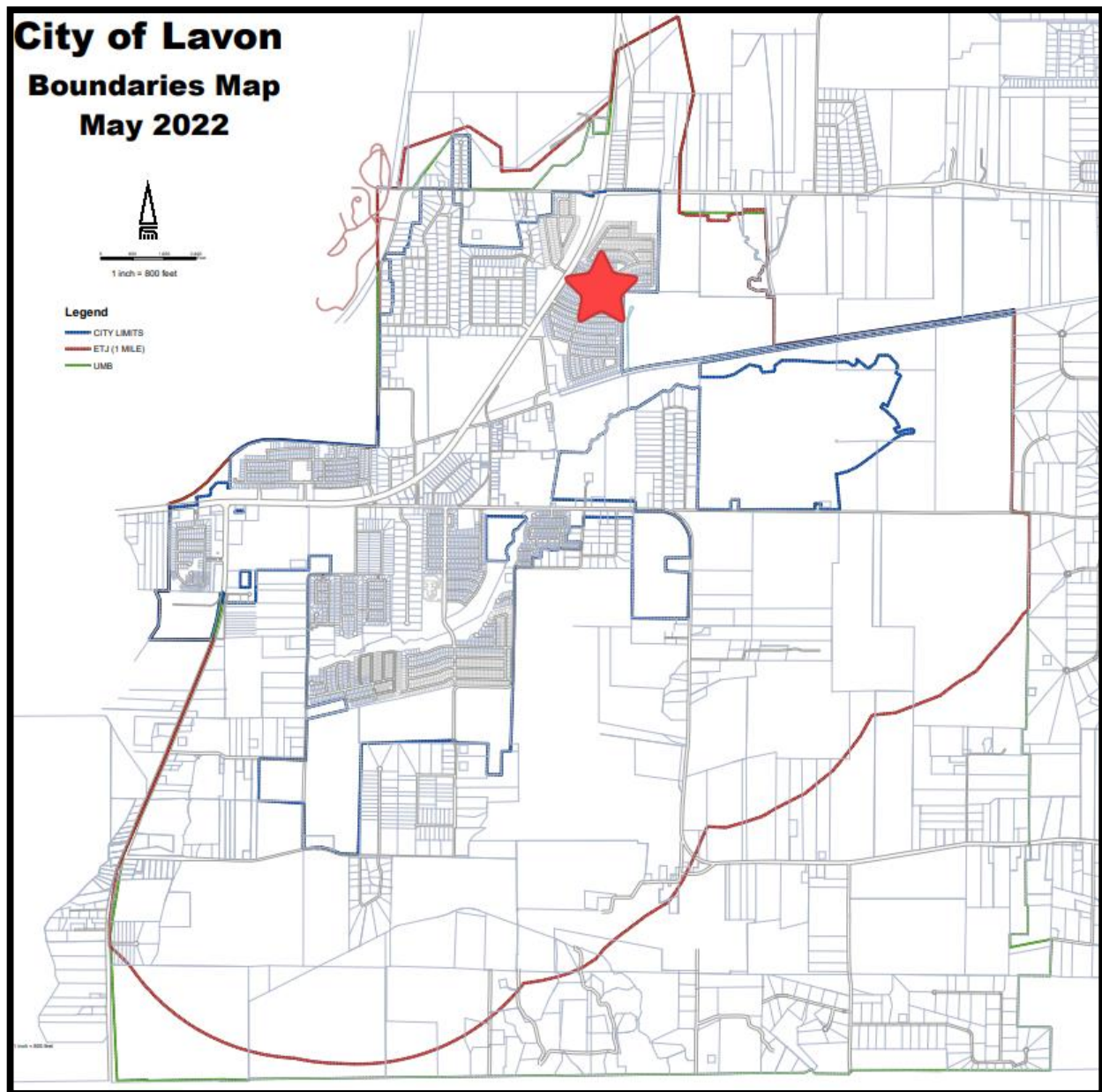
Collin County is more affluent than the Dallas-Fort Worth-Arlington CMSA. Median household income for Collin County is approximately \$96,134. While that of DFW is approximately 33.0% lower at \$72,265.

### **CITY OF LAVON OVERVIEW**

The City of Lavon is a growing suburban community located along State Hwy. 78 in southeast Collin County just east of Lake Lavon which is formed by the impoundment of the East Fork of the Trinity River. As of the 2020 Census, Lavon's population was estimated at 4,469 residents; however, in 2022 the population now exceeds 6,200 residents. Much of this growth is due to the location approximately 30 miles northeast of Dallas and 15 miles east of Plano. Residential developments such as Lake Breeze, LakePointe, Lavon Farms, and multiple Grand Heritage communities have been constructed to meet the demand of new residents preferring a new and affordable home away from the more urbanized North Dallas suburbs and in a desirable school district (Community ISD).

### **MAP OF THE CITY OF LAVON**

*Subject Located in North Lavon*



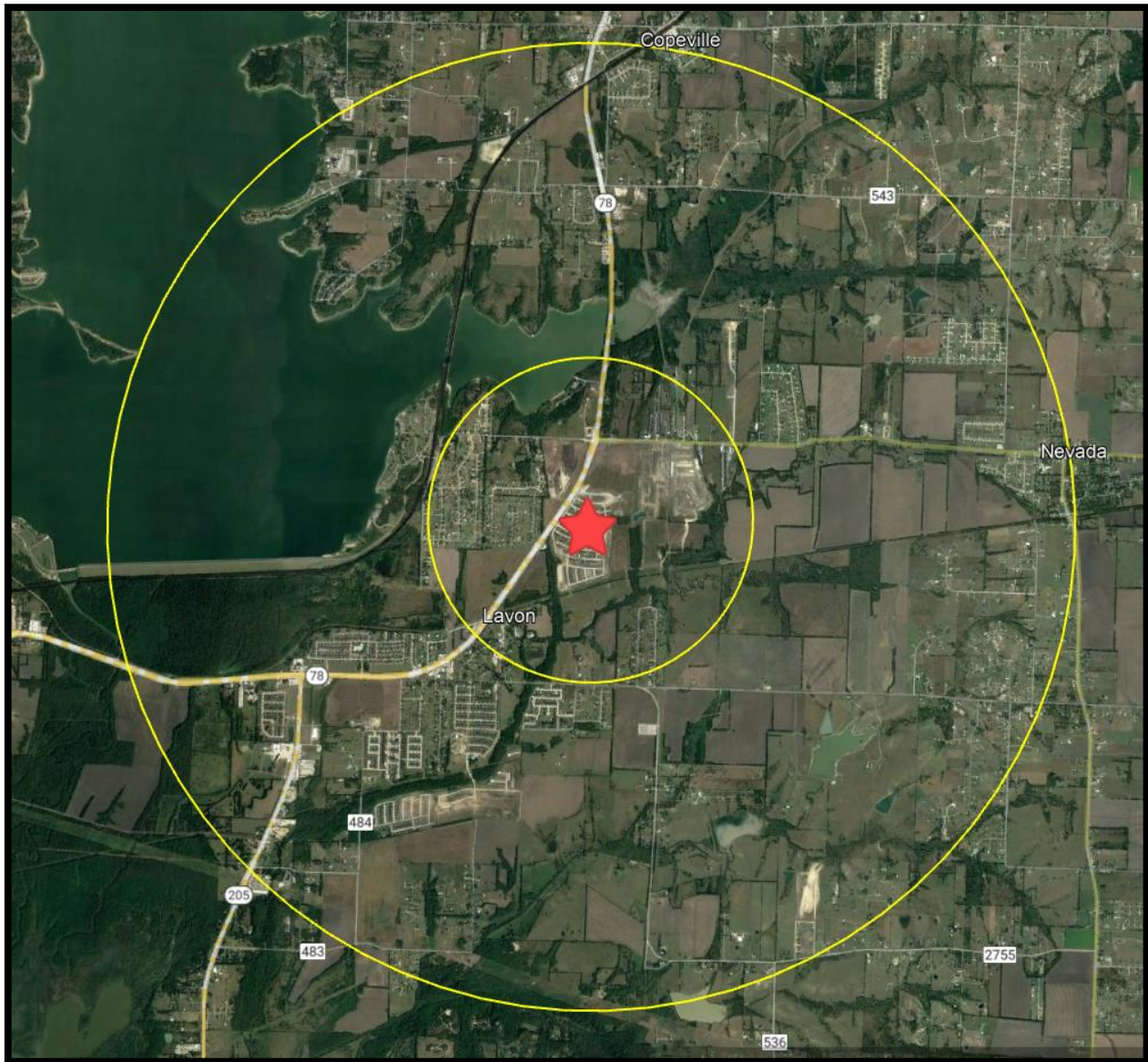


## **NEIGHBORHOOD ANALYSIS**

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified area with definite boundaries which exhibit a high degrees complementary uses. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. The LakePointe PID IA#2 & IA#3 is located within the City of Lavon, Texas and is within Community ISD.

### **NEIGHBORHOOD MAP**

*Geographic radii of 1 and 3 miles indicating the approximate neighborhood boundaries around the Subject*

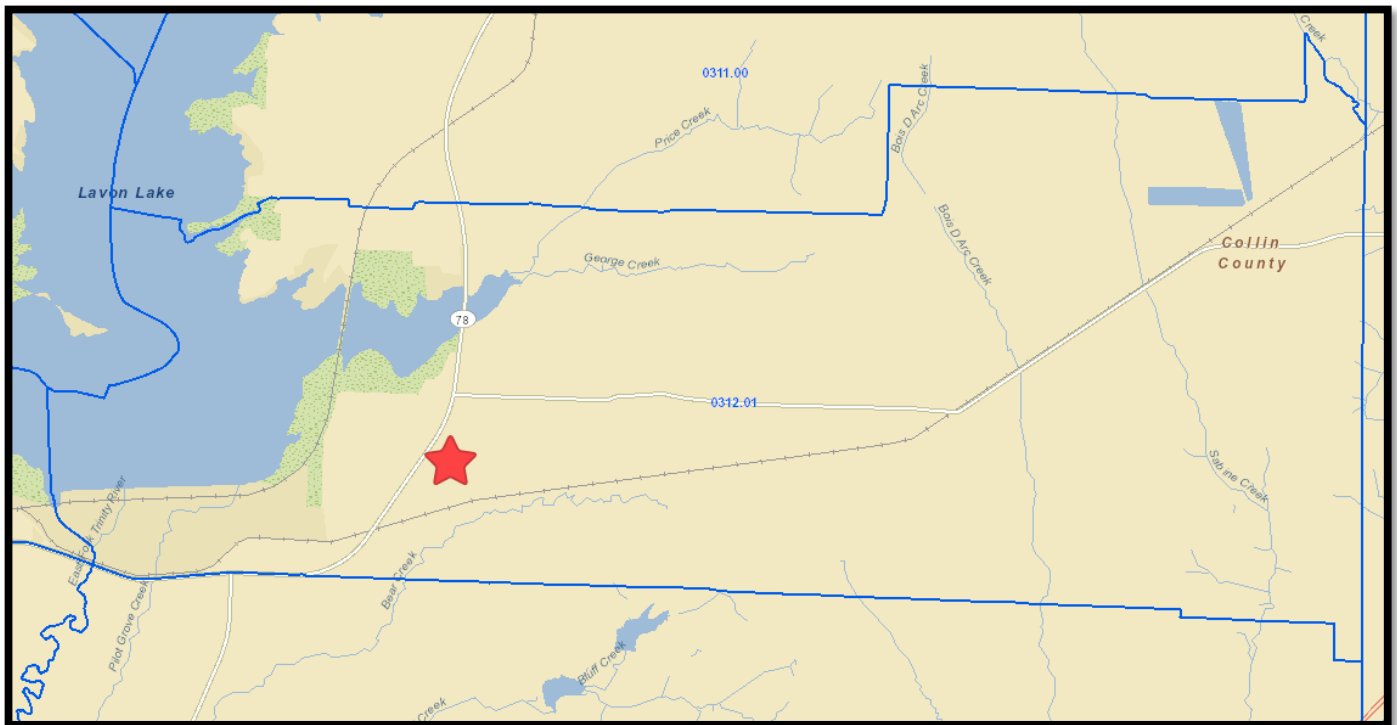


	<b>1 Miles</b>	<b>3 Miles</b>
<b>North</b>	FM 6	FM 1778, Copeville
<b>East</b>	Future Eleven PID	FM 1138, Nevada
<b>South</b>	CR 2755, Lavon	Camp Creek
<b>West</b>	Lavonia Park	Lake Lavon Dam

### NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0312.01 with the census report shown on the following page. The census tract report from 2021 (the most recent year) for 0312.01 indicates 6,569 people reside in the tract and income levels are in the upper tier with estimated median family incomes of \$114,659 compared to a Dallas-Plano-Irving MSA estimated median family income of \$89,000. Within census tract 0312.01, approximately 86% of housing units are owner-occupied with 10% being renter-occupied and 4% vacant. These housing and demographic statistics indicate upper-middle class residents who tend to live in single-family homes that are generally newer as the median house age is only 14 years.

**Census Tract 0312.01 Map**



## Tract 0312.01 Census Report



### 2021 FFIEC Geocode Census Report

Address: Selected Tract  
MSA: 19124 - DALLAS-PLANO-IRVING, TX  
State: 48 -  
County: 085 - COLLIN COUNTY  
Tract Code: 0313.08

#### Summary Census Demographic Information

Tract Income Level	Upper
Underserved or Distressed Tract	No
2021 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$89,000
2021 Estimated Tract Median Family Income	\$114,659
2010 Tract Median Family Income	\$91,667
Tract Median Family Income %	128.83
Tract Population	6569
Tract Minority %	32.53
Tract Minority Population	2137
Owner-Occupied Units	1838
1- to 4- Family Units	1987

#### Census Income Information

Tract Income Level	Upper
2010 MSA/MD/statewide non-MSA/MD Median Family Income	\$71,149
2021 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$89,000
% below Poverty Line	11.02
Tract Median Family Income %	128.83
2010 Tract Median Family Income	\$91,667
2021 Estimated Tract Median Family Income	\$114,659
2010 Tract Median Household Income	\$90,660

#### Census Population Information

Tract Population	6569
Tract Minority %	32.53
Number of Families	1726
Number of Households	2057
Non-Hispanic White Population	4432
Tract Minority Population	2137
American Indian Population	3
Asian/Hawaiian/Pacific Islander Population	162
Black Population	524
Hispanic Population	1278
Other/Two or More Races Population	170

#### Census Housing Information

Total Housing Units	2132
1- to 4- Family Units	1987
Median House Age (Years)	14
Owner-Occupied Units	1838
Renter Occupied Units	219
Owner Occupied 1- to 4- Family Units	1838
Inside Principal City?	NO
Vacant Units	75

### DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area is provided below. Within a 10-mile radius of the subject there are over 200,000 people which represents an 38% increase (2.73% annual increase) in population since 2010 and highlights the strong growth and movement into areas around Lavon that has occurred. The population growth is expected to continue its strong pace in coming years and grow another 21.4% (3.96% per year) in the next five years. The median age of the same area is 36.6, compared to the median age nationally of 38.2 which indicates a relatively young labor supply pool. Median household incomes in the 10-mile radius are over \$100,000.

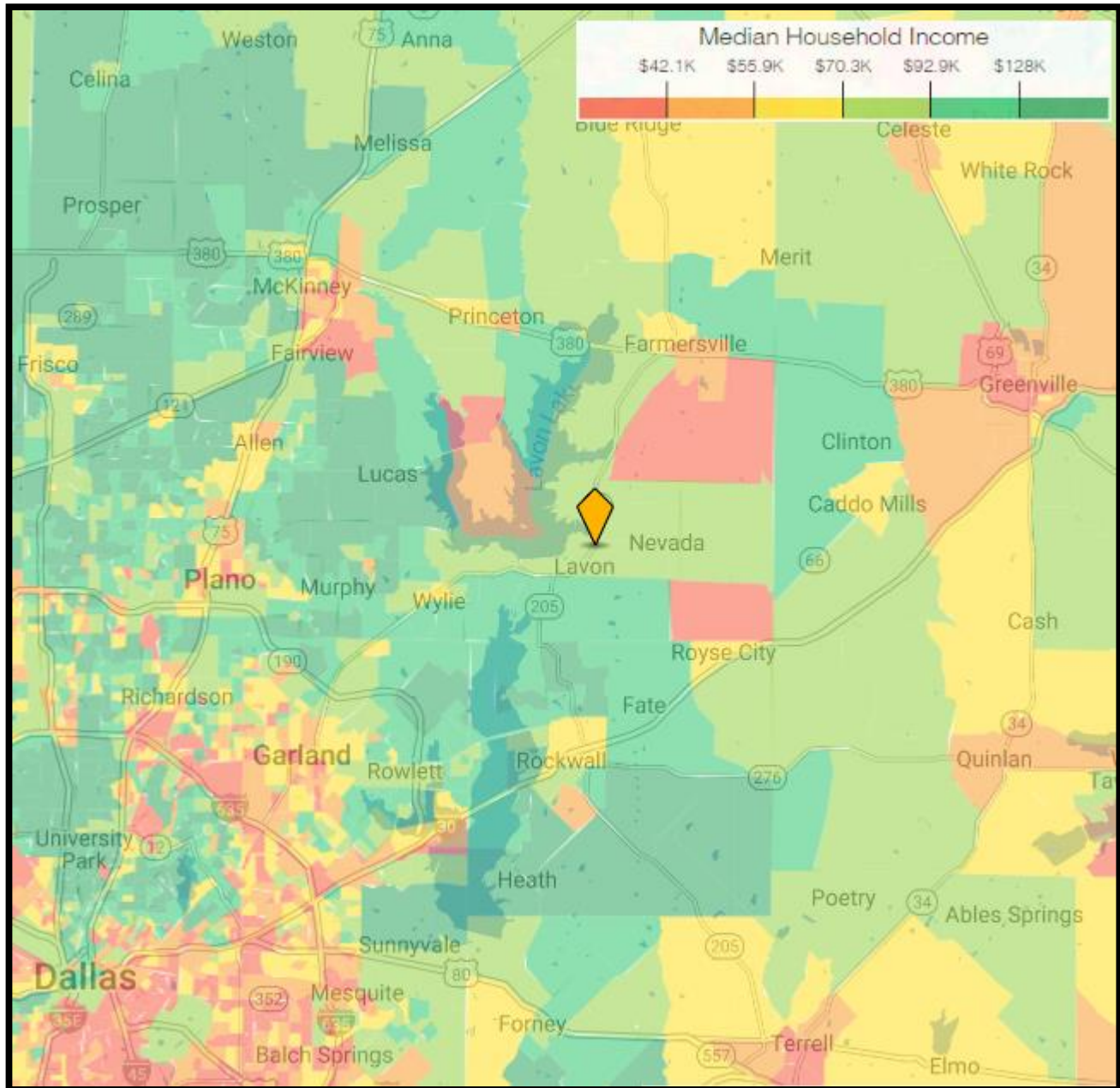
Population			
	2 mile	5 mile	10 mile
2010 Population	3,044	10,730	145,866
2022 Population	2,996	9,722	201,455
2027 Population Projection	3,536	11,776	244,657
Annual Growth 2010-2022	-0.1%	-0.8%	3.2%
Annual Growth 2022-2027	3.6%	4.2%	4.3%
Median Age	38.9	38.8	36.6
Bachelor's Degree or Higher	27%	33%	36%

Income			
	2 mile	5 mile	10 mile
Avg Household Income	\$103,497	\$114,053	\$120,401
Median Household Income	\$90,705	\$97,336	\$101,979
< \$25,000	72	221	4,248
\$25,000 - 50,000	169	414	7,059
\$50,000 - 75,000	151	515	12,269
\$75,000 - 100,000	195	535	9,678
\$100,000 - 125,000	169	520	11,282
\$125,000 - 150,000	119	329	5,973
\$150,000 - 200,000	78	403	9,915
\$200,000+	76	319	7,870



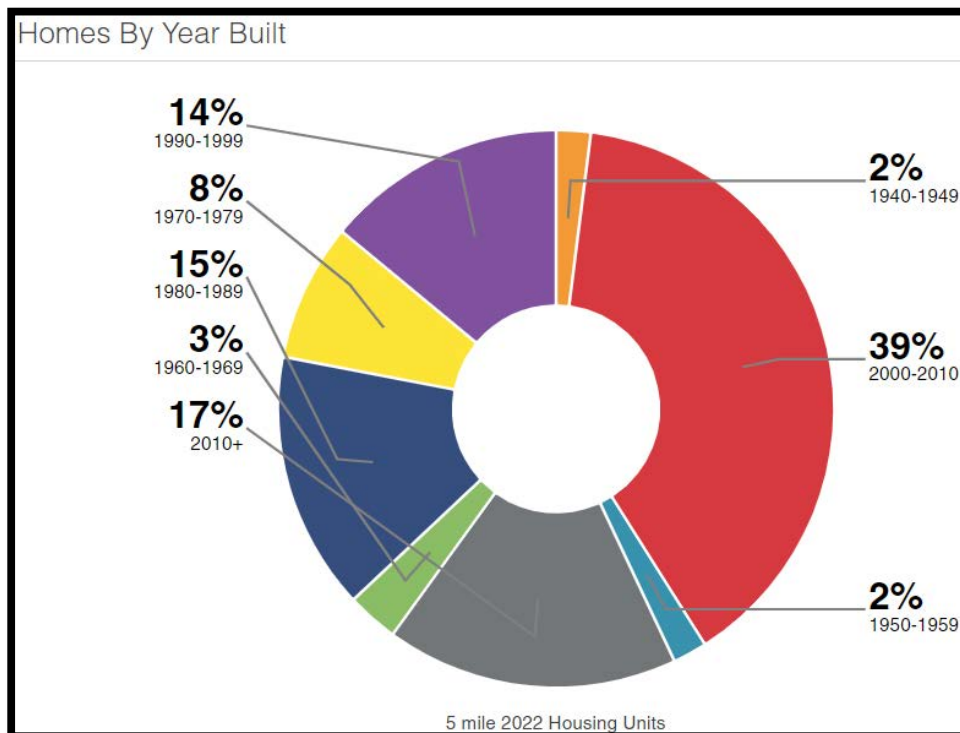
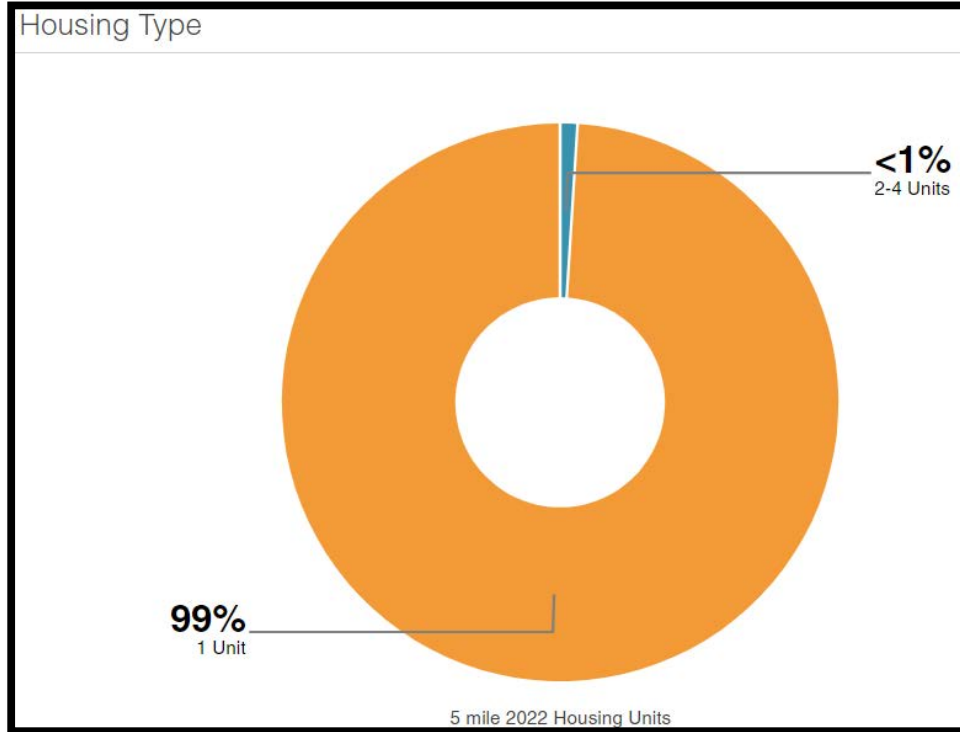
**CoStar Analytics – Map of Median Household Income**

As indicated by the map below, median incomes in DFW tend to be higher in suburban areas outside the population centers in the Metroplex. This is especially true in areas north of Dallas where affluent communities have concentrated for the past few decades.





**CoStar Analytics – Average Home Values and Homes by Year Built (5-Mile Radius)**

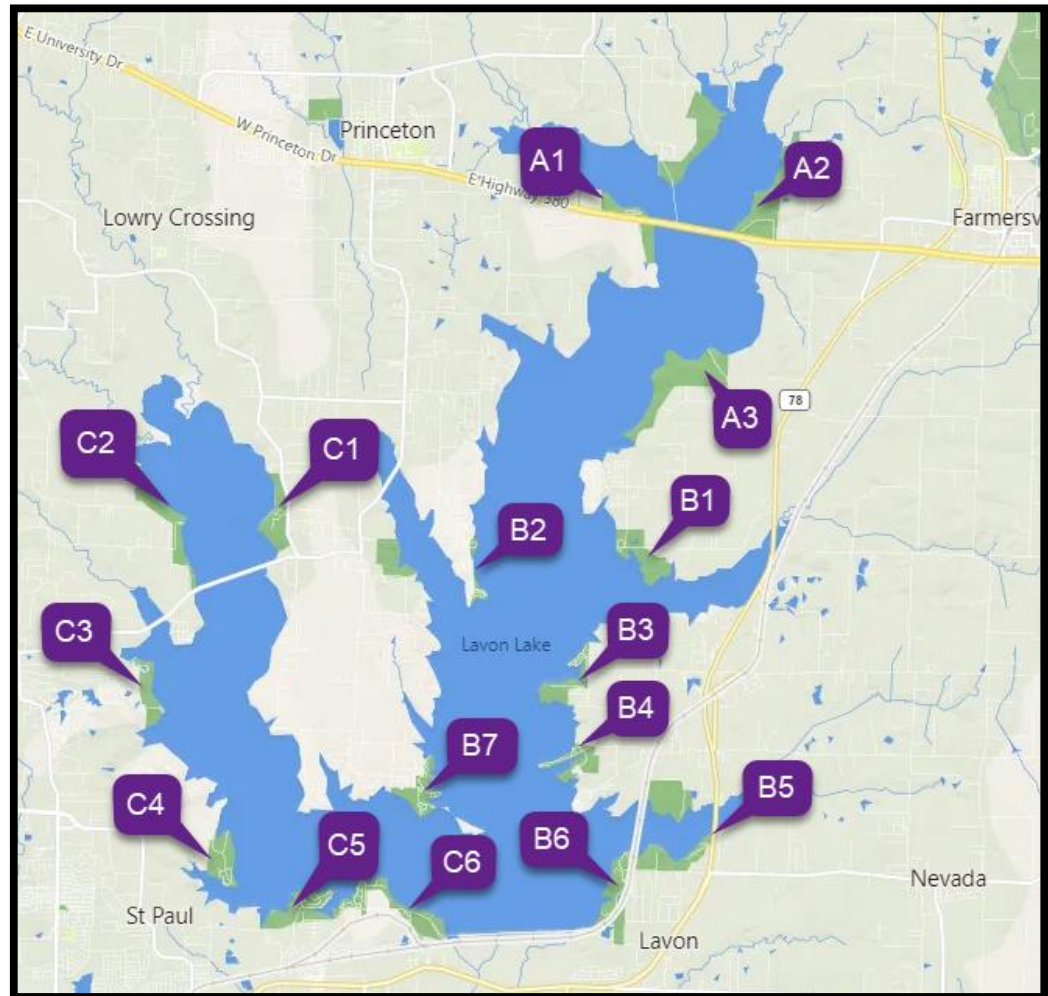


The vast majority (99%) of housing in the 5-mile radius consists of single unit housing stock. In addition, most housing in the area (56%) are homes that were built after 2000. This is consistent with the growth stage of the surrounding area which has experienced numerous residential subdivision development in recent years. The subject property is detached single-family housing that is consistent with the surrounding area.

### Lavon Lake Parks

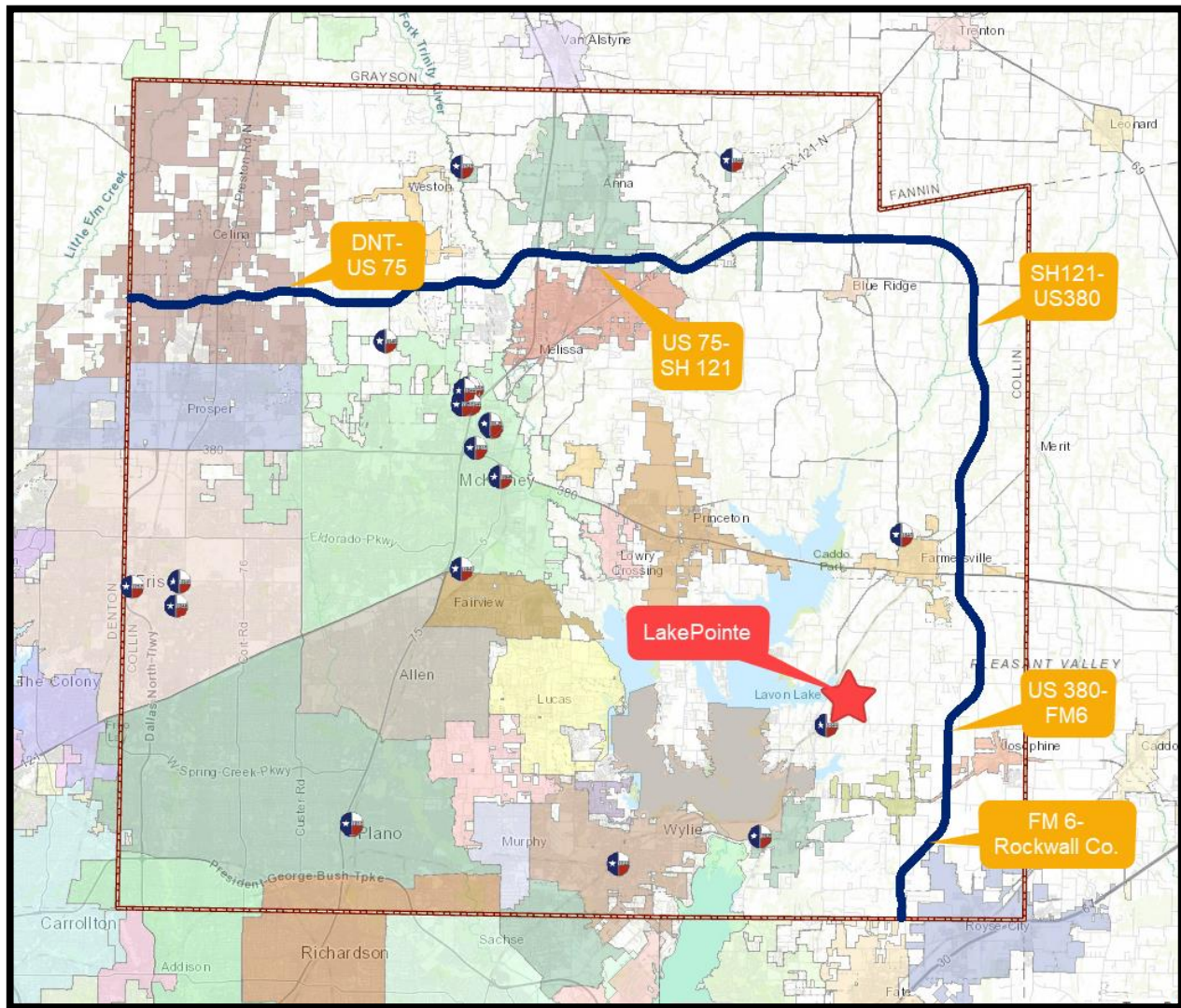
There are several parks surrounding nearby Lake Lavon located around the lake which offer access to lake activities. The closest park on Lake Lavon to the subject property is Mallard Park which is just off State Hwy. 78. Mallard Park is an Army Corps of Engineers Park that features a 3-lane boat ramp, restrooms, beach swim area, covered picnic tables. Mallard Park is currently seasonally open from April through September. Little Ridge, Pebble Beach, and Lavonia Park are also located on the southeast part of the lake close to Lavon. Similar to Mallard Park, Lavonia Park offers a boat launch, covered picnic tables, restrooms, and a beach swim area but also offers a playground and tent/RV camping with hot showers and a dump station.

Number	Name
A1	Twin Groves
A2	Caddo Park
A3	Elm Creek
B1	Lakeland Park
B2	Tickey Creek
B3	Pebble Beach
B4	Little Ridge
B5	Mallard Park
B6	Lavonia Park
B7	Clear Lake
C1	Bratonia Park
C2	Highland Park
C3	Brockdale Park
C4	Collin Park
C5	East Fork
C6	Avalon Park



### Collin County Outer Loop

The North Texas Council of Governments conducted a Mobility 2030 Metropolitan Transportation Plan, and through this process, the “Outer Loop” was created. The “Outer Loop” is a 45-mile tollway from Rockwall County to eventually extend to I-35 in Denton County. The proposed corridor will include 6 general purpose toll lanes including a wide median area for dedicated truck lanes. The subject property is close to two segments of the Collin Co. Outer Loop – US 380 to FM 6 and FM 6 to the Rockwall County line in west Royce City. The routes for these segments have been approved; however, no other activity have been completed on these segments. The following map illustrates the potential routes and the location of the Outer Loop which is represented by the purple line below.



### Conclusions

The area is in the growth stage of its life cycle. The surrounding area is developable land that generally does not have difficult topography to overcome. Given the history of the area and the growth trends of this area of North Texas combined with the limited supply of available acreage close to existing population centers, it is expected that property values will continue to increase into the near future.



## **ABSORPTION ANALYSIS**

### **RESIDENTIAL ANALYSIS**

The subject property is Improvement Areas #2 & #3 of LakePointe PID which is a master-planned residential community in Lavon, TX that has detached, single-family residences. The subject property is located off State Hwy. 78 and south of FM 6 on the east side of Lake Lavon where there is ample developable land for future development. This area is close to the boundary of suburban and quasi-rural development and is expected to significantly increase in population in coming years.

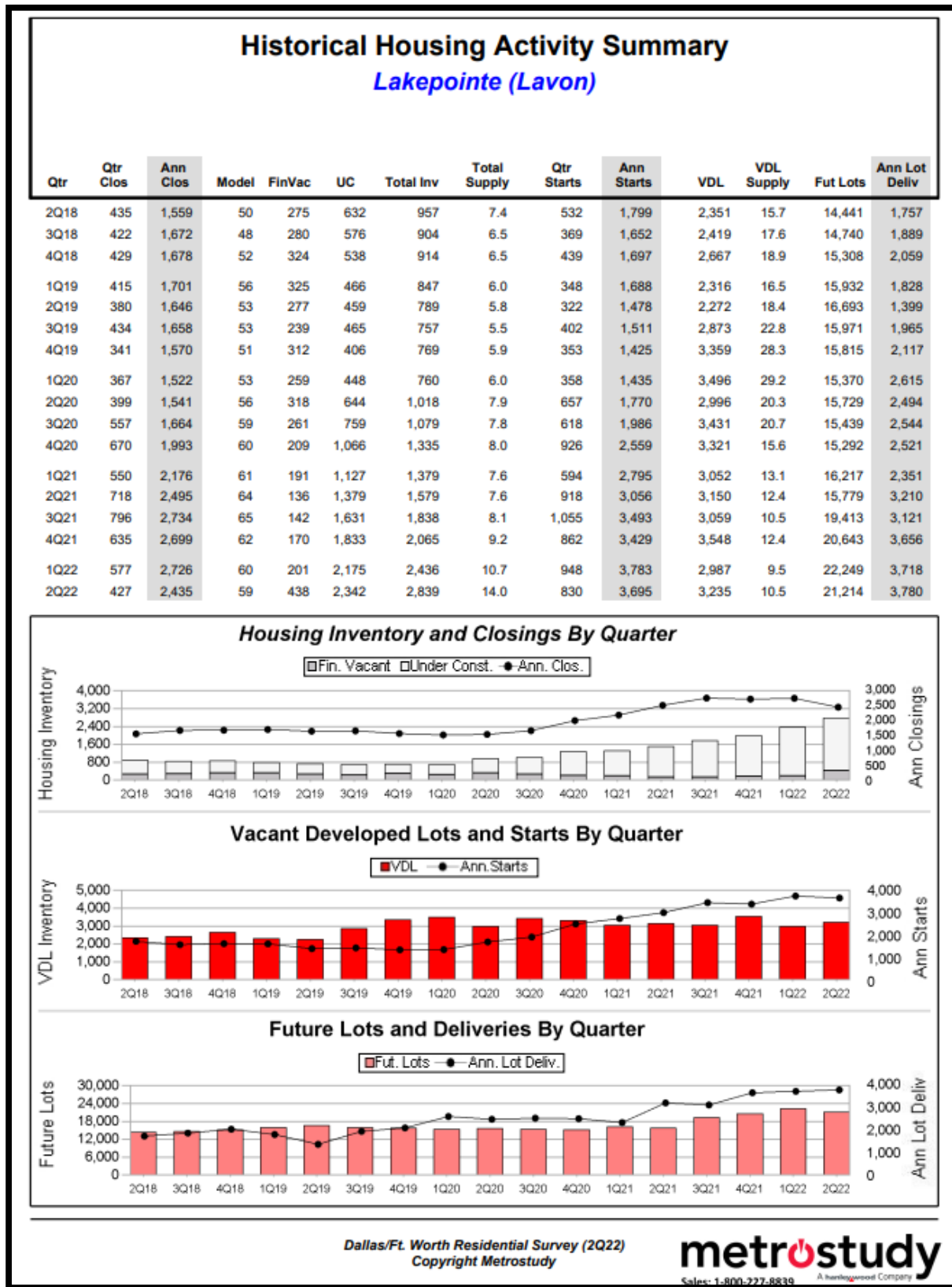
When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting development of the subject is the surrounding land usage. The area to the south of the subject has predominantly been developed with single-family residential subdivisions. Areas to the west of the subject property (across Lake Lavon and the East Fork Trinity River Floodway) are also predominantly developed with newer detached single-family uses. Areas to the north and east are more rural as they are further from populated areas ringing urban Dallas. It appears that a single-family development on the subject property conforms to nearby land development and there would be demand from potential residents who desirable to move closer to a smaller city that is within commuting distance of Dallas and surrounding cities.

Since the recession is 2008, the residential real estate market in this area of North Texas has continuously and considerably improved. Low interest rates and a desire to be in suburban neighborhoods persisted nationally in 2020 and 2021 leading to significant price increases for single-family homes in smaller cities around DFW. Interest rates have risen in 2022 with several interest rate increases already introduced. Still, with large numbers of in-migration from higher cost-of-living states, movement from urban to suburban locales, and an abundance of steady jobs, demand for residential real estate is expected to remain strong in the Metroplex, although sales may slow in the short-term due to inflation fears and higher interest rates for loans.

Demand from homebuilders for vacant developed lots (VDLs) is currently high; however, material shortages and the rising cost of labor were well-publicized in 2021 and contributed to an inflationary environment with higher development and building costs. Developable residential land in DFW with good access to Dallas is in high demand with developments moving ever further away from the Dallas CBD and highly developed areas of North Dallas where vacant land is scarce after decades of growth. The subject property – Improvement Areas #2 and #3 in the LakePointe PID – are removed from the large Central Business Districts in the Metroplex but are relatively close to recently developed areas of Collin County where many young families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda (Metrostudy) as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. We will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market.

The following chart provided by Metrostudy summarizes historical lot absorption from the past several years for the defined market area around Lavon which is northeast of Dallas.

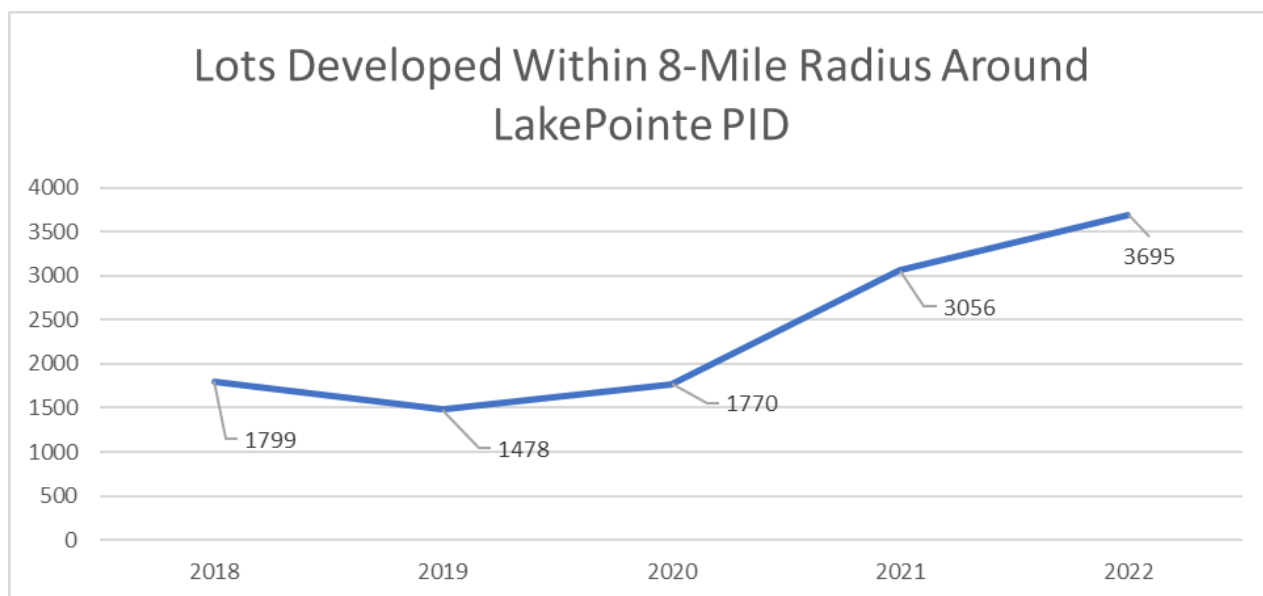


### DEFINED SUBMARKET AREA

As shown in the previous chart, the absorption of lots (determined from home construction starts) within the selected area was stable yet consistently increasing from 2018 to 2020 before increasing substantially in 2021 and staying consistent in 2022. According to Zonda (Metrostudy), the selected area absorbed the following total homes/lots year-over-year from 2018 to 2022:

- 2Q2018 – 1,799 lots absorbed
- 2Q2019 – 1,478 lots absorbed
- 2Q2020 – 1,770 lots absorbed
- 2Q2021 – 3,056 lots absorbed
- 2Q2022 – 3,695 lots absorbed

From 2018-2022, the *annual average* of lots absorbed was 2,360. Utilizing the more recent 24-month absorption of lots (3Q2020 to 2Q2022), the annual average of lots absorbed almost increases to 3,376 lots absorbed in the area. We have compiled a graph of the lots absorbed over the past 5 years below:



### COMPETITIVE SUPPLY (LOT INVENTORY)

According to Zonda, the existing supply of available housing is below ideal levels in the submarket as the number of vacant developed lots (VDLs) in the area has remained relatively steady at ~3,000 lots which home construction has increased significantly. It should be noted this is a large radius – 8 miles – for such a developed single-family residential area but we determined prospective buyers would search subdivisions around Lavon, Wylie, Rockwall, Fate, Royse City, Josephine, Nevada, and St. Paul, with a preference to be near the SH 78 but further from more urbanized areas.

Based upon the Metrostudy absorption figures of the past 5 years, there is currently only an approximately 12-month ( $3,235 \text{ lots} / 2,360 \text{ annual starts} = 1.37\text{-years}$ ) total supply of existing lots available in the submarket. This total supply is considered to be below the ideal lot supply levels of 2.0 to 2.5 years, per Zonda. Additionally, when utilizing the more current 24-month absorption average of 3,376 annual starts, the total supply of existing lots available in the subject's defined area decreases further to only 11.5 months ( $3,235 \text{ lots} / 3,376 \text{ annual starts} = \sim 0.96\text{-years}$ ), which is well below optimum lot supply levels in the submarket.

Thus, the total lot supply within the subject's submarket is estimated to be between ~0.96- to ~1.37-years (~11.5 to ~16.4 months) based on current supply and demand levels. Currently, this total lot supply is considered to be considerably **below** the ideal supply levels for a significantly developing market such as Lavon. Also, taking into consideration that new developments require a typical 12-to-18-month construction period, *with increasing demand, it appears that additional lot product in the submarket is feasible and needed at the current time.* This corresponds to discussions we had with DFW homebuilders who state there is a scarcity of vacant developed lots currently on the market which is pushing prices higher.

*Note: A threat to the pace of lot development is multiple interest rate increases the Federal Reserve enacted as a reaction to rising inflation. These interest rate increases were conducted to combat inflation by tempering consumer demand; however, the effect for residential housing may be to price first-time buyers out of the single-family residential market. In addition to increased labor costs, supply chain issues on items like concrete have increased development costs which are passed onto consumers, thus increasing prices for new homes. In general, we believe the diverse local economy, strong in-migration, and relative stability of the North Texas real estate market will serve to smooth out more global economic trends.*

Having considered the supply of lots in the market, it is now prudent to examine the absorption history of specific competing subdivisions in the subject's market area with similar lot features and amenities relative to the subject to determine the projected absorption of the subject's proposed lots. Improvement Area #2 has Substantial Construction on the improved lots complete and purchasers (homebuilders) have purchased the lots in bulk; thus, we do not need to consider the absorption for those 260 lots. Improvement Area #3 has land development underway on 221-50' lots which is expected to have Substantial Completion granted by the end of the first quarter of 2023. Thus, we will analyze the absorption on those lots following Substantial Construction Completion.

#### **ABSORPTION ANALYSIS – 50' LOTS (IMPROVEMENT AREA #3)**

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions, including the subject's subdivision, that are considered to compete with the subject's lots. All data is per Zonda as of 2Q2022.

##### **50' Lots (Improvement Area #3)**

We included data for lots that were between 45-50' as those lots will allow for a similar building footprint. We selected eight comparable absorption schedules at nearby communities we concluded are similar to the subject.

<b>Subdivision</b>	<b>Size (Foot Front)</b>	<b>Available Lots</b>	<b>Starts</b>	<b>Months</b>	<b>Available Supply (Months)</b>	<b>Starts /Month</b>
LakePointe	50'	72	70	12	12.3	<b>5.8</b>
Crestridge Meadows	50'	22	139	12	1.9	<b>11.6</b>
Inspiration	50'	65	146	12	5.3	<b>12.2</b>
Parkside Village	45-50'	102	165	12	7.4	<b>13.8</b>
Lavon Farms	50'	1	36	12	0.3	<b>3.0</b>
Creeside	50'	163	55	9	26.7	<b>6.1</b>
Bridgewater	50'	114	119	12	11.5	<b>9.9</b>
Woodcreek	50'	6	115	12	0.6	<b>9.6</b>
<b>AVERAGE</b>		<b>68.1</b>	<b>105.6</b>	<b>11.6</b>	<b>8.3</b>	<b>9.0</b>

Our analysis indicates Starts/Month is between 3.0 and 13.8 with an average of 9.0 starts/month with a median of 9.8 starts/month. Of note, the subject property's development absorbed 5.8 lots per month over the past four quarters; however, this could have been for a multitude of reasons include a lack of vacant developed lots to build upon or business decisions by the homebuilders. Based on the market data, we conclude **the subject property's 50' lots in Improvement Area #3 would likely absorb 9 lots/month, or approximately 27 lots per quarter.**

**ABSORPTION SUMMARY PROJECTIONS: IMPROVEMENT AREA #3**

**Improvement Area #3**

We estimate that the 221-50' lots in Improvement Area #3 of the LakePointe PID will sell at 27 lots/quarter for 50' lots with absorption beginning April 1, 2023. A table of the absorption schedule is shown below:

Projected Quarterly Absorption Summary - Improvement Area #3 (221 Lots)							▶▶	
<i>Lot Type</i>	<i>Apr-2023</i>	<i>Jul-2023</i>	<i>Oct-2023</i>	<i>Jan-2024</i>	<i>Apr-2024</i>	<i>Jul-2024</i>		
<b>50' Lots</b>	27	27	27	27	27	27		
<b>Total</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>		

				▶▶			
				<i>Oct-2024</i>	<i>Jan-2025</i>	<i>Apr-2025</i>	<b>TOTAL</b>
				27	27	5	<b>221</b>
				<b>27</b>	<b>27</b>	<b>5</b>	<b>221</b>

The total absorption period for 50' lots is expected to be 25 months (221 lots ÷ 9 lots/months), and lots are also expected to sell out in April 2025.



## **SUBJECT PROPERTY ANALYSIS**

The subject property (LakePointe IA#2 & IA#3) is located in Lavon on the east side of Lake Lavon. The area surrounding the subject property is primarily suburban and has been and is developing with large master-planned communities. The subject property has above average access to SH 78 and average access to FM 205 which provides access to other suburban cities north and east of Dallas. Major freeways like President George Bush Turnpike and US 75 and approximately 10-15 miles from the subject property.

The subject property – Improvement Ares #2 & #3 in the LakePointe PID represents a combined total of approximately 119.612 acres. Improvement Area #2 had Substantial Horizontal Construction completed in 4Q2022 and the lots were sold to Bluehaven Homes LakePointe, LLC (Bluehaven Homes). The lots in Improvement Area #3 are still under construction with Substantial Completion expecting by the end of 1Q2023. 223 residential lots in Improvement Area/Phase #1 were developed beginning in 2019. These previously developed lots share the same amenities and homeowner's association in the LakePointe subdivision.

LakePointe PID will contain the following direct phase improvements:

### **IMPROVEMENT PLAN**

The following general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.

### **LAKEPOINTE PID IA#2 & IA#3 IMPROVEMENTS**

The actual costs for the subject property are to be funded from the proceeds of the LakePointe PID bonds and from funds contributed by the Developer as described in the Service and Assessment Plan produced by MuniCap, Inc. A description of the improvements to the PID are as follows:

#### ***Hardscape and Landscape Improvements***

Improvements consist of installation of landscaping, including irrigation, in open spaces, entryway monuments and signs, establishment and improvement of lakes, park and open space.

#### ***Water Improvements***

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2 & #3.

#### ***Sewer Improvements***

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 & #3.

#### ***Storm Sewer Improvements***

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 necessary to provide storm drainage for all Lots within Improvement Area #2 & #3.

***Paving***

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, 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 & #3.

***Miscellaneous***

Improvements including a 4% construction management fee, and engineering and design (inclusive of any revisions that may be necessary for final approval by the City engineer) of the final construction plans necessary for construction of the Authorized Improvements in Improvement Area #2 & #3. Once the final plans are approved, the project engineer shall stamp and mark the plans ready for construction, and ready to be submitted to duly authorized contractors for bids for the construction of such Authorized Improvements.

**UTILITIES**

Electricity to the property is maintained by Oncor. Natural gas will be provided by Atmos Energy. Water and sanitary sewer services will be provided by the City of Lavon. The subject property is served by the Lavon Police Department and the Lavon Fire Department for fire, and emergency medical services. Telephone, fiber-optic, and internet is available through a variety of providers such as AT&T, Spectrum, Rise, T-Mobile, and Frontier.

**EASEMENTS/ENCROACHMENTS**

Based on our physical site visit, and review of available maps of surrounding area it is reasonable to suspect that there are typical setbacks and easements that exist on the property which have been approved by the City of Lavon. The appraisers assume the property is free from any detrimental easements or encroachments and specifically reserves the right to alter the conclusion of this analysis should a survey be provided that indicates detrimental easements or encroachments.

## STREETS & ACCESSIBILITY

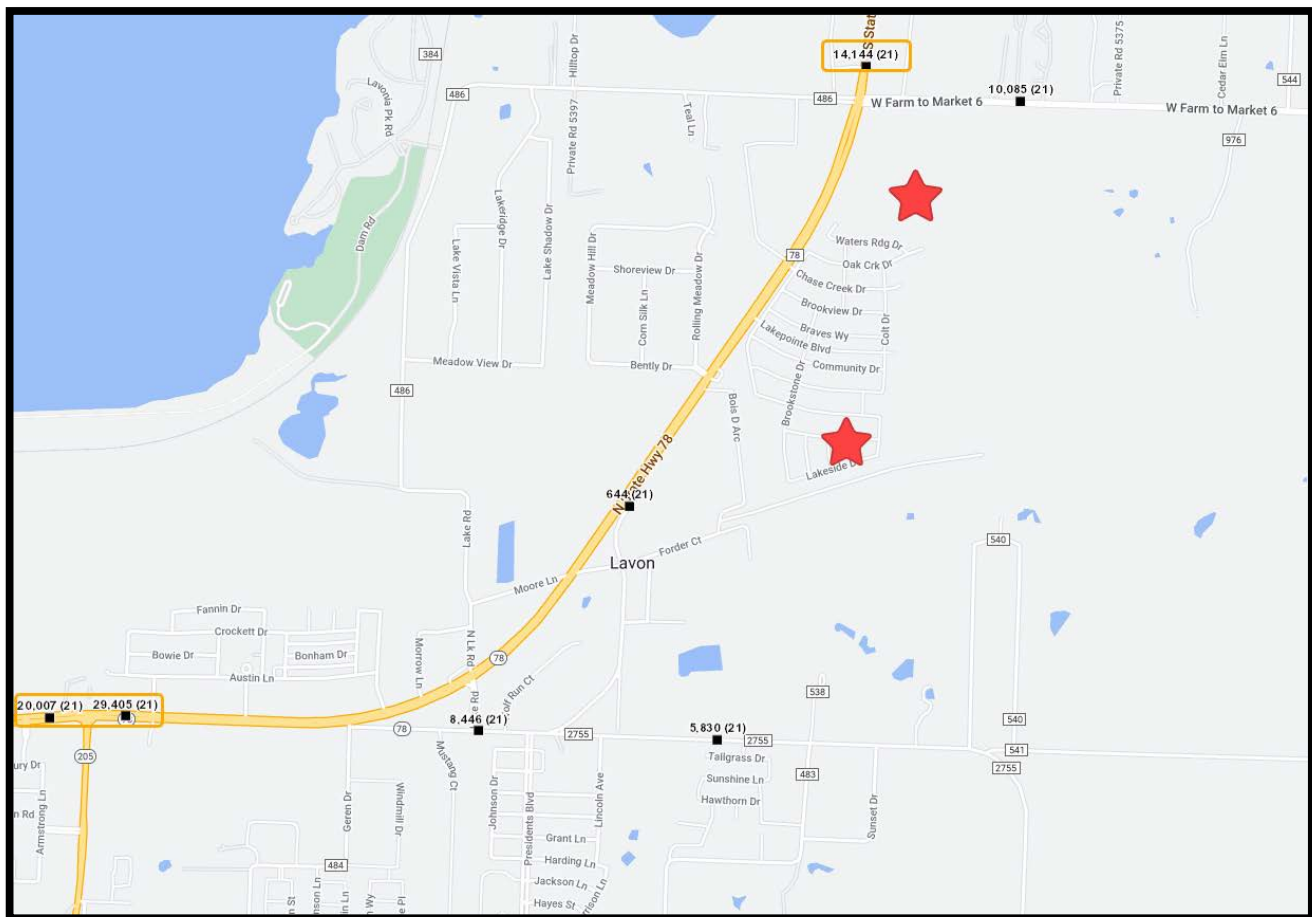
The subject property is accessed from State Hwy. 78 (SH 78) which is a major arterial road that runs from East Dallas to State Hwy. 121 near Trenton, TX while passing in a northeasterly route through East Dallas, Garland, Sachse, Wylie, Lavon, Farmersville, and Blue Ridge. State Hwy. 78 is the main traffic carrier in Sachse, Wylie, and Lavon, and runs along the east side of Lake Lavon north to Farmersville at the north end of the lake.

At the subject site's entrance on LakePointe Blvd., SH 78 is a six-lane highway with a grass median and left-turn lane for traffic coming from the north and entering the LakePointe development. SH 78 at the subject site is concrete-paved with concrete curbs, storm drains, and sidewalks on both sides of the highway. The subject property's development has appealing and maintained landscaping at the entrance from SH 78 and a two-story tower landmark at the entrance.

Streets in LakePointe are all concrete-paved local roads with minimal traffic. Roadways have storm drains and concrete curbs.

A map below from TXDOT shows traffic counts from 2021 near the subject property. The map below shows traffic counts of almost 30,000 south of the subject property and closer to SH 205 while traffic counts north of the subject property and near FM 6 are approximately 15,000. Traffic counts at the subject property are likely between those two counts but as the area is quickly developing it is expected traffic in the vicinity will increase.

**TXDOT Traffic Web Viewer**

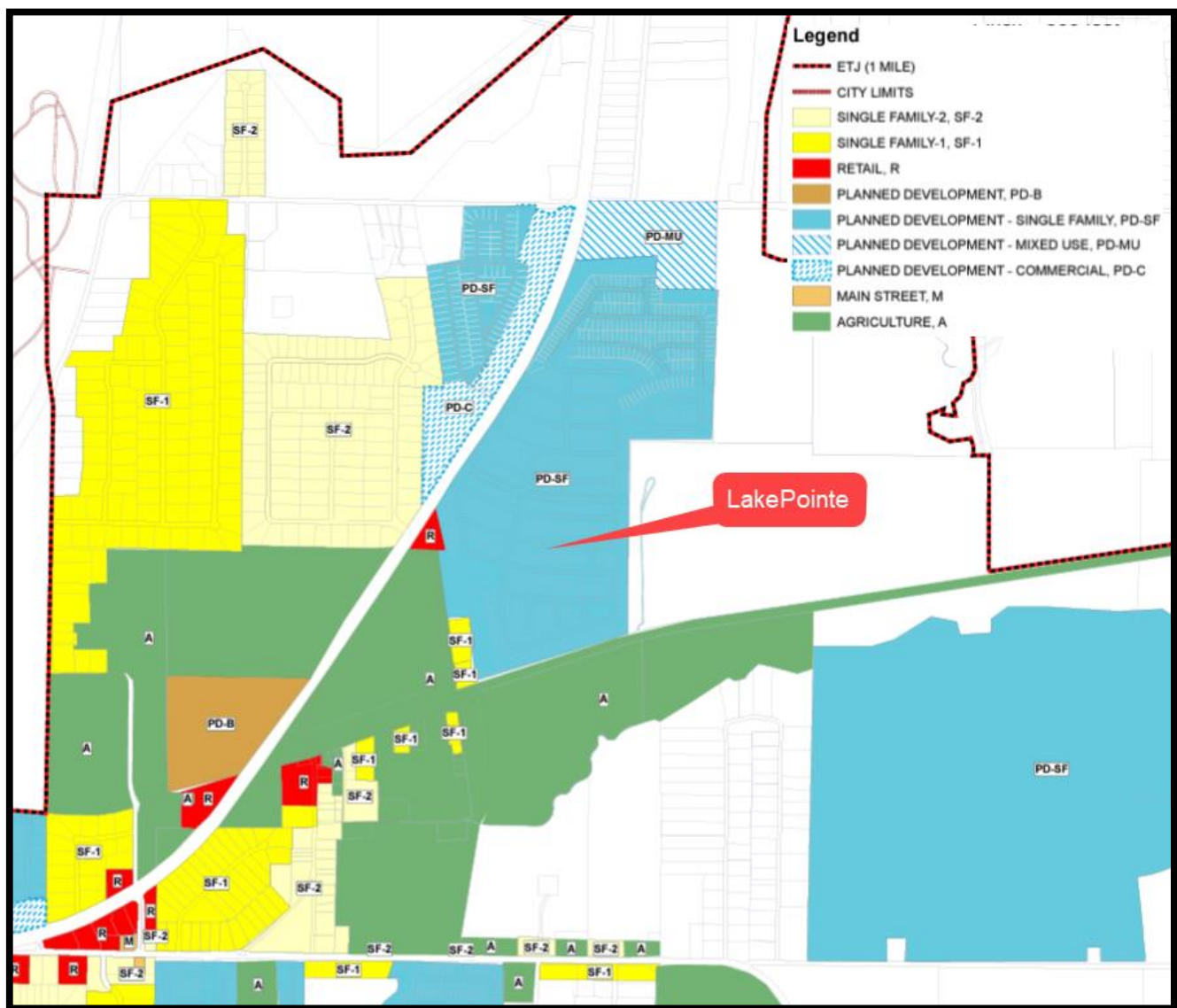


## ZONING AND RESTRICTIONS

Development of the subject property is subject to the City of Lavon's subdivision regulations and uniform engineering design standards. The City has passed a Planned Development (initially approved in July 2019) for LakePointe and the subject property is zoned "PD-SF" which is a Planned Development for Single-Family Uses. This zoning classification sets forth requirements and standards for detached single-family residential development for the subject property such as lot specifications and layout, building standards, fencing standards, landscape standards, sidewalks, mailboxes, open spaces, common areas, detention areas, amenity centers, signage, and the homeowner's association.

The improved lot construction appears to be a conforming land use. An excerpt from the City of Lavon Zoning Map is shown below.

**CITY OF LAVON ZONING MAP**

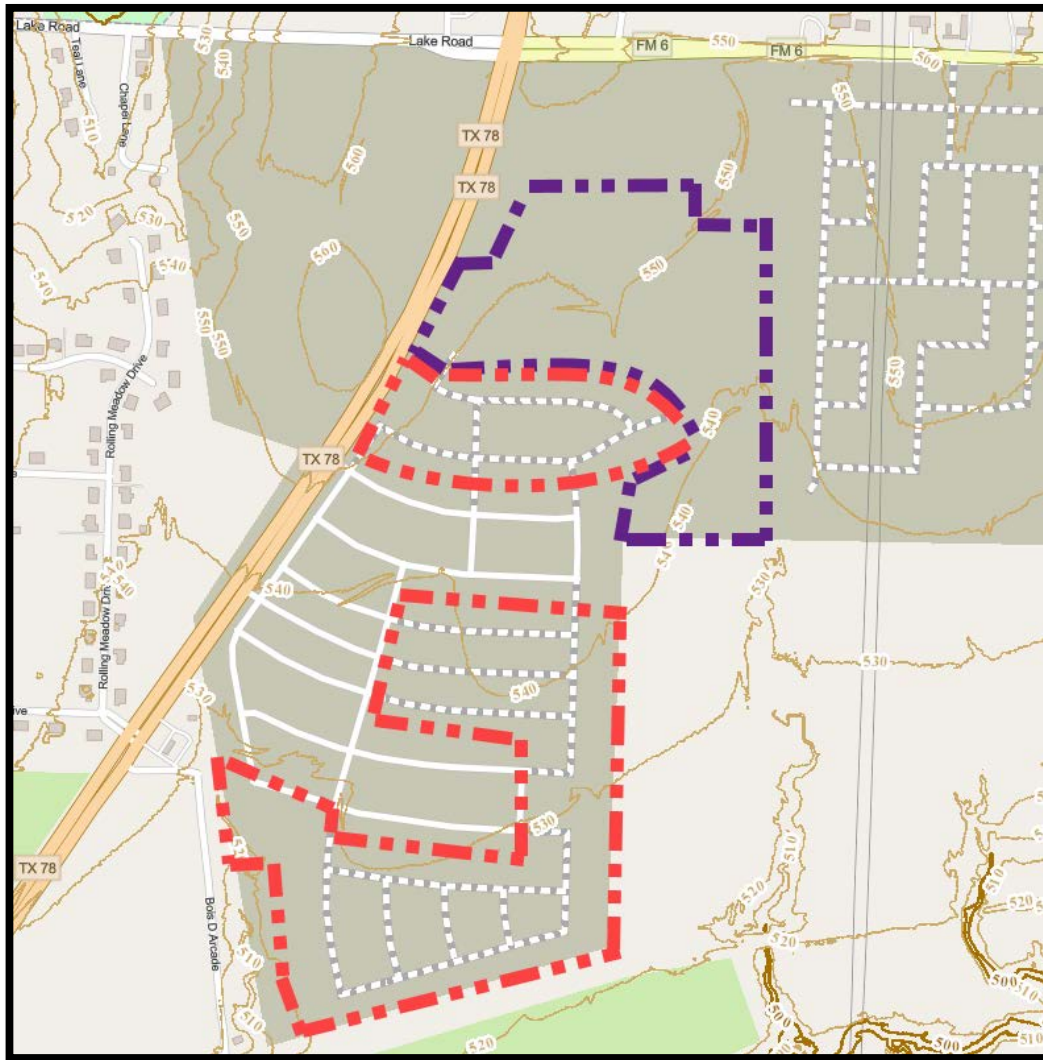


## TOPOGRAPHY

The topography of Improvement Areas #2 and #3 is described as gently sloping and is currently fully cleared. Improvement Area #2 has been improved for home construction and homebuilding is underway. Earthwork in Improvement Area #3 is underway with Substantial Construction Completion expected in 1Q2023. Thus, these topographic maps showing the contours are slightly out-of-date as the site has been improved for single-family homes with streets, storm sewers, and utilities in place.

### TOPOGRAPHIC MAP

*Contours At 10'*



## SOIL AND SUB-SOIL CONDITIONS

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement which is nor or may be constructed. As of the report date, Substantial Construction is complete in Improvement Area #2 and the developer has excavation and earthwork underway in Improvement Area #3. Our value conclusions are subject to revision should assumptions that land is stable prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.



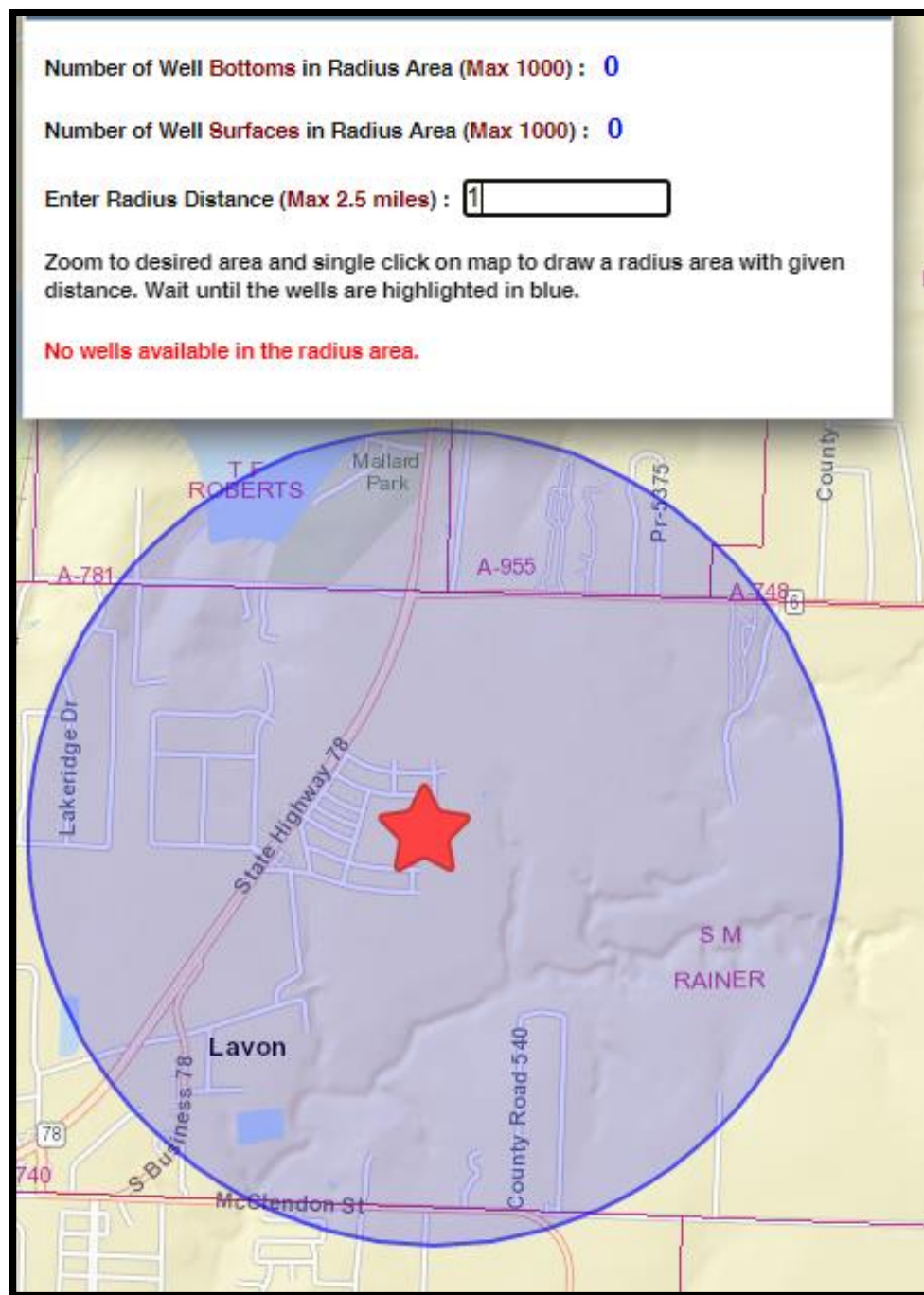
### FEMA FLOOD ZONE

The LakePointe PID (including IA#2 and IA#3) is entirely within FEMA Flood Zone X (minimal chance flood hazard) according to Map 48085C0445J, effective 6/2/2009. There does not appear to be a flood zone that would be detrimental to the development of the subject property.

### FLOODPLAIN MAP



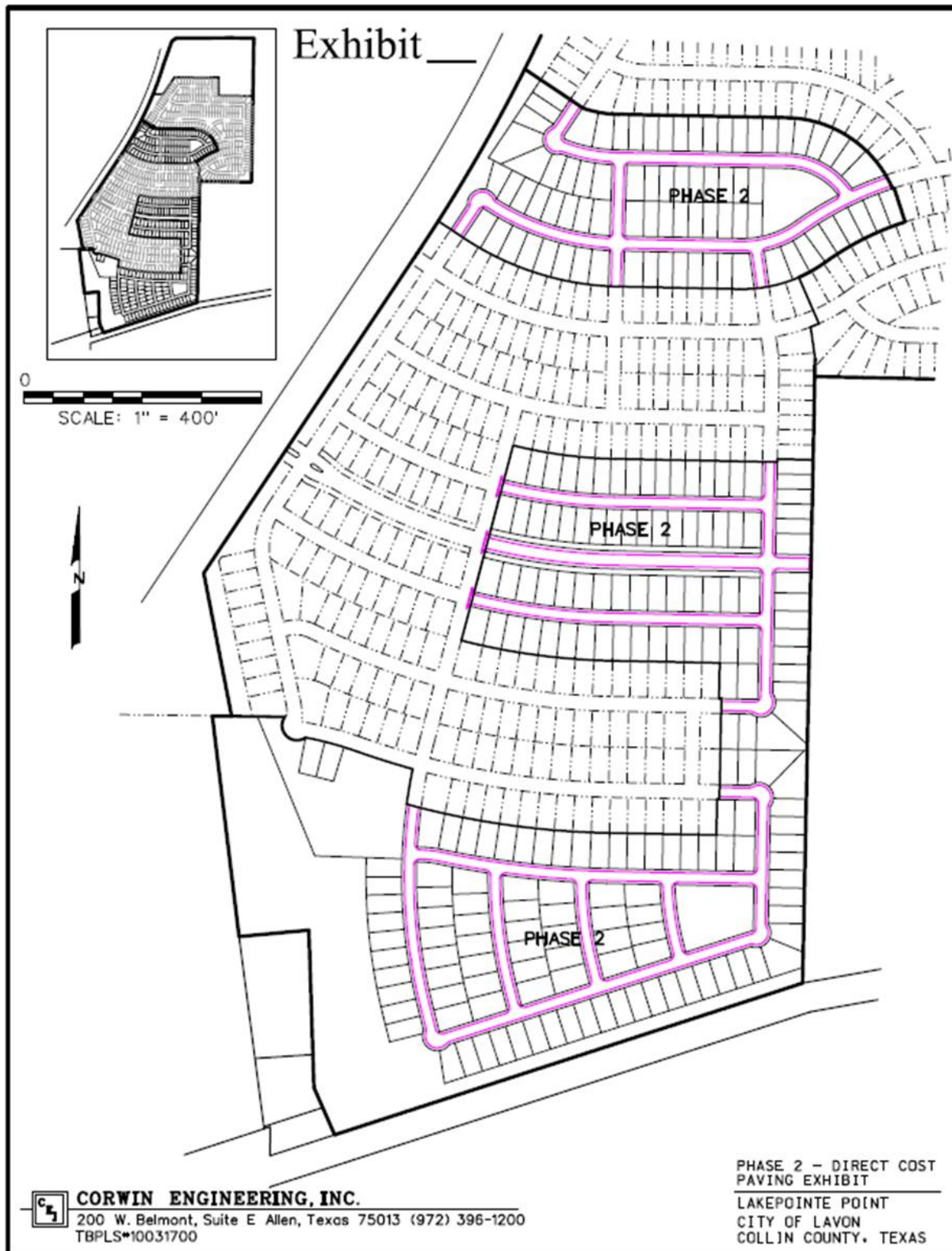
**OIL AND GAS WELLS**  
**Texas Railroad Commission**



There are no well surface sites and no well bottom sites within 1 miles from the center of the subject; however, this area of the Metroplex is not active with mineral extraction. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations.

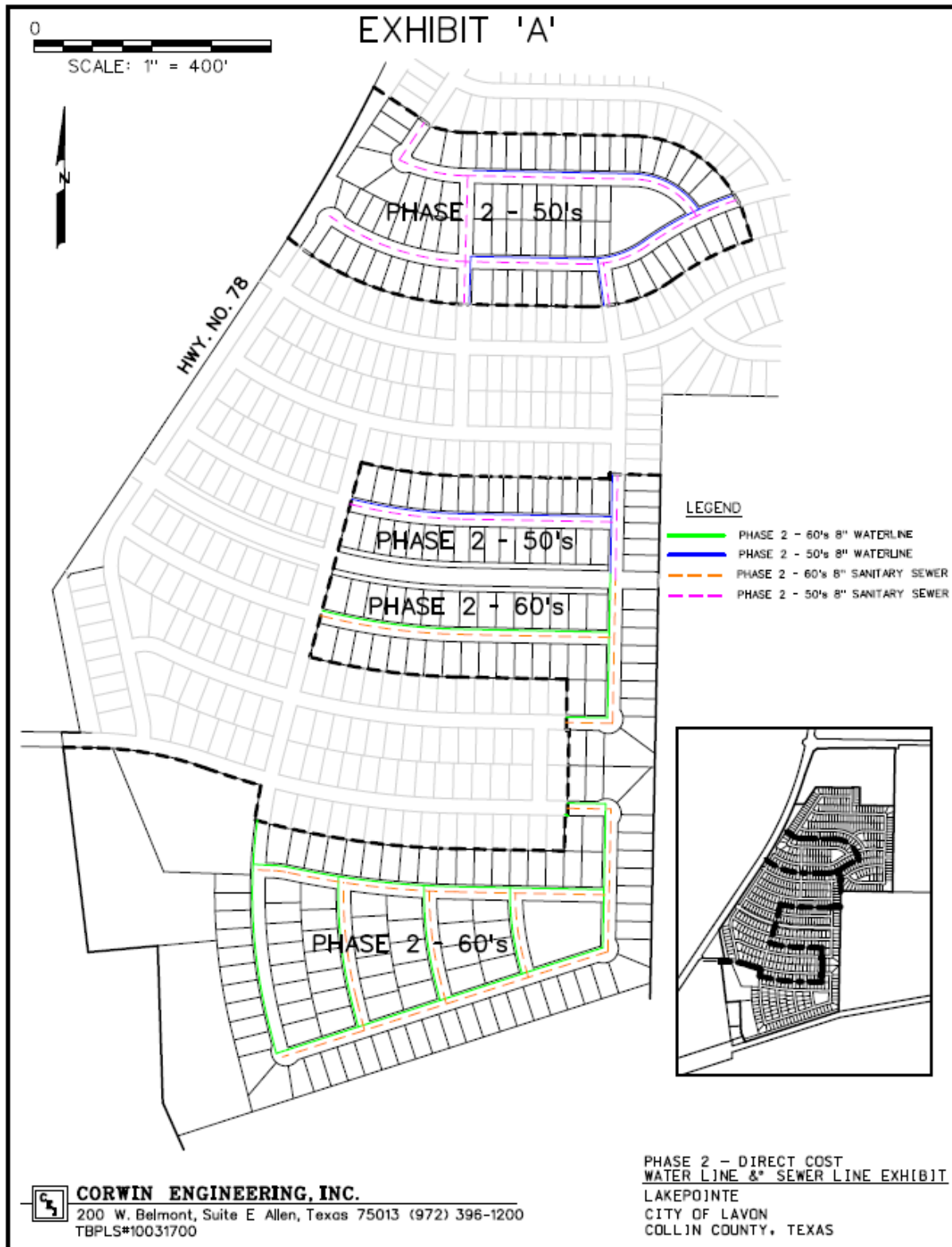


**IMPROVEMENT AREA #2 PAVING IMPROVEMENTS**  
**CORWIN ENGINEERING, INC.**

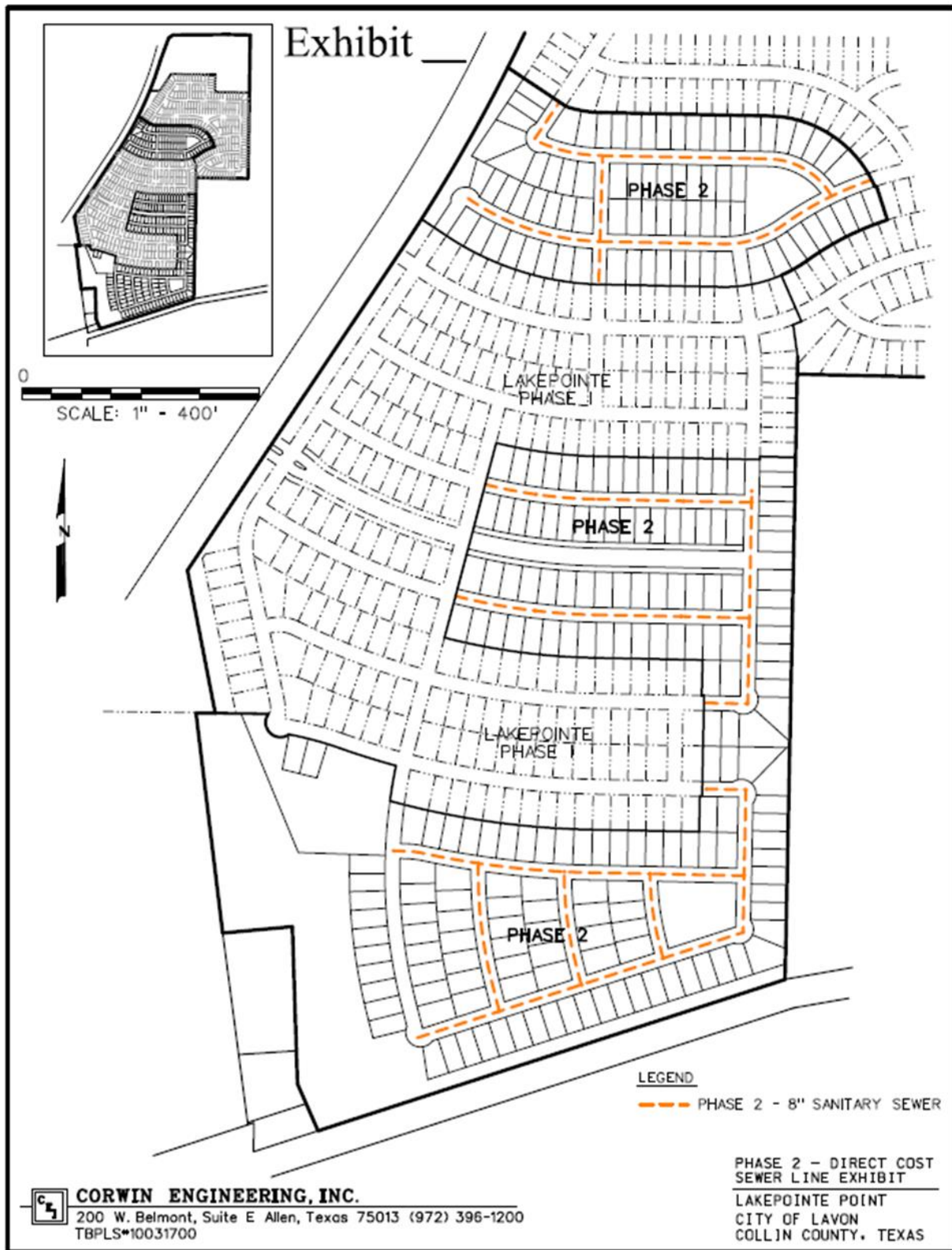




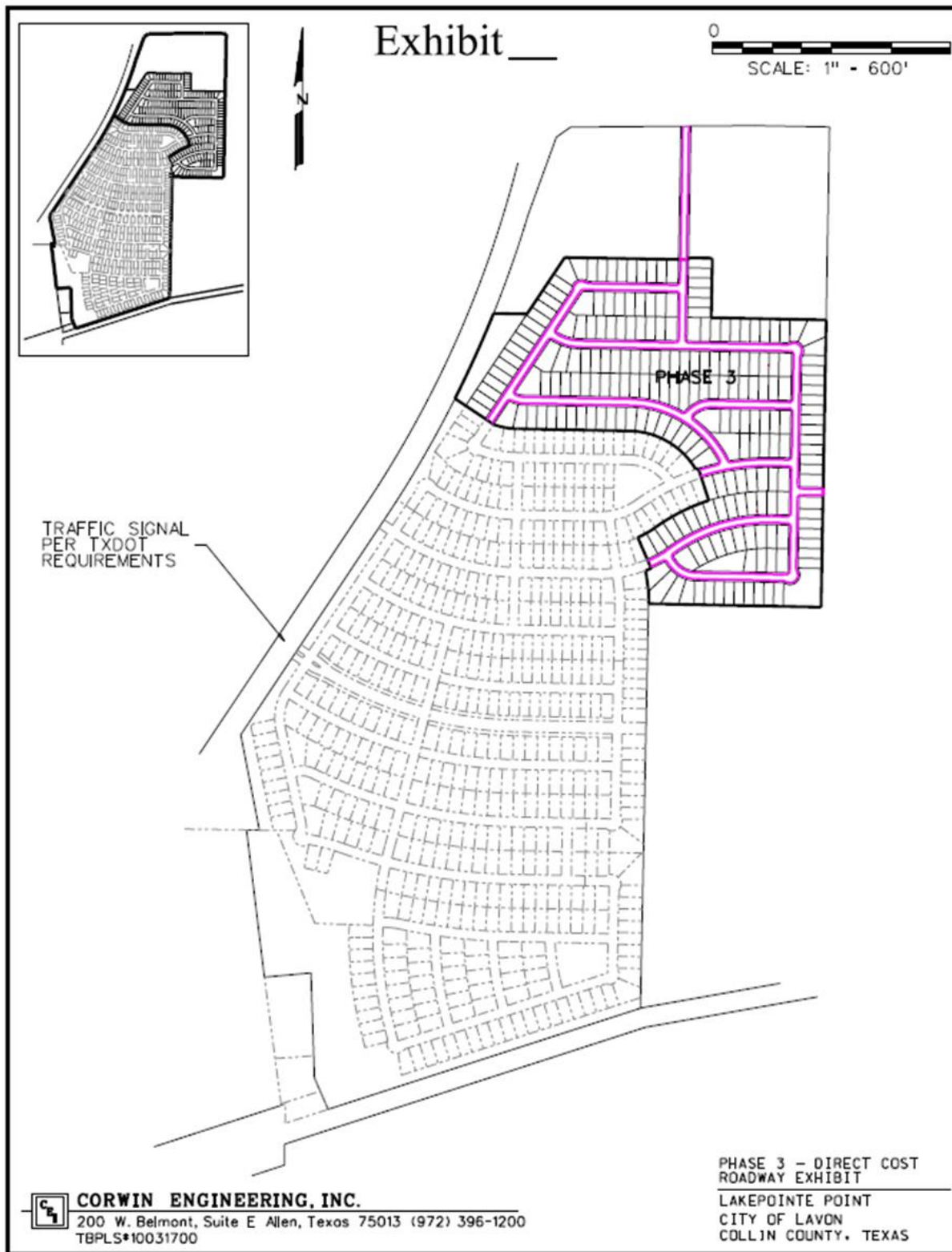
**IMPROVEMENT AREA #2 WATER LINE & SANITARY SEWER LINE IMPROVEMENTS**  
**CORWIN ENGINEERING, INC.**



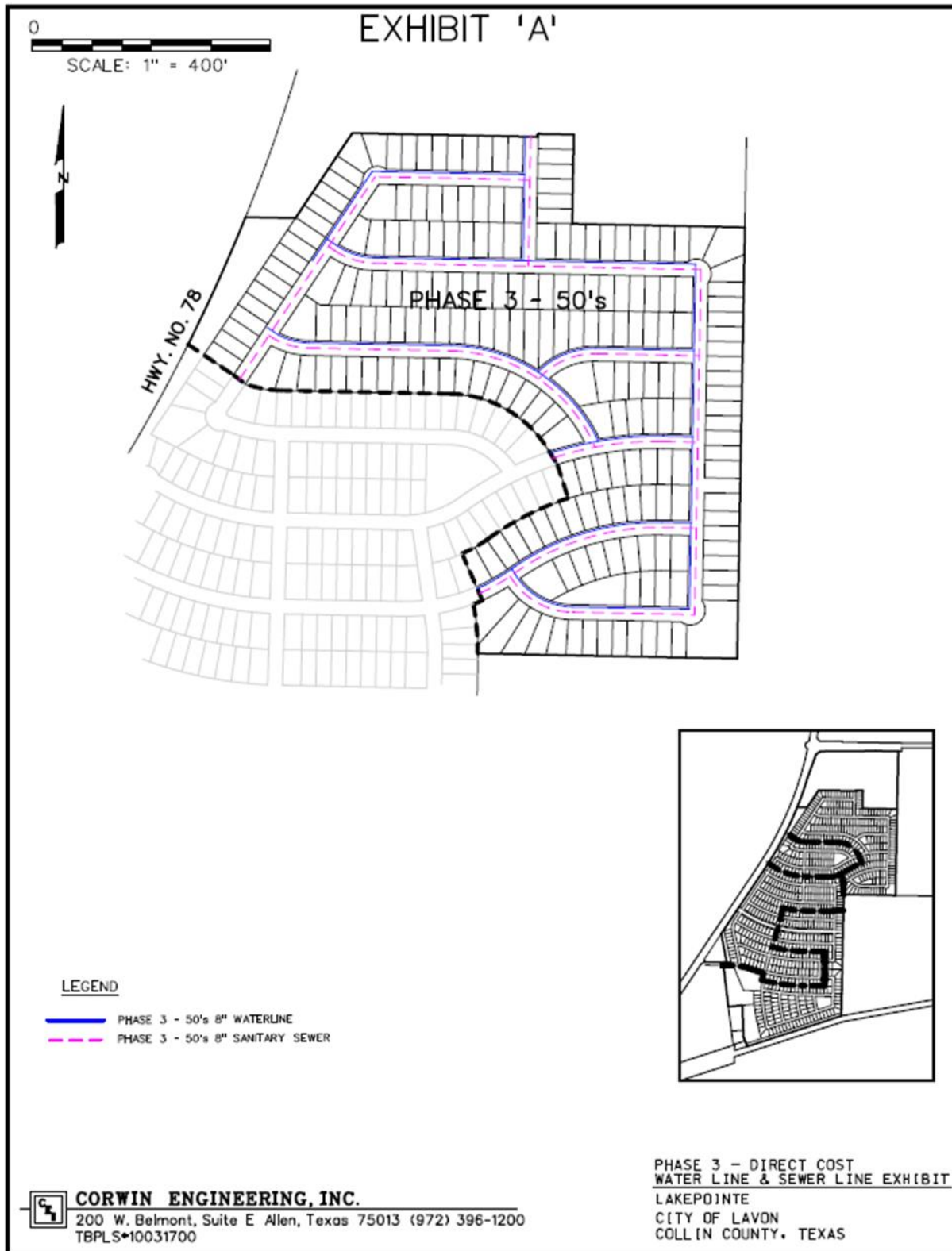
**IMPROVEMENT AREA #2 SANITARY SEWER LINE IMPROVEMENTS**  
**CORWIN ENGINEERING, INC.**



**IMPROVEMENT AREA #3 PAVING IMPROVEMENTS**  
**CORWIN ENGINEERING, INC.**

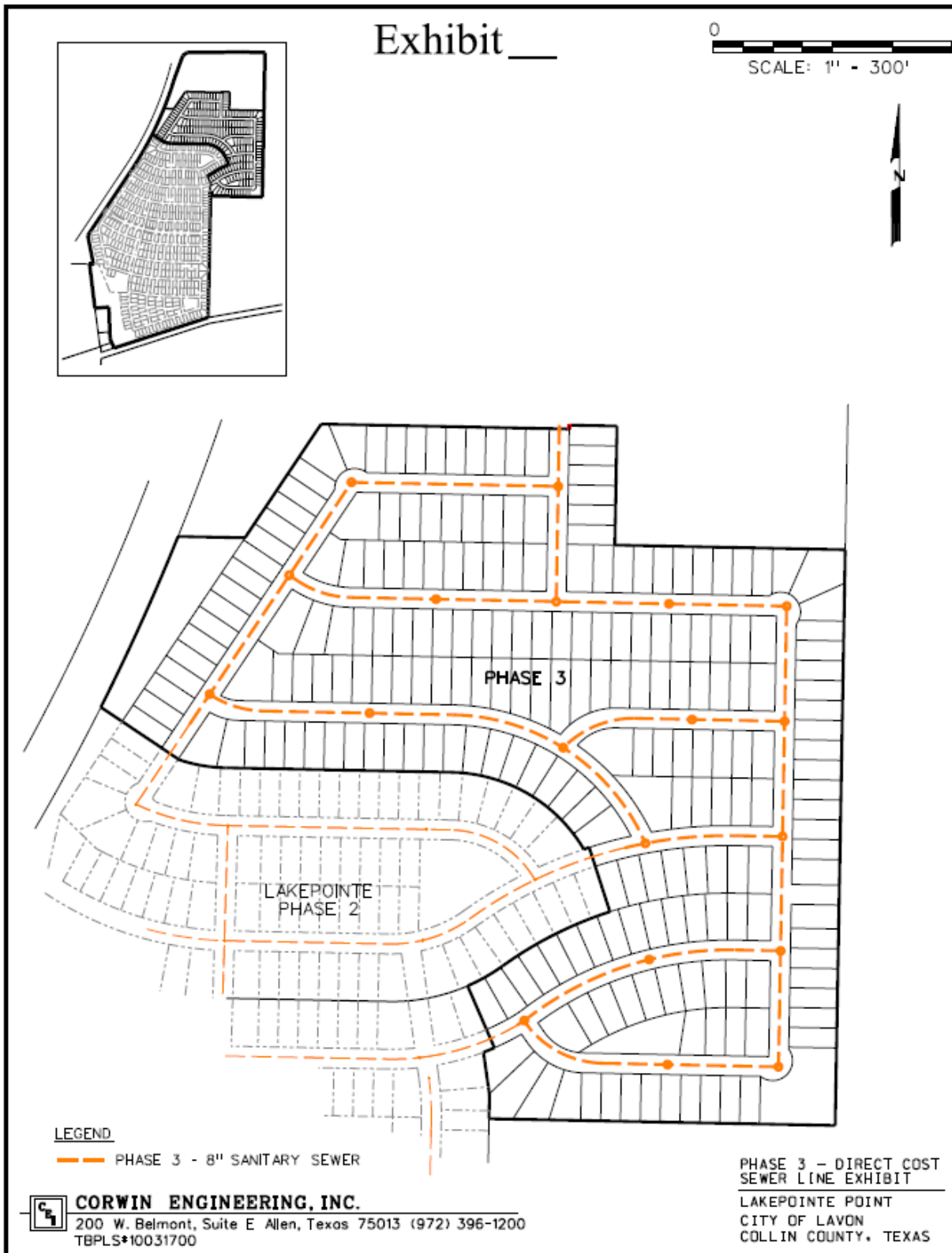


**IMPROVEMENT AREA #3 WATER LINE & SANITARY SEWER LINE IMPROVEMENTS**  
**CORWIN ENGINEERING, INC.**



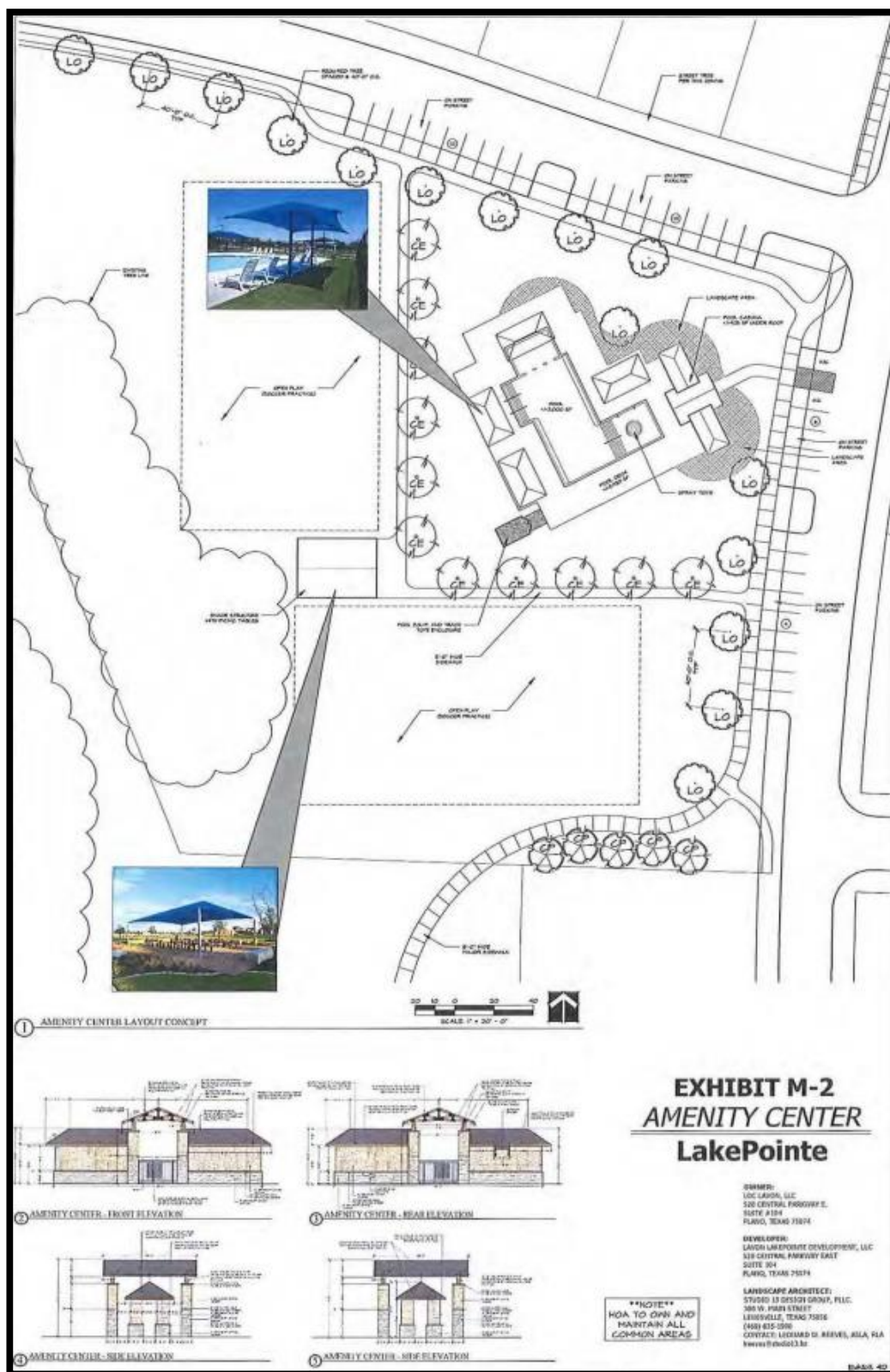


**IMPROVEMENT AREA #3 SANITARY SEWER LINE IMPROVEMENTS**  
**CORWIN ENGINEERING, INC.**



# AMENITY CENTER CONCEPT PLAN

## *PER DEVELOPMENT AGREEMENT*



**PROPERTY PHOTOGRAPHS**



Lakepointe Entry Sign on SH 78



Entrance to LakePointe Subdivision



View North Along SH 78 which is 6-lane Highway at Entrance



View South Along SH 78 which is 6-lane Highway at Entrance





View West Along Lakeside Dr. near South Boundary of IA#2 and LakePointe



Homes Under Construction in Improvement Area #2



View East Across South Boundary of LakePointe and Improvement Area #2



Streets and Storm Sewers in Place in IA#2 - Looking Toward IA#1 Where Homes Are Complete



Large Home Under Construction in Improvement Area #2



Homes Under Construction in Improvement Area #2





View West Along Lakeside Dr. in Improvement Area #2 with Streets in Place and Vacant Developed Lots



Homes Under Construction in Improvement Area #2



Streets and Utilities in Place for Vacant Developed Lots in IA#2



Park Complete with Landscaping in Improvement Area #2



Homes Under Construction in Improvement Area #2



Homes Under Construction in Improvement Area #2



Improvement Area #2 with Homes Under Construction backs to Improvement Area #1 with Completed Homes



Completed Homes on Right are in IA#1 while Vacant Lots and Homes Under Construction are in Improvement Area #2



Foundation Work Underway on Home in Improvement Area #2



Homes Under Construction in Improvement Area #2



Fenced Park and Playground in Place in Improvement Area #2, Near Improvement Area #3



Drainage Culvert with Headwalls and Rip Rap Rock near Boundary of Improvement Areas #2 and #3





View North in Improvement Area #3 with Earthwork in Progress



Improvement Area #3 with Earthwork in Progress



View North in Improvement Area #3 with Earthwork in Progress



View East in Improvement Area #3 Showing Area where Earthwork has not Commenced



Earthwork Underway in Improvement Area #



View Near West Boundary of IA#3 with SH 78 in Background



View Northeast Toward Development Along FM 6



View Looking Across IA#3 Toward Homes Under Construction in IA#2



341 Braves Way in IA#2



349 Braves Way in IA#2



307-319 Oak Creek Dr. in IA#2



367 Community Dr. in IA#2

## **HIGHEST AND BEST USE**

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Also, that reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

- |                        |                         |
|------------------------|-------------------------|
| a. Physically Possible | c. Financially Feasible |
| b. Legally Permissible | d. Maximally Productive |

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the physical, legal, financial feasibility and maximal productivity for the site and improvements.

### **Highest and Best Use Analysis**

#### **Highest and Best Use “As-Vacant”**

##### **Physically Possible**

Considering the subject’s physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself.

##### **Legally Permissible**

The subject property is within the City of Lavon and is zoned “PD-SF” which is a planned development for detached single-family uses.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal which would further restrict development.

Given surrounding land use patterns in the area, only detached single-family residential use is given further consideration in determining the highest and best use of the site as vacant.

##### **Financially Feasible**

In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The area surrounding the subject property is suburban and development of the surrounding area has accelerated considerably over the past decade as development in quasi-rural areas around Dallas hastened. Developers and home builders have moved further away from the center of the Metroplex and the areas surrounding the subject property are being developed with middle-to-upper class housing stock for a consumer that often desires new



construction, small town charm, access to larger cities, but within a neighborhood with amenities. Zonda reports the average base price for a home in this vicinity has increased in the past year from \$465,778 to \$551,751, an 18.5% increase while the price per square foot of a home increased from \$173.45 to \$207.28, or 19.5%, in the past year. This was driven by strong demand due to relatively low interest rates and low supplies of housing stock which both served to push prices higher.

Based on our analysis of the market, there is currently ample demand for single-family residential use in the subject's area. It appears that a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

### **Maximally Productive**

There does not appear to be any reasonably probable use of the subject property that would generate a high residual land value than single-family residential use. Accordingly, it is our opinion that single-family residential use, developed to the normal market density allowed by the planned development is the maximally productive use of the property.

The resilient business climate in North Texas and the continual development of neighborhoods near US 380 has created increased demand for homes in the area. Coupled with increasing movement into DFW and Collin County in particular, it is our opinion that the highest and best use of the property "as vacant" would be for the development of single-family residential community. Thus, the highest and best use of the property "as-vacant" is for development of detached, single-family residential uses.

### **Highest and Best Use "As-Improved"**

Development of the subject property, as proposed utilizing our extraordinary assumptions, is the only use that meets the four tests of highest and best use. Therefore, we conclude that the highest and best use of the property "as-improved" is similar to our conclusion "as-vacant" which is for detached, single-family residences.

We believe that the **most probable buyer** would be a developer or homebuilder of large single-family communities who is active in the DFW market.

## **VALUATION**

### **Residential Subdivision (431 Improved Residential Lots)**

Use of the 3 approaches to valuation for improved lots in LakePointe PID IA#2 & IA#3 is summarized as follows:

<b><i>Approach</i></b>	<b><i>Applicability to Subject</i></b>	<b><i>Use in Assignment</i></b>
<b>Cost Approach</b>	<i>Not Appropriate Since Much of the LakePointe development is Built-Out</i>	<i>Not Utilized</i>
<b>Income (Subdivision Development) Approach</b>	<i>Appropriate in Determining Market Value for Improvement Area #3 which is Under Construction</i>	<i>Utilized</i>
<b>Sales Comparison Approach</b>	<i>Appropriate in Determining Market Value for Improvement Area #2 which has Sold Lots in Bulk-Sale Scenario as well as Improved Residences which are Best Determined Using Sales Comparison Approach to Value</i>	<i>Utilized</i>

#### ***Cost Approach***

This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. Since the subject property has had multiple phases developed in previous years and much of the major improvements are in-place, *the Cost Approach is not the most appropriate and thus was not utilized.*

#### ***Income (Subdivision Development) Approach***

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow (DCF) analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since one of the problems to be solved in this appraisal is to determine the bulk sale value 221 proposed improved lots in Improvement Area #3 “Upon Completion” as of April 1, 2023, *the Income (Subdivision Development) Approach is the most appropriate and was developed. Since Improvement Area #2 had lots sold in a bulk-sale scenario in December 2021, the Income (Subdivision Development) Approach was not relevant to those lots, and it was not development for Improvement Area #2.*

The steps to value in the Income (Subdivision Development) Approach as summarized as follows:

- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associate with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at market prices over time

### ***Sales Comparison Approach***

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. *The Sales Comparison Approach was the most appropriate approach for determining the market value of the improved lots in Improvement Area #2* – which were sold in a bulk-sale transaction and were not subject to discounted cash flows. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, we estimated the retail value of the lots by comparing the subject to other improved lot sales in the vicinity to determine the retail lot value of a single-lot, or small group of lots – we were able to utilize these retail lot values in the Income Approach for IA#3 in the DCF analysis as well.

After determining the retail value of the lots in Improvement Area #2, we then applied a discount factor to determine the market value of the lots in a bulk-sale scenario. We determined the discount factor after interviewing developers and homebuilders and reviewing bulk-sale discounts for residential lots across the Metroplex.

### **50 Improved Residences in Improvement Area #2**

Within Improvement Area #2, at least 50 residences have been constructed (and most have been sold to end-users) which is confirmed by the certificates of occupancy (CO) provided by the City of Lavon. In addition, the appraisers confirmed the residences are complete via visual exterior inspection on October 23, 2022. There are likely up to a dozen more improvements that are nearing completion, however, these 50 were confirmed by Roy Magno of T. Wilson and via on-site visit on the effective date.

In valuing the single-family residences, we reviewed the 3 approaches to value and concluded that the Cost Approach and the Income Approach to value would not be relevant to the valuation of residential properties as these approaches are rarely utilized in residential valuation. The only credible method of valuation for the improved residences is through sales comparison. We reviewed the NTREIS residential multiple listing service in DFW for recent sales within the LakePointe community. We found there were 12 sales in LakePointe that closed within the 60 days prior to the effective date. Four sales were for homes much larger than any of the 50 improved residences we are valuing so we did not utilize those home sales. We noted that market conditions for single-family residences have slowed in 2022 but has been relatively consistent in the past two months. We selected the best eight comparable sales and determined the average price per square foot of the improved residences then utilized that value in determining the market value of the 50 improved residences.



**RETAIL LOT MARKET VALUE**  
**SALES COMPARISON APPROACH**

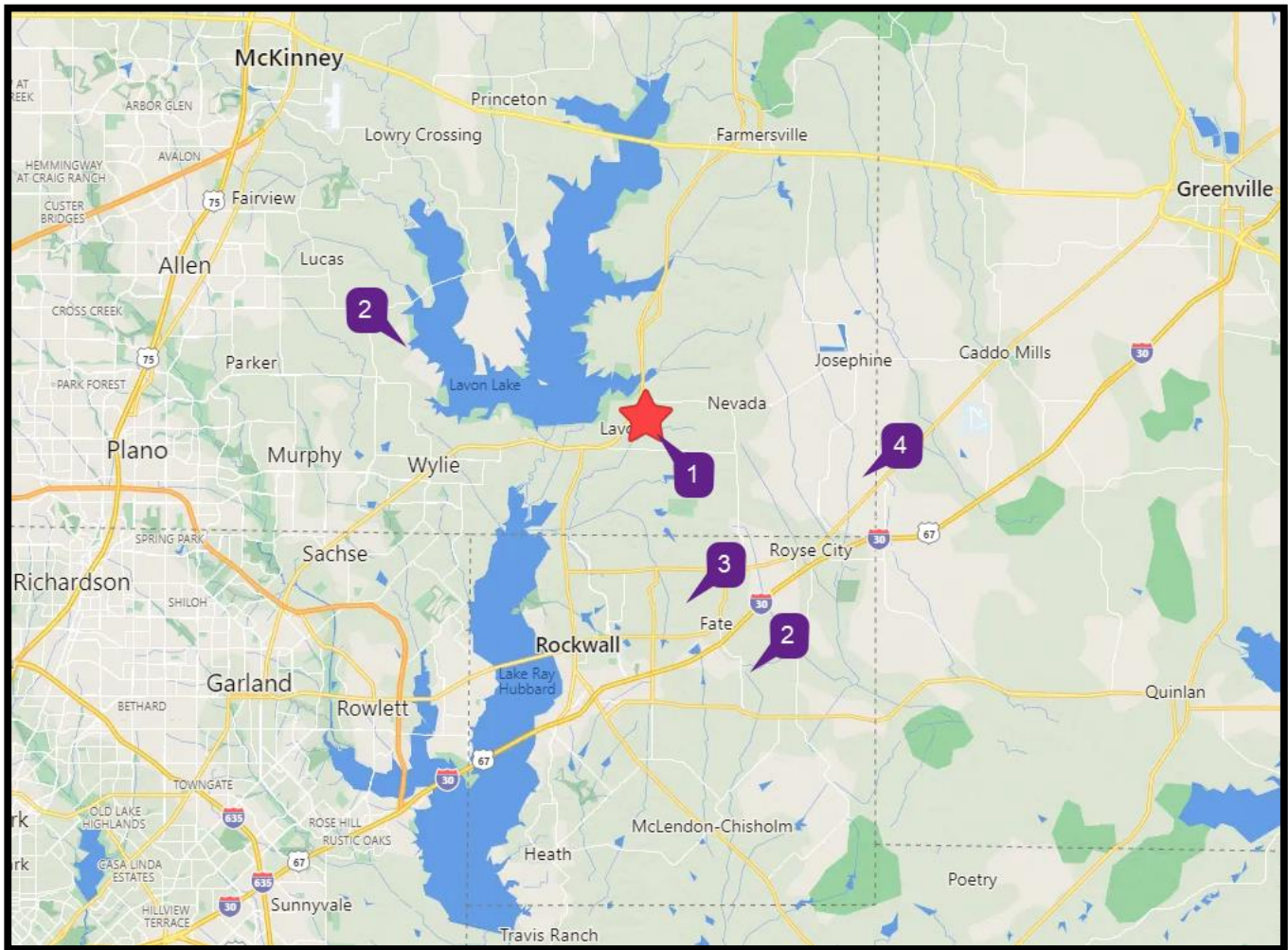
The first step to complete the valuation analyses for both our Income (Subdivision Development) Approach and the Sales Comparison Approach is to determine the retail value of the improved lots through aspects of the Sales Comparison Approach. We researched and verified similar lot sales in community in Lavon and in the northeast quadrant of the Metroplex to determine the retail value of the lots in LakePointe. We considered elements of comparison such as Location/Access, Amenities, Size, Topography, and Zoning to make adjustments to the comparable lot sales.

We utilized the following unit of comparison which is the measure most commonly found in the market:

*Sales Price Per Front Foot – Obtained by dividing sale price by the front footage of the lot*

**We will first analyze the 50-FF lots in Improvement Areas #2 & #3 and will then analyze the 60-FF lots in Improvement Area #2.**

**MAP OF COMPARABLE LOT SALES – LAKEPOINTE PID IA#2 & IA#3 (50' LOTS)**

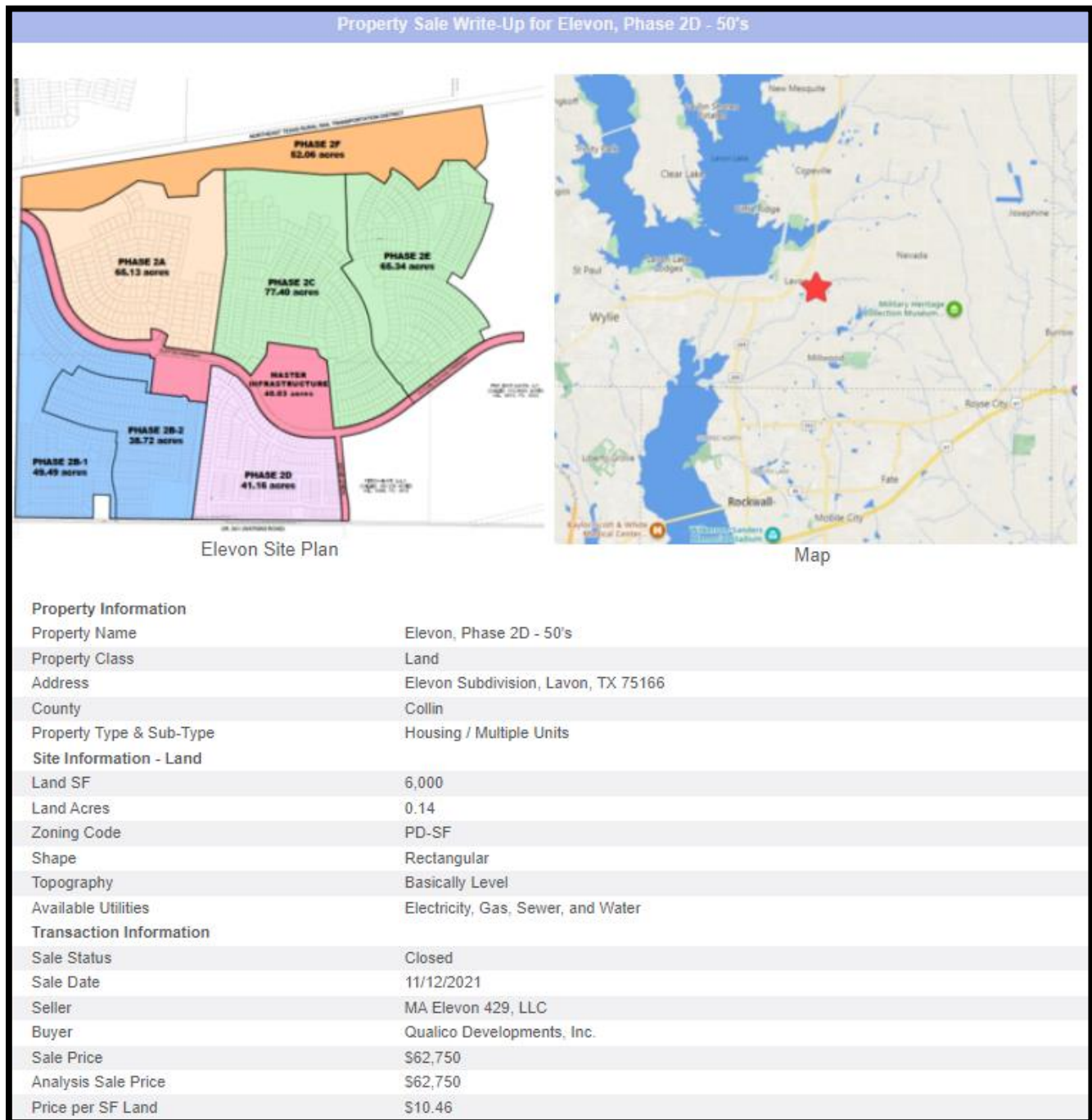


**Subject: LakePointe PID IA#2 & IA#3 (50-FF Lots), Lavon, TX 75166**

**SUMMARY OF LOT SALES - 50' LOTS**

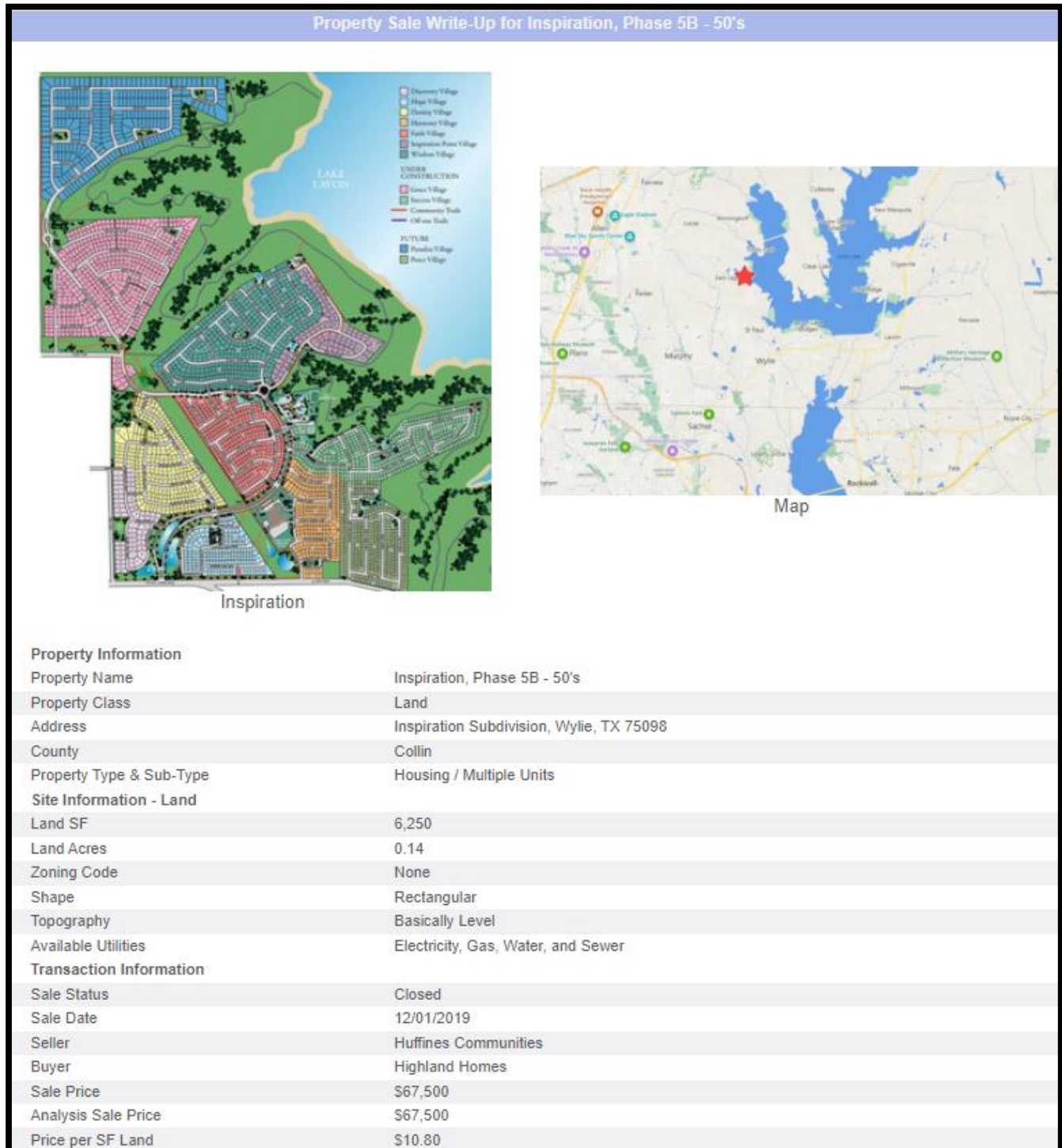
Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Elevon	Lavon	Community	Aug-2021	Nov-2021	\$62,750	50	\$ 1,255
2	Inspiration	Wylie	Wylie	Dec-2019	Jul-2020	\$67,500	50	\$ 1,350
3	Edgewater	Fate	Rockwall	Jul-2020	Contract	\$67,500	50	\$ 1,350
4	Creeside	Royse City	Royse City	Jul-2022	Contract	\$83,750	50	\$ 1,675
5	Monterra	Fate	Rockwall	Oct-2021	Contract	\$72,500	50	\$ 1,450
<b>Subject</b>	<b>LakePointe</b>	<b>Lavon</b>	<b>Community</b>	-	-	-	<b>50</b>	-

**SALE COMPARABLE 1 – LAKEPOINTE PID IA#2 & IA#3 (50' LOTS)**



**\$1,255/FF**

**SALE COMPARABLE 2 – LAKEPOINTE PID IA#2 & IA#3 (50' LOTS)**


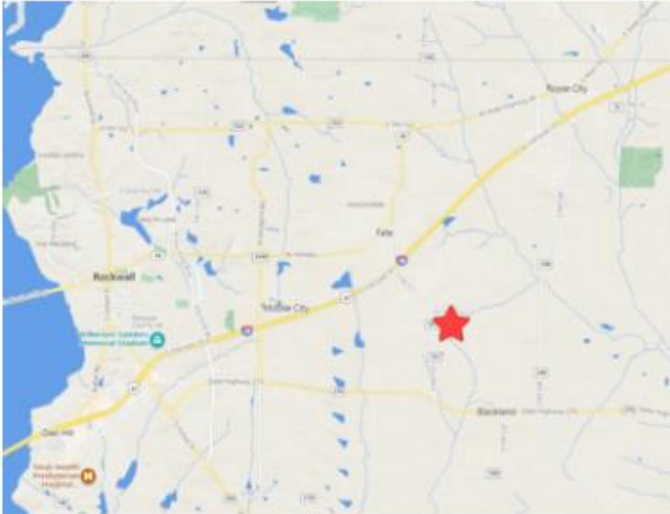


**\$1,350/FF**



**SALE COMPARABLE 3 – LAKEPOINTE PID IA#2 & IA#3 (50' LOTS)**

Property Sale Write-Up for Edgewater 50' Lots - Fate

Edgewater Subdivision


Map

Property Information	
Property Name	Edgewater 50' Lots - Fate
Property Class	Land
Address	Edgewater Subdivision, Fate, TX Rockwall
County	75189
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	5,500
Land Acres	0.13
Zoning Code	PD-WBE - Planned Development
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Sewer, and Water
Transaction Information	
Sale Status	Closed
Sale Date	07/01/2020
Seller	New Sheridan Dev Co Phase 1, LLC
Buyer	Shaddock Homes
Sale Price	\$67,500
Analysis Sale Price	\$67,500
Price per SF Land	\$12.27

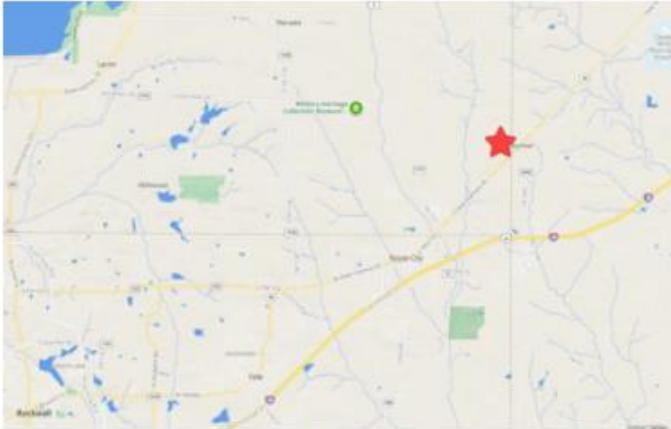
**\$1,350/FF**

**SALE COMPARABLE 4 – LAKEPOINTE PID IA#2 & IA#3 (50' LOTS)**

Property Sale Write-Up for Creekside, Phase 2 - 50's



Creekside Royse City




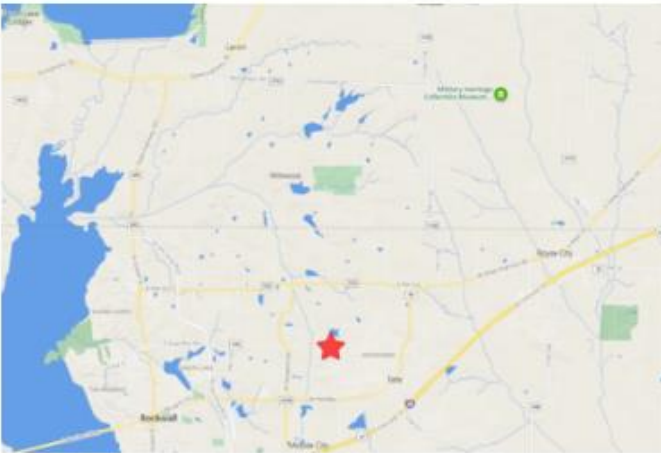
Map

<b>Property Information</b>	
Property Name	Creekside, Phase 2 - 50's
Property Class	Land
Address	Creekside Subdivision, Royse City, TX 75189
County	Collin
Property Type & Sub-Type	Housing / Multiple Units
<b>Site Information - Land</b>	
Land SF	6,000
Land Acres	0.14
Zoning Code	PD (SF Residential)
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Sewer, and Water
<b>Transaction Information</b>	
Sale Status	Closed
Sale Date	07/01/2022
Seller	HT Hwy 66 Development LP
Buyer	Highland Homes
Sale Price	\$83,750
Analysis Sale Price	\$83,750
Price per SF Land	\$13.96

**\$1,675/FF**

**SALE COMPARABLE 5 – LAKEPOINTE PID IA#2 & IA#3 (50' LOTS)**

Property Sale Write-Up for Monterra, Phase 1 - 50's

Monterra Subdivision

Map

Property Information	
Property Name	Monterra, Phase 1 - 50's
Property Class	Land
Address	Monterra Subdivision, Fate, TX 75087
County	Rockwall
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	6,000
Land Acres	0.14
Zoning Code	PD-MR (SF Residential)
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Sewer, Water, and Gas
Transaction Information	
Sale Status	Closed
Sale Date	10/01/2021
Seller	WJ Monterra LP
Buyer	David Weekley Homes
Sale Price	\$72,500
Analysis Sale Price	\$72,500
Price per SF Land	\$12.08

**\$1,450/FF**

**SALES ADJUSTMENT COMPARISON GRID – LAKEPOINTE PID IA#2 & IA#3 (50' LOTS)**

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	<u>LakePointe</u>	Elevon	Inspiration	Edgewater	Creekside	Monterra
	<u>Lavon</u>	Lavon	Wylie	Fate	Royse City	Fate
Transactional Adjustments						
Sales Price/FF		\$1,255	\$1,350	\$1,350	\$1,675	\$1,450
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$1,255	\$1,350	\$1,350	\$1,675	\$1,450
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$1,255	\$1,350	\$1,350	\$1,675	\$1,450
Conditions of Sale		10%	0%	0%	0%	0%
Sales Price/FF		\$1,381	\$1,350	\$1,350	\$1,675	\$1,450
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$1,381	\$1,350	\$1,350	\$1,675	\$1,450
Market Conditions		12%	35%	25%	0%	10%
ADJUSTED Price/FF:		\$1,546	\$1,823	\$1,688	\$1,675	\$1,595
Physical Adjustments						
Location/Access	Lavon/Community ISD	0%	-5%	0%	0%	0%
Amenities	Pool (Under Construction); Open Space with Playground	-3%	-6%	-3%	0%	-3%
Size	50' FF (>6,000-SF)	0%	0%	0%	0%	0%
Topography	Graded and Level	0%	0%	0%	0%	0%
Zoning	PD for Single-Family	0%	0%	0%	0%	0%
Total Net Physical Adjustment		-3%	-11%	-3%	0%	-3%
ADJUSTED Price/FF:		\$1,500	\$1,622	\$1,637	\$1,675	\$1,547
SUMMARY OF COMPARABLE VALUES						
Value Range/FF	\$1,500 to \$1,675					
Average Value/FF	\$1,596					
Median Value/FF	\$1,622					
Base Value/FF	\$1,650					
Base Value	\$82,500					



## **ANALYSIS OF ADJUSTMENTS – LAKEPOINTE PID IA#2 & IA#3 (50' LOTS)**

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,255 to \$1,675 per front foot with each being 50' lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### **Factors to be Considered and Summary of Adjustments**

#### **Transactional Adjustments**

##### ***Property Rights and Financing Terms***

Each of the comparable sales were sold as fee simple interests and sales were transferred in cash equivalency; thus, no adjustments are made for these factors.

##### ***Conditions of Sale***

Sale 1 was sold in a bulk sale transaction where the owner assumes less risk than on a takedown basis over time where the market could negatively change. While lot takedowns are typical and there is usually an approximately 6%/year escalation, a higher discount (due to risk and opportunity cost) is usually applied that these relatively modest escalations. Discussions with homebuilders and developers indicated the discount indicated for a bulk sale is 10%. Thus, we have positively adjusted Sale 1 by 10%. Sales 2, 3, 4, and 5 are on a takedown basis which is similar to how we are treating the subject property's lots being absorbed by the market so there is no adjustment to these sales.

##### ***Expenditures After Purchase***

Typically, in a large master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. We spoke with the City of Lavon (sewer and roadway) and Bear Creek SUD (water) and determined these impact fees add up to \$9,740/lot (\$195/FF) – \$4,500 for sewer and \$5,240 for water. We confirmed that the City of Lavon does not have roadway impact fees. Since these fees are paid from the purchaser (builder) to the municipalities and the developer is not compensated, we report these figures but will not include them in our final retail value conclusion.

##### ***Time/Market Conditions***

The residential real estate market increased significantly in 2020 and 2021 but now appears to be cooling slightly due to quantitative tightening coordinated by the Federal Reserve in an effort to combat inflation. Prior increases occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Considering the residential market data, notable price increases for recent lot sales, and increased development costs throughout the Metroplex, we believe a market conditions adjustment of 1.00-1.25% monthly increase for 2020, 2021, and through early 2022 is warranted and supported. Based on the preceding, each of the comparable lot sales have been adjusted positively between 0% and 35% for market conditions depending on the agreement date.

We have utilized Contract Date rather than Sale Date as the Contract Date is more indicative of the market for vacant developed lots. Residential lot development typically takes at least one year and often upwards of two years for developed lots to be delivered to homebuilders upon Substantial Completion. Since the market can – and has – changed significantly in the past few years, Contract Date is considered the more useful date in comparing lot sales as the market may have changed significantly during the time the lots are under contract.

## **Physical Adjustments**

### ***Location/Access***

The subject property is located in Lavon which is a small but quickly developing city in southeastern Collin County. Lavon is just east of Wylie and north of Rockwall which experienced tremendous growth in the past two decades. Considering there is limited developable land in those nearby cities and few large tracts for development in areas closer to Dallas, Lavon is prime for residential developments in the coming decade due to the proximity to the Metroplex and access provided by State Hwy 78. In addition to the small town feel that Lavon exudes, new residents also desire the smaller Community ISD which attained an “A” in the most recent Texas Education Agency ratings. On the other hand, Lavon somewhat suffers from being a smaller city as there are currently few retail options and residents typically travel to Wylie for shopping needs.

The following adjustments are made to the comparable sales for Location/Access:

- Sale 1: Similar; Also in Lavon with similar appeal for residential development and access to the Metroplex; No adjustment
- Sale 2: Superior; on the west side of Lake Lavon with superior access to more retail options and the rest of the Metroplex, including employers in Plano and along US-75; Adjusted negatively 5%
- Sale 3: Similar; in Fate which is closer to Rockwall and more retail options as well as I-30 but further from more desirable communities north of Dallas like Plano, McKinney, Parker, and Murphy; No adjustment
- Sale 4: Similar; in Royse City which is similar to properties in Fate in that it is closer to I-30 but further from more desirable communities north of Dallas like Plano, McKinney, Parker, and Murphy; No adjustment
- Sale 5: Similar; in Fate which is closer to Rockwall and more retail options as well as I-30 but further from more desirable communities north of Dallas like Plano, McKinney, Parker, and Murphy; No adjustment

### ***Amenities***

The subject property’s amenities currently consist of a fenced open space park with a children’s playground and an additional open space area within IA#2. In addition, there is a pool with restrooms that is under construction. This amenity should be complete for opening in Summer 2023. The amenities in LakePointe are standard for a master-planned community the size of the subject but other communities may expect other items such as a clubhouse or dog park. We have made the following adjustments for Amenities in the comparable communities:

- Sale 1: Superior; Planned to have more appealing amenities than the subject with a larger pool, clubhouse, and school within the community; Adjusted negatively 3%
- Sale 2: Superior; Community has multiple pools, lazy river, clubhouse with fitness center, beach on Lake Lavo, walking trails, and playgrounds which are more appealing than the subject; Adjusted negatively 6%
- Sale 3: Superior; Community has a pool with lap section, splash pad, clubhouse, pond, and park areas which are more appealing than the subject; Adjusted negatively 3%

- Sale 4: Similar; Planned to have similar amenities as the subject with a pool, splash pad, and playground; No adjustment  
Sale 5: Superior; Planned to have more appealing amenities than the subject with a pool, walking trails around a small lake on-site, open spaces, and playground; Adjusted negatively 3%

### ***Size***

Each of the comparable sales are also 50' lots like the subject that can accommodate the same size building pad so not adjustment is made for Size.

### ***Topography***

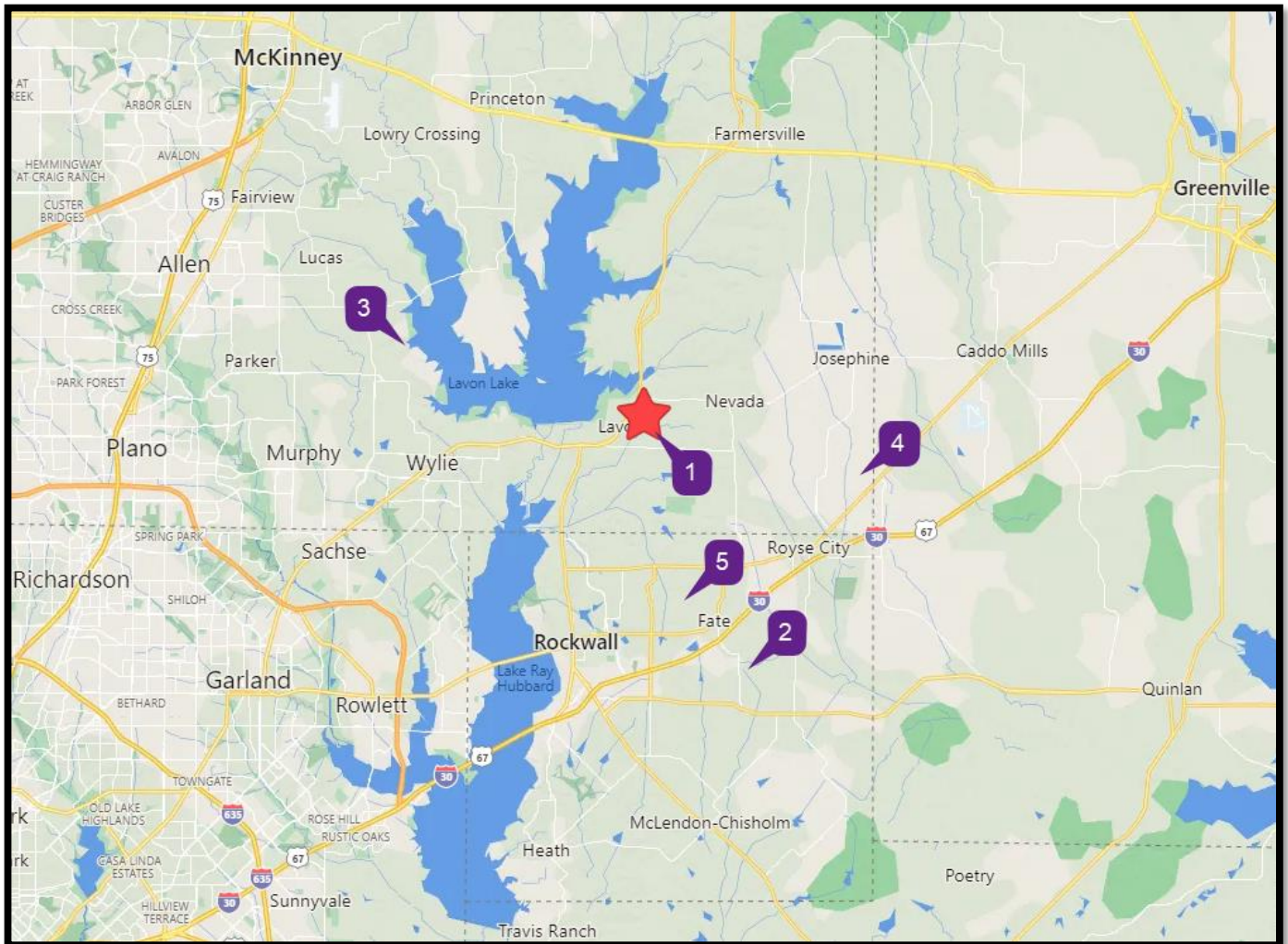
The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so not adjustment is needed for Topography.

### ***Zoning***

The subject and each of the comparable sales are in planned developments and residential subzoning for similar sized residential lots; thus, no adjustment is made for Zoning.

**Conclusion for 50' Lots** – The 50' Lot Sales have an adjusted base price range of \$1,500- to \$1,675/FF with an average of \$1,596 and a median of \$1,622. We noted that the most recent lot contract had an adjusted indication of \$1,675 and considered recent higher development costs to conclude the market value of the base lot was likely the **base lot market value of the improved 50' lots is \$1,650/FF.**

**MAP OF COMPARABLE LOT SALES – LAKEPOINTE PID IA#2 (60' LOTS)**

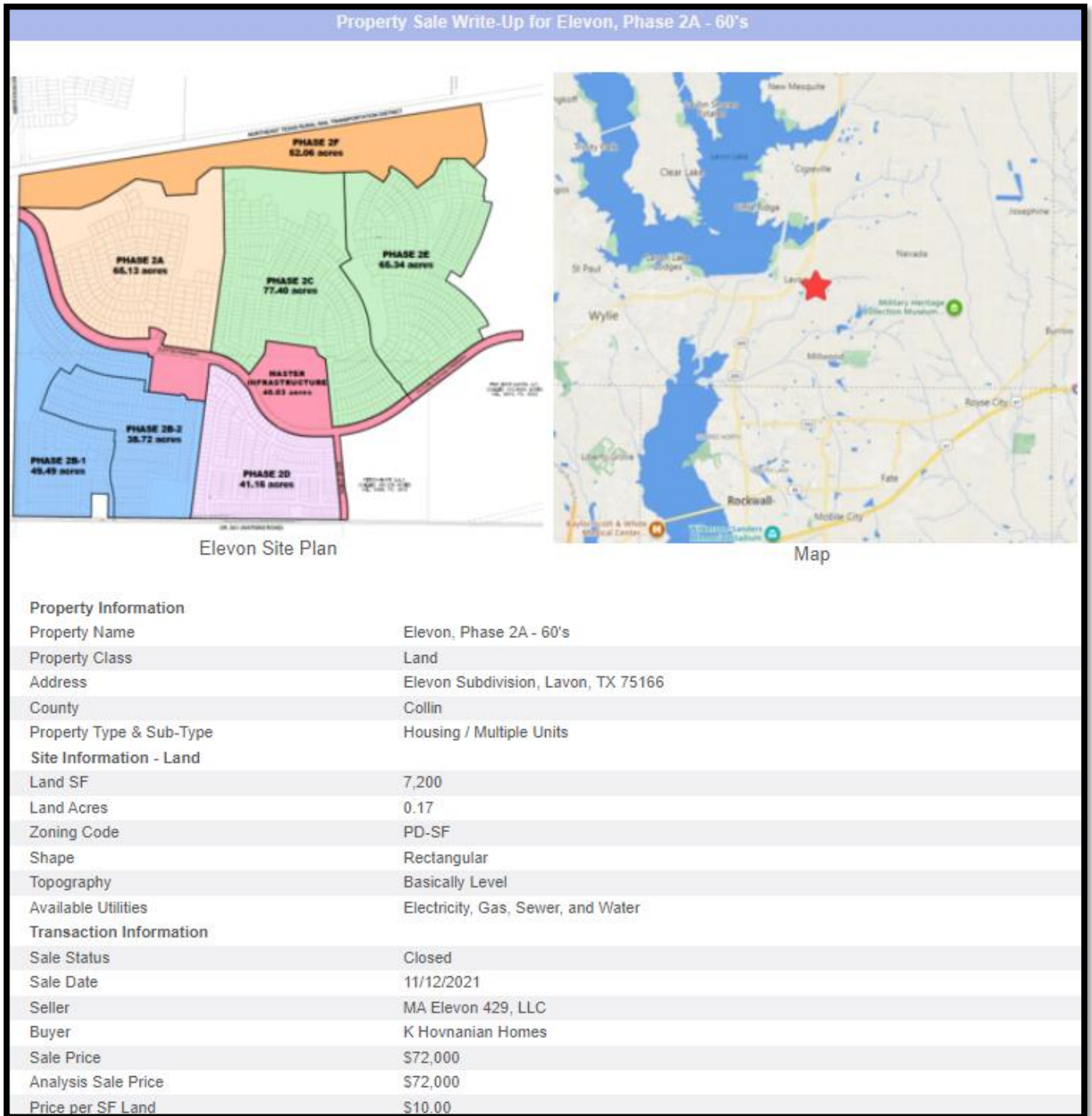


**Subject: LakePointe PID (60-FF Lots), Lavon, TX 75166**

**SUMMARY OF LOT SALES - 60' LOTS**

Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Elevon	Lavon	Community	July-2021	Nov-2021	\$72,000	60	\$ 1,200
2	Edgewater	Royse City	Royse City	Jul-2020	May-2022	\$81,000	60	\$ 1,350
3	Inspiration	Wylie	Wylie	Mar-2022	Contract	\$105,780	60	\$ 1,763
4	Creekside	Royse City	Royse City	Jul-2022	Contract	\$96,000	60	\$ 1,600
5	Monterra	Fate	Rockwall	Oct-2021	Contract	\$87,000	60	\$ 1,450
<b>Subject</b>	<b>LakePointe</b>	<b>Lavon</b>	<b>Community</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>-</b>

**SALE COMPARABLE 1 – LAKEPOINTE PID IA#2 (60' LOTS)**




**\$1,200FF**

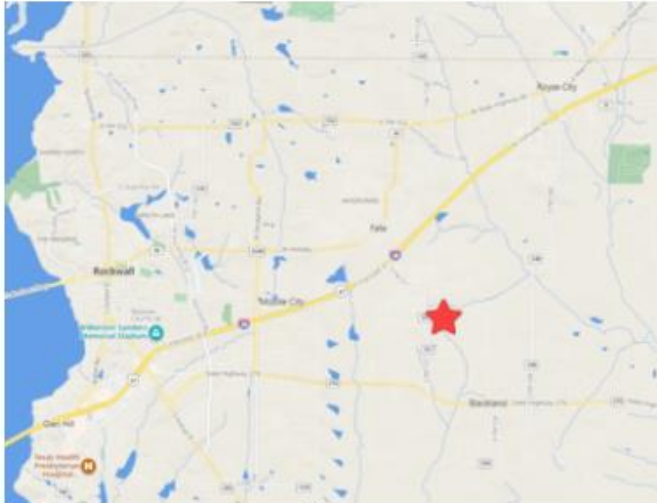


**SALE COMPARABLE 2 – LAKEPOINTE PID IA#2 (60' LOTS)**

Property Sale Write-Up for Edgewater 60' Lots - Fate



Edgewater Subdivision

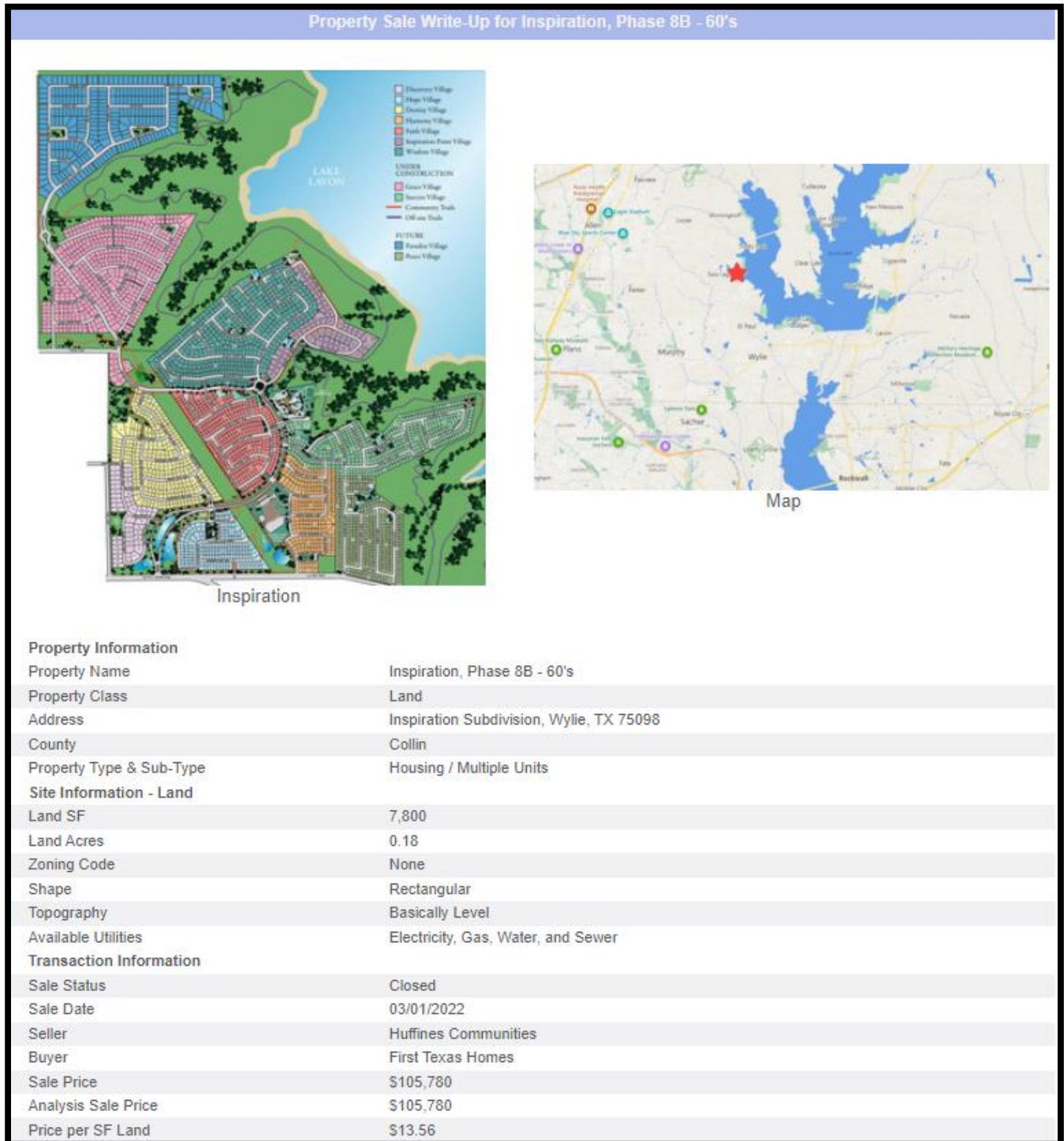


Map

<b>Property Information</b>	
Property Name	Edgewater 60' Lots - Fate
Property Class	Land
Address	Edgewater 60's, Fate, TX Rockwall
County	75189
Property Type & Sub-Type	Housing / Multiple Units
<b>Site Information - Land</b>	
Land SF	7,200
Land Acres	0.17
Zoning Code	PD-WBE - Planned Development
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Sewer, and Water
<b>Transaction Information</b>	
Sale Status	Closed
Sale Date	07/01/2020
Seller	New Sheridan Dev Co Phase 1, LLC
Buyer	UnionMain Homes
Sale Price	\$81,000
Analysis Sale Price	\$81,000
Price per SF Land	\$11.25

**\$1,350/FF**


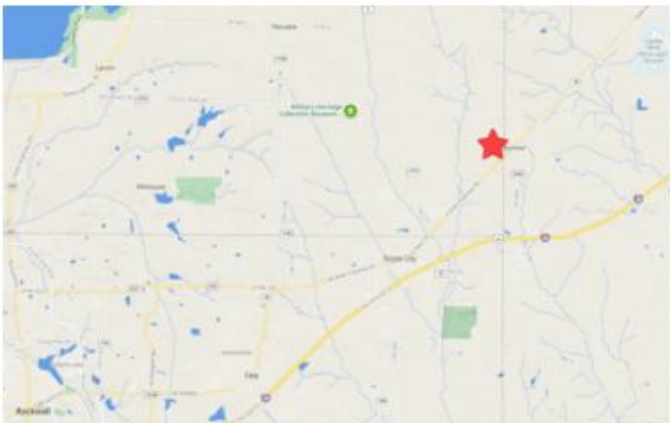
**SALE COMPARABLE 3 – LAKEPOINTE PID IA#2 (60' LOTS)**



**\$1,763/FF**

**SALE COMPARABLE 4 – LAKEPOINTE PID IA#2 (60' LOTS)**

Property Sale Write-Up for Creekside, Phase 2 - 60's

Creekside Royse City


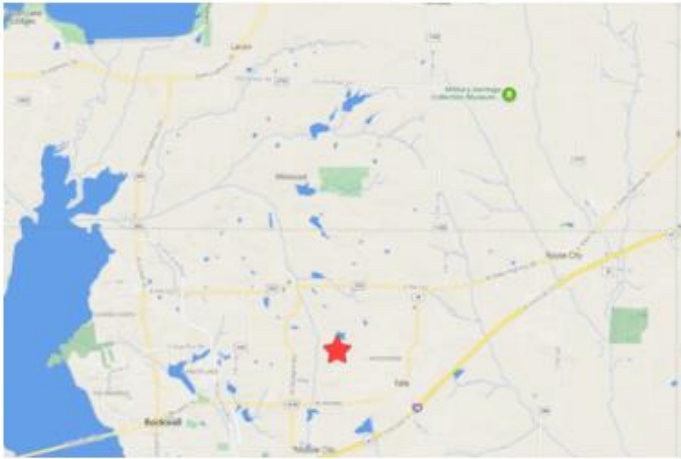
<b>Property Information</b>	
Property Name	Creekside, Phase 2 - 60's
Property Class	Land
Address	Creekside Subdivision, Royse City, TX 75189
County	Collin
Property Type & Sub-Type	Housing / Multiple Units
<b>Site Information - Land</b>	
Land SF	7,200
Land Acres	0.17
Zoning Code	PD (SF Residential)
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Sewer, and Water
<b>Transaction Information</b>	
Sale Status	Closed
Sale Date	07/01/2022
Seller	HT Hwy 66 Development LP
Buyer	William Ryan Homes
Sale Price	\$96,000
Analysis Sale Price	\$96,000
Price per SF Land	\$13.33

**\$1,600/FF**



## SALE COMPARABLE 5 – LAKEPOINTE PID IA#2 (60' LOTS)

Property Sale Write-Up for Monterra, Phase 1 - 60's

Monterra Subdivision

Map

<b>Property Information</b>	
Property Name	Monterra, Phase 1 - 60's
Property Class	Land
Address	Monterra Subdivision, Fate, TX 75087
County	Rockwall
Property Type & Sub-Type	Housing / Multiple Units
<b>Site Information - Land</b>	
Land SF	7,200
Land Acres	0.17
Zoning Code	PD-MR (SF Residential)
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Sewer, Water, and Gas
<b>Transaction Information</b>	
Sale Status	Closed
Sale Date	10/01/2021
Seller	WJ Monterra LP
Buyer	Grand Homes
Sale Price	\$87,000
Analysis Sale Price	\$87,000
Price per SF Land	\$12.08

**\$1,450/FF**

**SALES ADJUSTMENT COMPARISON GRID – LAKEPOINTE PID IA#2 (60' LOTS)**

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	<u>LakePointe</u>	Elevon	Edgewater	Inspiration	Creekside	Monterra
	<u>Lavon</u>	Lavon	Royse City	Wylie	Royse City	Fate
Transactional Adjustments						
Sales Price/FF Rights Conveyed Sales Price/FF Financing Terms Sales Price/FF Conditions of Sale Sales Price/FF Expenditures After Purchase Sales Price/FF Market Conditions		\$1,200	\$1,350	\$1,763	\$1,600	\$1,450
		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
		\$1,200	\$1,350	\$1,763	\$1,600	\$1,450
		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
		\$1,200	\$1,350	\$1,763	\$1,600	\$1,450
		<u>10%</u>	<u>0%</u>	<u>10%</u>	<u>0%</u>	<u>0%</u>
		\$1,320	\$1,350	\$1,939	\$1,600	\$1,450
		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
		\$1,320	\$1,350	\$1,939	\$1,600	\$1,450
ADJUSTED Price/FF:		\$1,478	\$1,688	\$1,997	\$1,600	\$1,581
Physical Adjustments						
Location	Lavon/Community ISD	0%	0%	-5%	0%	0%
Amenities	Pool (Under Construction); Open Spaces with Playground	-3%	-3%	-6%	0%	-3%
Size	60' FF (>7,200-SF)	0%	0%	0%	0%	0%
Topography	Graded and Level	0%	0%	0%	0%	0%
Zoning	PD for Single-Family	0%	0%	0%	0%	0%
Total Net Physical Adjustment		-3%	-3%	-11%	0%	-3%
ADJUSTED Price/FF:		\$1,434	\$1,637	\$1,778	\$1,600	\$1,533
SUMMARY OF COMPARABLE VALUES						
Value Range/FF	\$1,434 to \$1,778					
Average Value/FF	\$1,596					
Median Value/FF	\$1,600					
Base Value/FF	\$1,650					
Base Value	\$99,000					

## **ANALYSIS OF ADJUSTMENTS – LAKEPOINTE PID IA#2 (60' LOTS)**

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,200- to \$1,763 per front foot with each being 60-foot front (FF) lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### **Factors to be Considered and Summary of Adjustments**

#### **Transactional Adjustments**

##### ***Property Rights and Financing Terms***

Each of the comparable sales were sold as fee simple interests and sales were transferred in cash equivalency; thus, no adjustments are made for these factors.

##### ***Conditions of Sale***

Sale 1 was sold in a bulk sale transaction and Sale 3 is contracted to be sold in a similar bulk sale transaction. In these transactions the owner assumes less risk than on a takedown basis over time where the market could negatively change. While lot takedowns are typical and there is usually an approximately 6%/year escalation, a higher discount (due to risk and opportunity cost) is usually applied that these relatively modest escalations. Discussions with homebuilders and developers indicated the discount indicated for a bulk sale is 10%. Thus, we have positively adjusted Sales 1 and 3 by 10%. Sales 2, 4, and 5 are on a takedown basis which is similar to how we are treating the subject property's lots being absorbed by the market so there is no adjustment to these sales.

##### ***Expenditures After Purchase***

Typically, in a large master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. We spoke with the City of Lavon (sewer and roadway) and Bear Creek SUD (water) and determined these impact fees add up to \$9,740/lot (\$195/FF) – \$4,500 for sewer and \$5,240 for water. We confirmed that the City of Lavon does not have roadway impact fees. Since these fees are paid from the purchaser (builder) to the municipalities and the developer is not compensated, we report these figures but will not include them in our final retail value conclusion.

##### ***Time/Market Conditions***

The residential real estate market increased significantly in 2020 and 2021 but now appears to be cooling slightly due to quantitative tightening coordinated by the Federal Reserve in an effort to combat inflation. Prior increases occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Considering the residential market data, notable price increases for recent lot sales, and increased development costs throughout the Metroplex, we believe a market conditions adjustment of 1.00-1.25% monthly increase for 2020, 2021, and through early 2022 is warranted and supported. Based on the preceding, each of the comparable lot sales have been adjusted positively between 0% and 35% for market conditions depending on the agreement date.

We have utilized Contract Date rather than Sale Date as the Contract Date is more indicative of the market for vacant developed lots. Residential lot development typically takes at least one year and often upwards of two years for developed lots to be delivered to homebuilders upon Substantial Completion. Since the market can – and has – changed significantly in the past few years, Contract Date is considered the more useful date in comparing lot sales as the market may have changed significantly during the time the lots are under contract.

## **Physical Adjustments**

### ***Location/Access***

The subject property is located in Lavon which is a small but quickly developing city in southeastern Collin County. Lavon is just east of Wylie and north of Rockwall which experienced tremendous growth in the past two decades. Considering there is limited developable land in those nearby cities and few large tracts for development in areas closer to Dallas, Lavon is prime for residential developments in the coming decade due to the proximity to the Metroplex and access provided by State Hwy 78. In addition to the small town feel that Lavon exudes, new residents also desire the smaller Community ISD which attained an “A” in the most recent Texas Education Agency ratings. On the other hand, Lavon somewhat suffers from being a smaller city as there are currently few retail options and residents typically travel to Wylie for shopping needs.

The following adjustments are made to the comparable sales for Location/Access:

- Sale 1: Similar; Also in Lavon with similar appeal for residential development and access to the Metroplex; No adjustment
- Sale 2: Similar; in Fate which is closer to Rockwall and more retail options as well as I-30 but further from more desirable communities north of Dallas like Plano, McKinney, Parker, and Murphy; No adjustment
- Sale 3: Superior; on the west side of Lake Lavon with superior access to more retail options and the rest of the Metroplex, including employers in Plano and along US-75; Adjusted negatively 5%
- Sale 4: Similar; in Royse City which is similar to properties in Fate in that it is closer to retail options near Rockwall and I-30 but further from more desirable communities north of Dallas like Plano, McKinney, Parker, and Murphy; No adjustment
- Sale 5: Similar; in Fate which is closer to Rockwall and more retail options as well as I-30 but further from more desirable communities north of Dallas like Plano, McKinney, Parker, and Murphy; No adjustment

### ***Amenities***

The subject property’s amenities currently consist of a fenced open space park with a children’s playground and an additional open space area within IA#2. In addition, there is a pool with restrooms that is under construction. This amenity should be complete for opening in Summer 2023. The amenities in LakePointe are standard for a master-planned community the size of the subject but other communities may expect other items such as a clubhouse or dog park. We have made the following adjustments for Amenities in the comparable communities:

- Sale 1: Superior; Planned to have more appealing amenities than the subject with a larger pool, clubhouse, and school within the community; Adjusted negatively 3%
- Sale 2: Superior; Community has a pool with lap section, splash pad, clubhouse, pond, and park areas which are more appealing than the subject; Adjusted negatively 3%
- Sale 3: Superior; Community has multiple pools, lazy river, clubhouse with fitness center, beach on Lake Lavo, walking trails, and playgrounds which are more appealing than the subject; Adjusted negatively 6%

- Sale 4: Similar; Planned to have similar amenities as the subject with a pool, splash pad, and playground; No adjustment  
Sale 5: Superior; Planned to have more appealing amenities than the subject with a pool, walking trails around a small lake on-site, open spaces, and playground; Adjusted negatively 3%

***Size***

Each of the comparable sales are also 60' lots like the subject that can accommodate the same size building pad so not adjustment is made for Size.

***Topography***

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so not adjustment is needed for Topography.

***Zoning***

The subject and each of the comparable sales are in planned developments and residential subzoning for similar sized residential lots; thus, no adjustment is made for Zoning.

**Conclusion for 60' Lots** – The 60' Lot Sales have an adjusted base price range of \$1,434- to \$1,778/FF with an average of \$1,596 and a median of \$1,600. We noted that the two most recent lot contracts (Sales 3 and 4) had an adjusted indication of almost \$1,690 and considered recent higher development costs to conclude the **base lot market value of the improved 60' lots is \$1,650/FF.**

#### CUMULATIVE RETAIL LOT VALUE

We believe a current retail lot market value of \$1,650/FF for 50' Lots and \$1,650/FF for 60' Lots is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate that price but conversations with market participants – land developers and homebuilders – regarding current prices of lots in suburban areas east of Dallas indicate \$1,600/FF-\$1,800/FF is the current retail price for lots in developments similar to the LakePointe. Market participants noted lot prices rose significantly starting in 2020 which followed a hot housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders. In addition, rising land and development costs are contributing to keep lot prices much higher than when the initial contracts for the subject property were signed January 2021. As of our site visit date, retail lot prices for the subject property are:

<b>Improvement Area</b>	<b>Lot Type</b>	<b>Concluded Retail Value 10/23/2022</b>	<b>Lot Count</b>	<b>Total Value</b>
2	50' Detached Lot	\$82,500	76	\$6,270,000
2	60' Detached Lot	\$99,000	134	\$13,266,000
3	50' Detached Lot	\$82,500	221	\$18,232,500
			<b>431</b>	<b>\$37,768,500</b>

### IMPROVED RESIDENCE MARKET VALUE

We selected eight recent home sales at LakePointe from within the past 60 days. There were a handful of sales of larger homes (>4,000-SF) in the community; however, these were from IA#1 and were on larger lots than many of the improved residences in IA#2, so we did not consider them suitably comparable. A table of the sales is below:

Address	Lot Size		GBA Size		Sale Date	List Price	Sale Price	List-to-Sale	\$/SF
	(SF)	Beds	Baths	(SF)		(%)	(%)	%	
200 Braves Way	6,000	5	4	3,586	10/14/2022	\$527,900	\$505,000	95.66%	\$140.83/SF
212 Braves Way	6,000	4	3	2,238	10/5/2022	\$435,900	\$435,900	100.00%	\$194.77/SF
300 Braves Way	6,000	3	2	1,971	8/31/2022	\$408,900	\$399,900	97.80%	\$202.89/SF
356 Braves Way	6,000	5	4	3,586	10/17/2022	\$520,900	\$520,900	100.00%	\$145.26/SF
249 Community Dr.	7,200	4	3	2,353	10/13/2022	\$461,236	\$451,236	97.83%	\$191.77/SF
226 Oak Creek Dr.	6,000	4	3	2,164	10/20/2022	\$426,350	\$426,350	100.00%	\$197.02/SF
273 Oak Creek Dr.	6,000	4	3	2,164	9/28/2022	\$426,350	\$426,350	100.00%	\$197.02/SF
462 Colt Dr.	7,200	4	3	2,377	9/29/2022	\$479,925	\$437,000	91.06%	\$183.85/SF
<b>AVERAGES</b>		<b>4.1</b>	<b>3.1</b>	<b>2,555</b>		<b>\$460,933</b>	<b>\$450,330</b>	<b>97.79%</b>	<b>\$181.68/SF</b>

We noted that the average of the residential sales was a 4-bedroom, 3-bathroom home with 2,555-SF that sold for \$450,330 with **average sale price per square foot of \$181.68**. These ranges are consistent with the community. The range in sale price was **\$140.83/SF-\$202.89/SF** with the larger homes selling for lower prices per square foot. On average, the sales sold for approximately 98% of the list price.

Based on the consideration that larger homes sell for a lower price per square foot, we have segregated our 50 improved residences into cohorts based on their sizes. We considered there are 20 homes smaller than 2,100-SF, 16 homes between 2,100- and 2,500-SF, and 14 homes larger than 2,500-SF. Considering the average sales price per square foot of the eight sales over the past two months was **\$181.68/SF**, we concluded the following price range for our 3 size cohorts:

- **<2,100-SF - \$200/SF** (20 Residences)
- **2,100-2,500-SF - \$180/SF** (16 Residences)
- **>2,500-SF - \$160/SF** (14 Residences)

Based on valuing the 50 finished residences with those unit prices, the overall value of the residences is \$21,324,740, **rounded to \$21,300,000**. A table of the values with the address and sizes is shown on the following page.

LakePointe Public Improvement District – IA#2 & IA#3

	Address	GBA Size (SF)	Market Value (\$)
1	248 Braves Way	1,748	\$349,600
2	349 Braves Way	1,748	\$349,600
3	213 Oak Creek Dr.	1,748	\$349,600
4	237 Oak Creek Dr.	1,748	\$349,600
5	319 Oak Creek Dr.	1,748	\$349,600
6	340 Oak Creek Dr.	1,748	\$349,600
7	395 Waters Ridge Dr.	1,748	\$349,600
8	300 Braves Way	1,971	\$394,200
9	285 Oak Creek Dr.	1,977	\$395,400
10	379 Oak Creek Dr.	1,977	\$395,400
11	372 Braves Way	2,002	\$400,400
12	333 Braves Way	2,006	\$401,200
13	219 Braves Way	2,018	\$403,600
14	341 Braves Way	2,018	\$403,600
15	357 Braves Way	2,018	\$403,600
16	225 Oak Creek Dr.	2,018	\$403,600
17	430 Oak Creek Dr.	2,018	\$403,600
18	421 Waters Ridge Dr.	2,018	\$403,600
19	328 Oak Creek Dr.	2,081	\$416,200
20	352 Oak Creek Dr.	2,081	\$416,200
21	274 Braves Way	2,174	\$391,320
22	325 Braves Way	2,174	\$391,320
23	226 Oak Creek Dr.	2,174	\$391,320
24	236 Braves Way	2,199	\$395,820
25	262 Braves Way	2,199	\$395,820

	Address	GBA Size (SF)	Market Value (\$)
26	365 Braves Way	2,199	\$395,820
27	307 Oak Creek Dr.	2,199	\$395,820
28	364 Braves Way	2,201	\$396,180
29	273 Oak Creek Dr.	2,201	\$396,180
30	212 Braves Way	2,234	\$402,120
31	249 Community Dr.	2,353	\$423,540
32	261 Community Dr.	2,372	\$426,960
33	367 Community Dr.	2,372	\$426,960
34	375 Community Dr.	2,374	\$427,320
35	205 Braves Way	2,383	\$428,940
36	486 Colt Dr.	2,383	\$428,940
37	224 Braves Way	2,685	\$429,600
38	348 Braves Way	2,711	\$433,760
39	308 Braves Way	2,938	\$470,080
40	261 Braves Way	2,980	\$476,800
41	442 Oak Creek Dr.	3,067	\$490,720
42	233 Braves Way	3,079	\$492,640
43	409 Waters Ridge Dr.	3,083	\$493,280
44	373 Braves Way	3,101	\$496,160
45	474 Colt Dr.	3,310	\$529,600
46	247 Braves Way	3,342	\$534,720
47	206 Community Dr.	3,524	\$563,840
48	266 Community Dr.	3,524	\$563,840
49	200 Braves Way	3,586	\$573,760
50	356 Braves Way	3,586	\$573,760
<b>TOTAL</b>			<b>\$21,324,740</b>

The 50 improved residences have an estimated market value of \$21,424,740, **rounded to \$21,300,000**. The average value of each residence is **\$426,000**.



LakePointe Public Improvement District – IA#2 & IA#3

Comparable sales summary sheets from NTREIS are shown on the following pages:


**200 BRAVES WAY**

☐ 200 Braves Way, Lavon, Texas 75166

**Listing**

**MLS#:** 20097120 **Closed** **200 Braves Way Lavon, TX 75166** **LP:** \$527,900  
**Property Type:** Residential **SubType:** Single Family **OLP:** \$520,900


**Recent:** 10/15/2022 : Closed : P->C



**Also For Lease:** N  
**Subdivision:** LakePointe  
**County:** Collin  
**Country:** United States  
**Parcel ID:** [R-12532-008-0010-1](#)  
**Lot:** 1 **Block:** R  
**Legal:**

**Lst \$/SqFt:** \$147.21  
**Lake Name:**  
**Lse MLS#:**  
**Plan Dvlpm:**  
**MultiPrcl:** No **MUD Dst:** No

**Beds:** 5 **Tot Bth:** 4 **Liv Area:** 2  
**Fireplc:** 1 **Full Bath:** 4 **Din Area:** 1 **Pool:** No  
**Half Bath:** 0 **Adult Community:**  
**Smart Home App/Pwd:** No



**SqFt:** 3,586/Plans  
**Appraisr:**  
**Yr Built:** 2022/New Construction - Complete  
**Lot Dimen:**  
**Subdivide?:** No  
**HOA:** Mandatory  
**HOA Dues:** \$750/Annually

**Hdcp Am:** No  
**Horses?:**  
**Attached:** No  
**Acres:** 0.130  
**HOA Co:** Essex Association Management LP  
**Phone:** (972) 534-2683

**Garage:** Yes/2  
**Attch Gar:** Yes  
**# Carport:** 0  
**Cov Prk:** 2  
**Gar Size:** 20x20

**School Information**

**School Dist:** Community ISD  
**Elementary:** Nesmith **Middle:** Leland Edge **High:** Community

**Remarks**

**Property Description:** Delivering form, function, beauty and comfort, the Wimbledon is a grand slam for buyers who demand more from their homes. Five bedrooms mean everyone gets their own room. Four baths mean no early morning squabbles about whose turn it is to brush their teeth. Your guests will be impressed by the spectacular, high-ceilinged family room and gourmet kitchen. Entertain at the center island so everyone can mingle. Send younger guests upstairs to romp in the game room or enjoy movies in the media room while adults converse. A home office, gracious primary suite, covered patio and plenty of storage space add to the appeal!

**Public Driving Directions:** From the President George Bush Turnpike East, take the TX-78 North exit. Follow TX-78 North to LakePointe Blvd. Go right on LakePointe Blvd and a quick right again onto Beechwood Dr. The sales center is located on the corner of Beechwood Dr and Community Dr at 114 Community Dr.

**Private Rmks:** LIMITED SERVICE LISTING: Buyer verifies dimensions & ISD info. Use Bldr contract. Plan: Wimbledon. Email contact: lakepointe@trophysignaturehomes.com.

**Financial Information**

**Loan Type:** Treat As Clear **Bal:**  
**Pmt Type:** **Lender:** **Payment:**  
**Orig Date:** **2nd Mortg:** No

**Agent/Office Information**

**SUB:** 0 - % **CDOM:** 39 **DOM:** 39 **LD:** 05/28/2022 **XD:**  
**BAC:** 3 - % **VAR:** No

**List Type:** Exclusive Agency

**List Off:** [HomesUSA.com](#) (GUAR02) 888-872-6006 **LO Fax:** 214-526-8211 **Brk Lic:** 0437572  
**LO Addr:** 17000 N. Dallas Parkway #202 Dallas, Texas 75248 **LO Email:**  
**List Agt:** [Ben Caballero](#) (0096651) 888-872-6006 **LA Cell:** **LA Fax:**  
**LA Email:** [caballero@homesusa.com](#) **LA Othr:** **LA/LA2 Texting:**  
**LA Website:** [http://quickfinder.homesusa.com](#) **LO Sprvs:** Ben Caballero (0096651) 888-872-6006  
**Off Web:** **Location:** 2805 Dallas Pkwy, Plano (469) 573-6757  
**Pref Title Co:** Green Brick Title

**Sold Information**

**Contract Date:** 10/03/2022 **Opt Exp Date:** **Closed Date:** 10/14/2022 **Close Price:** \$505,000  
**Slr Paid:** \$15,000 **Cls\$/Acre:** \$3,884,615.38 **Cls\$/Lot SF:** \$89.18  
**Buyer Off:** [Keller Williams Frisco Stars](#) (KEWI02) 972-712-9898 **Cls\$/SqFt:** \$140.83  
**Buyer Agt:** [Leonard McManaman](#) (0621656) 972-332-0008 **BA Email:** [leonard@thehomesellingpro.com](#)  
**Third Party AP:** No  
**Buyer Financing:** Conventional

## 212 BRAVES WAY

□ 212 Braves Way, Lavon, Texas 75166

### Listing

 [Virtual Tour URL](#)  [Transaction Desk](#)

MLS#: 20075851 Closed [212 Braves Way Lavon, TX 75166](#) LP: \$435,900  
Property Type: Residential SubType: Single Family OLP: \$440,900



Also For Lease: N Lst \$/SqFt: \$194.77  
Subdivision: LakePointe  
County: Collin Lake Name:  
Country: United States Lse MLS#:  
Parcel ID: [212Braves](#) Plan Dvlpn:  
Lot: Block: MultiPrcl: No MUD Dst: No  
Legal:

Beds: 4 Tot Bth: 3 Liv Area: 2  
Fireplc: 1 Full Bath: 3 Din Area: 2 Pool: No  
Half Bath: 0 Adult Community:  
Smart Home App/Pwd: No

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SqFt: 2,238/Plans Hdcp Am: No Garage: Yes/2  
Appraisr: Appraisr: Yes  
Yr Built: 2022/New Construction - Complete Attached: No Attch Gar: Yes  
Lot Dimen: Acres: 0.130 # Carport: 0  
Subdivide?: No Cov Prk: 2  
HOA: Mandatory Gar Size: 20x18  
HOA Dues: \$750/Annually HOA Co: Essex Association Management LP  
Phone: (972) 534-2683

#### School Information

School Dist: Community ISD  
Elementary: Nesmith Middle: Leland Edge High: Community

#### Remarks

**Property Description:** The Stanley is a winning combination of comfort and adaptability. The main floor offers a bedroom with a full bath for guests. Of course, no one could blame you if you crafted an exceptional workout room instead. A wall of windows in the airy family room illuminates the space with natural light that carries into the casual dining area and the spectacular kitchen. Natural stone countertops, stainless steel appliances and a gorgeous island ensure the kitchen will be everyone's favorite space. The presence of an upstairs loft near the bedrooms with a full bath creates a home-within-a-home for multi-generational families

**Public Driving Directions:** From the President George Bush Turnpike East, take the TX-78 North exit. Follow TX-78 North to LakePointe Blvd. Go right on LakePointe Blvd and a quick right again onto Beechwood Dr. The sales center is located on the corner of Beechwood Dr and Community Dr at 114 Community Dr.

**Private Rmks:** LIMITED SERVICE LISTING: Buyer verifies dimensions & ISD info. Use Bidr contract. Plan: Stanley. Email contact: [lsales@beechwoodhomes.com](mailto:lsales@beechwoodhomes.com)

#### Agent/Office Information

SUB: 0 - % CDOM: 27 DOM: 27 LD: 06/03/2022 XD:  
BAC: 3 - % VAR: No  
List Type: Exclusive Agency  
List Off: [HomesUSA.com](http://HomesUSA.com) (GUAR02) 888-872-6006 LO Fax: 214-526-8211 Brk Lic: 0437572  
LO Addr: 17000 N. Dallas Parkway #202 Dallas, Texas 75248 LO Email:  
List Agt: [Ben Caballero](mailto:BenCaballero@homesusa.com) (0096651) 888-872-6006 LA Cell: LA Fax:  
LA Email: [caballero@homesusa.com](mailto:caballero@homesusa.com) LA Othr: LA/LA2 Texting:  
LA Website: <http://quickfinder.homesusa.com> LO Sprvs: Ben Caballero (0096651) 888-872-6006  
Off Web: Location: 2805 Dallas Pkwy, Plano (469) 573-6757  
Pref Title Co: Green Brick Title

#### Sold Information

Contract Date: 06/30/2022 Opt Exp Date: Closed Date: 10/05/2022 Close Price: \$435,900  
Slr Paid: \$15,000 Cls\$/Acre: \$3,353,076.92 Cls\$/Lot SF: \$76.98  
Buyer Off: [Orbit Realty Group, LLC](http://Orbit Realty Group, LLC) (ORG01C) 972-768-6125 Cls\$/SqFt: \$194.77  
Buyer Agt: [Bethelhem Taddeus](mailto:Bethelhem Taddeus) (0648184) 415-939-3358 BA Email: [beth.newhome@gmail.com](mailto:beth.newhome@gmail.com)  
Third Party AP: No  
Buyer Financing: Conventional



## 300 BRAVES WAY

300 Braves Way, Lavon, Texas 75166

### Listing

TX N M Virtual Tour URL Transaction Desk

MLS#: 20075869 Closed 300 Braves Way Lavon, TX 75166 LP: \$401,900  
Property Type: Residential SubType: Single Family OLP: \$408,900



Also For Lease: N  
Subdivision: LakePointe  
County: Collin  
Country: United States  
Parcel ID: 300Braves  
Lot: Block:  
Legal:  
Lst \$/SqFt: \$203.91  
Lake Name:  
Lse MLS#:  
Plan Dvlpm:  
MultiPrcl: No MUD Dst: No

Beds: 3 Tot Bth: 2 Liv Area: 1  
Fireplc: 1 Full Bath: 2 Din Area: 1 Pool: No  
Half Bath: 0  
Smart Home App/Pwd: No Adult Community:

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SqFt: 1,971/Plans  
Appraisr:  
Yr Built: 2022/New Construction - Complete  
Lot Dimen:  
Subdivide?: No  
HOA: Mandatory  
HOA Dues: \$750/Annually

Hdcp Am: No  
Horses?:  
Attached: No  
Acres: 0.130  
Garage: Yes/2  
Attch Gar: Yes  
# Carport: 0  
Cov Prk: 2  
Gar Size: 20x18  
HOA Co: Essex Association Management LP  
Phone: (972) 534-2683

#### School Information

School Dist: Community ISD  
Elementary: Nesmith Middle: Leland Edge High: Community

#### Remarks

**Property Description:** Creatively designed to accommodate the needs of modern families, the Heisman is a unique plan. Central to the design is a home management center strategically located for maximum privacy. Use the space as a home office, library, study station or anything else that requires peace and quiet. The main living area is expansive, encompassing the island kitchen, dining area and family room. Invite the pee wee football team for an after-party or snuggle up in front of the fire — the room easily adapts to your needs. Outstanding storage capacity is another feature, with a walk-in pantry, large utility room, walk-in closet in the primary suite and extra space in the garage.

**Public Driving Directions:** From the President George Bush Turnpike East, take the TX-78 North exit. Follow TX-78 North to LakePointe Blvd. Go right on LakePointe Blvd and a quick right again onto Beechwood Dr. The sales center is located on the corner of Beechwood Dr and Community Dr at 114 Community Dr

**Private Rmks:** Possible Buyer Incentives; ask Builder for details. LIMITED SERVICE LISTING: Buyer verifies dimensions & ISD info. Use Bldr contract. Plan: Heisman. Email contact: lakepointe@trophysignaturehomes.com.

#### Agent/Office Information

SUB: 0 - %  
BAC: 4 - %  
List Type: Exclusive Agency  
List Off: [HomesUSA.com](http://HomesUSA.com) (GUAR02) 888-872-6006  
LO Addr: 17000 N. Dallas Parkway #202 Dallas, Texas 75248  
List Agt: [Ben Caballero](mailto:Ben Caballero) (0096651) 888-872-6006  
LA Email: [caballero@homesusa.com](mailto:caballero@homesusa.com)  
LA Website: <http://quickfinder.homesusa.com>  
Off Web:  
Pref Title Co: Green Brick Title  
LO Fax: 214-526-8211 Brk Lic: 0437572  
LO Email:  
LA Cell:  
LA Othr:  
LO Sprvs: Ben Caballero (0096651) 888-872-6006  
Location: 2805 Dallas Pkwy, Plano (469) 573-6757

#### Sold Information

Contract Date: 08/06/2022 Opt Exp Date:  
Slr Paid: \$15,000  
Buyer Off: [Keller Williams Realty](http://Keller Williams Realty) (KELR02) 972-599-7000  
Buyer Agt: [Robert Salvers](mailto:Robert Salvers) (0754920) 409-440-6069  
Buyer Agt 2: [Denton Aquam](mailto:Denton Aquam) (0496115) 972-490-1504  
Third Party AP: No  
Buyer Financing: Conventional  
Close Date: 08/31/2022  
Cls\$/Acres: \$3,076,153.85  
Close Price: \$399,900  
Cls\$/Lot SF: \$70.62  
Cls\$/SqFt: \$202.89  
BA Email: [robertsalvers@kw.com](mailto:robertsalvers@kw.com)  
BA2 Email: [listings@dentonaquam.com](mailto:listings@dentonaquam.com)

### 356 BRAVES WAY

□ 356 Braves, Lavon, Texas 75166

#### Listing








**MLS#:** 20190782 **Closed** **356 Braves Lavon, TX 75166** **LP:** \$520,900  
**Property Type:** Residential **SubType:** Single Family **OLP:** \$520,900

**Recent:** 10/20/2022 : **Closed** : A->C



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**SqFt:** 3,586/Plans  
**Apprais:**  
**Yr Built:** 2022/New Construction - Complete  
**Lot Dimen:**  
**Subdivide?:** No  
**HOA:** Mandatory  
**HOA Dues:** \$750/Annually

**Also For Lease:** N  
**Subdivision:** LakePointe  
**County:** Collin  
**Country:** United States  
**Parcel ID:** 356 Braves  
**Lot:** Block:  
**Legal:**

**Lst \$/SqFt:** \$145.26

**Lake Name:**  
**Lse MLS#:**  
**Plan Dvlpm:**  
**MultiPrcl:** No **MUD Dst:** No

**Beds:** 5 **Tot Bth:** 4 **Liv Area:** 2  
**Firepic:** 1 **Full Bath:** 4 **Din Area:** 0 **Pool:** No  
**Half Bath:** 0 **Adult Community:**  
**Smart Home App/Pwd:** No

**Hdcp Am:** No **Garage:** Yes/2  
**Horses?:** **Attch Gar:** Yes  
**Attached:** No **# Carport:** 0  
**Acres:** 0.130 **Cov Prk:** 2  
**Gar Size:** 20x20  
**HOA Co:** Essex Association Management LP  
**Phone:** (972) 534-2683

#### School Information

**School Dist:** Community ISD  
**Elementary:** Nesmith **Middle:** Leland Edge **High:** Community

#### Remarks

**Property Description:** Delivering form, function, beauty and comfort, the Wimbledon is a grand slam for buyers who demand more from their homes. Five bedrooms mean everyone gets their own room. Four baths mean no early morning squabbles about whose turn it is to brush their teeth. Your guests will be impressed by the spectacular, high-ceilinged family room and gourmet kitchen. Entertain at the center island so everyone can mingle. Send younger guests upstairs to romp in the game room or enjoy movies in the media room while adults converse. A home office, gracious primary suite, covered patio and plenty of storage space add to the appeal!

**Public Driving Directions:** From the President George Bush Turnpike East, take the TX-78 North exit. Follow TX-78 North to LakePointe Blvd. Go right on LakePointe Blvd and a quick right again onto Beechwood Dr. The sales center is located on the corner of Beechwood Dr and Community Dr at 114 Community Dr

**Private Rmks:** LIMITED SERVICE LISTING: Buyer verifies dimensions & ISD info. Use Bldr contract. Plan: Wimbledon. Email contact: lakepointe@trophysignaturehomes.com.

#### Financial Information

**Loan Type:** Treat As Clear **Bal:**  
**Pmt Type:** **Lender:** **Payment:**  
**Orig Date:** **2nd Mortg:** No

#### Agent/Office Information

**SUB:** 0 - % **CDOM:** 1 **DOM:** 1 **LD:** 10/16/2022 **XD:**  
**BAC:** 3 - % **VAR:** No  
**List Type:** Exclusive Agency  
**List Off:** [HomesUSA.com](http://HomesUSA.com) (GUAR02) 888-872-6006 **LO Fax:** 214-526-8211 **Brk Lic:** 0437572  
**LO Addr:** 17000 N. Dallas Parkway #202 Dallas, Texas 75248 **LO Email:**  
**List Agt:** Ben Caballero (0096651) 888-872-6006 **LA Cell:** **LA Fax:**  
**LA Email:** [caballero@homesusa.com](mailto:caballero@homesusa.com) **LA Othr:** **LA/LA2 Texting:**  
**LA Website:** <http://quickfinder.homesusa.com> **LO Sprvs:** Ben Caballero (0096651) 888-872-6006  
**Off Web:** **Location:** 2805 Dallas Pkwy, Plano (469) 573-6757  
**Pref Title Co:** Green Brick Title

#### Sold Information

**Contract Date:** 10/14/2022 **Opt Exp Date:** **Closed Date:** 10/17/2022 **Close Price:** \$520,900  
**Sir Paid:** \$10,000 **Cls\$/Acres:** \$4,006,923.08 **Cls\$/Lot SF:** \$91.99  
**Buyer Off:** [NON\\_MLS](http://NON_MLS) (NMLS00NM) 999-999-9999 **Cls\$/SqFt:** \$145.26  
**Buyer Agt:** [Non-Mls\\_Member](http://Non-Mls_Member) (999999999) **BA Email:** [customercaregroup@ntreis.net](mailto:customercaregroup@ntreis.net)  
**Third Party AP:** No  
**Buyer Financing:** Conventional



## 249 COMMUNITY DR.

□ 249 Community Drive, Lavon, Texas 75166

### Listing

 [Virtual Tour URL](#) [Transaction Desk](#)

MLS#: 20127720 **Closed** **249 Community Drive Lavon, TX 75166** LP: \$451,236  
Property Type: Residential SubType: Single Family OLP: \$461,236

Recent: 10/13/2022 : Closed : P->C



Also For Lease: N Lst \$/SqFt: \$191.77  
Subdivision: Lake Pointe  
County: Collin  
Country: United States  
Parcel ID: 2848435  
Lot: Block:  
Legal: Lake Name:  
Lse MLS#:   
Plan Dvlpm:   
MultiPrcl: No MUD Dst: Yes

Beds: 4 Tot Bth: 3 Liv Area: 2  
Firepic: 1 Full Bath: 3 Din Area: 1 Pool: No  
Half Bath: 0 Adult Community:  
Smart Home App/Pwd: No

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SqFt: 2,353/Plans Hdcp Am: No Garage: Yes/2  
Appraisr: Horses?: No Attch Gar: No  
Yr Built: 2022/New Construction - Complete Attached: No # Carport: 0  
Lot Dimen: Acres: 0.150 Cov Prk: 2  
Subdivide?: No Gar Size: 22x21  
HOA: Mandatory HOA Co: Essex Association Mng LP  
HOA Dues: \$750/Annually Phone: (000) 000-0000

#### School Information

School Dist: Community ISD  
Elementary: Nesmith Middle: Leland Edge High: Community

#### Remarks

**Property Description:** MLS# 20127720 - Built by Christie Homes - Ready Now! ~ This Lea sits on a 60 foot lot with a large 3 car garage. It will feature an 8ft front door and 10 foot ceilings throughout the living room, dining room, and kitchen! The kitchen will serve a large vent hood, with soft closing cabinets to the ceiling including LED under cabinet lighting! The spacious extra living will include an electric fireplace with build in cabinets.  
**Public Driving Directions:** From Hwy 78 E, right into LakePointe subdivision, left onto Colt Drive, left onto Oak Creek Drive.  
**Private Rmks:** Possible Buyer Incentives; ask Builder for details. LIMITED SERVICE LISTING: Buyer verifies dimensions & ISD info. Use Bldr contract. Plan: The Lea

#### Agent/Office Information

SUB: 0 - % CDOM: 32 DOM: 32 LD: 07/29/2022 XD:  
BAC: 3 - % VAR: No  
List Type: Exclusive Agency  
List Off: [HomesUSA.com](#) (GUAR02) 888-872-6006 LO Fax: 214-526-8211 Brk Lic: 0437572  
LO Addr: 17000 N. Dallas Parkway #202 Dallas, Texas 75248 LO Email:  
List Agt: [Ben Caballero](#) (0096651) 888-872-6006 LA Cell: LA Fax:  
LA Email: [caballero@homesusa.com](#) LA Othr: LA/LA2 Texting:  
LA Website: [http://quickfinder.homesusa.com](#) LO Sprvs: Ben Caballero (0096651) 888-872-6006  
Off Web: Location: Mobile Close (806) 374-3386  
Pref Title Co: Texas Legacy Land Title

#### Sold Information

Contract Date: 08/30/2022 Opt Exp Date: Closed Date: 10/13/2022 Close Price: \$451,236  
Sir Paid: \$0 Cls\$/Acre: \$3,008,240.00 Cls\$/Lot SF: \$69.06  
Buyer Off: [NON MLS](#) (NMLS00NM) 999-999-9999 Cls\$/SqFt: \$191.77  
Buyer Agt: [Non-Mls Member](#) (999999999) BA Email: [customercaregroup@ntreis.net](#)  
Third Party AP: No  
Buyer Financing: Conventional

Prepared By: Jordan Foster Peyco Southwest Realty, Inc. on 10/24/2022 17:46

## 226 OAK CREEK DR.

226 Oak Creek Drive, Lavon, Texas 75166

### Listing

TX N M Virtual Tour URL Transaction Desk

MLS#: 20143404 Closed 226 Oak Creek Drive Lavon, TX 75166 LP: \$426,350  
Property Type: Residential SubType: Single Family OLP: \$426,350

Recent: 10/20/2022 : Closed : P->C



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SqFt: 2,164/Plans  
Appraisr:  
Yr Built: 2022/New Construction - Complete  
Lot Dimen:  
Subdivide?: No  
HOA: Mandatory  
HOA Dues: \$750/Annually

Also For Lease: N  
Subdivision: LakePointe  
County: Collin  
Country: United States  
Parcel ID: R-12526-001-0160-1  
Lot: Block:  
Legal:  
Lst \$/SqFt: \$197.02  
Lake Name:  
Lse MLS#:  
Plan Dvlpm:  
MultiPrcl: No MUD Dst: No  
Beds: 4 Tot Bth: 3 Liv Area: 1  
Fireplc: 1 Full Bath: 3 Din Area: 1 Pool: No  
Half Bath: 0 Adult Community:  
Smart Home App/Pwd: Yes

Hdcp Am: No Garage: Yes/2  
Horses?: Attch Gar: Yes  
Attached: No # Carport: 0  
Acres: 0.140 Cov Prk: 2  
Gar Size: 21x23  
HOA Co: Essex Association Management LP  
Phone: (972) 534-2683

#### School Information

School Dist: Community ISD  
Elementary: Nesmith Middle: Leland Edge High: Community

#### Remarks

**Property Description:** Perfect proportions and an abundance of well-placed features make the Oscar a blockbuster design you'll love coming home to. Say hello to the sun as it streams through oversized windows in your primary suite. Just around the corner is your home office, an inviting space that encourages creativity and offers an escape to the back patio or the ultra-modern kitchen when it's time for a break. Family life is centered in the great room with a cozy family room, chic dining area and an ultra-modern kitchen. Three additional bedrooms located near the front of the house are private, quiet and serene

**Public Driving Directions:** From the President George Bush Turnpike East, take the TX-78 North exit. Follow TX-78 North to LakePointe Blvd. Go right on LakePointe Blvd and a quick right again onto Beechwood Dr. The sales center is located on the corner of Beechwood Dr and Community Dr at 114 Community Dr

**Private Rmks:** LIMITED SERVICE LISTING: Buyer verifies dimensions & ISD info. Use Bidr contract. Plan: Oscar. Email contact:

#### Financial Information

Loan Type: Treat As Clear Bal: Payment:  
Pmt Type: Lender: Orig Date: 2nd Mortg: No

#### Agent/Office Information

SUB: 0 - % CDOM: 0 DOM: 0 LD: 08/15/2022 XD:  
BAC: 3 - % VAR: No  
List Type: Exclusive Agency  
List Off: HomesUSA.com (GUAR02) 888-872-6006 LO Fax: 214-526-8211 Brk Lic: 0437572  
LO Addr: 17000 N. Dallas Parkway #202 Dallas, Texas 75248 LO Email:  
List Agt: Ben Caballero (0096651) 888-872-6006 LA Cell: LA Fax:  
LA Email: caballero@homesusa.com LA Othr: LA/LA2 Texting:  
LA Website: http://quickfinder.homesusa.com LO Sprvs: Ben Caballero (0096651) 888-872-6006  
Off Web: Location: 2805 Dallas Pkwy, Plano (469) 573-6757  
Pref Title Co: Green Brick Title

#### Sold Information

Contract Date: 08/15/2022 Opt Exp Date: Closed Date: 10/20/2022 Close Price: \$426,350  
Sir Paid: \$12,500 Cls\$/Acres: \$3,045,357.14 Cls\$/Lot SF: \$69.91  
Buyer Off: Specialty Business Services, (SBSI01) 214-563-7427 Cls\$/SqFt: \$197.02  
Buyer Agt: Tillie Vance (0420322) 214-563-7427 BA Email: tillievance@gmail.com  
Third Party AP: No  
Buyer Financing: VA



## 273 OAK CREEK DR.

□ 273 Oak Creek Drive, Lavon, Texas 75166

### Listing



**MLS#:** 20097103 **Closed** **273 Oak Creek Drive Lavon, TX 75166** **LP:** \$426,350  
**Property Type:** Residential **SubType:** Single Family **OLP:** \$426,350



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**SqFt:** 2,164/Plans  
**Appraisr:**  
**Yr Built:** 2022/New Construction - Complete  
**Lot Dimen:**  
**Subdivide?:** No  
**HOA:** Mandatory  
**HOA Dues:** \$750/Annually

**Also For Lease:** N  
**Subdivision:** LakePointe  
**County:** Collin  
**Country:** United States  
**Parcel ID:** [R-12526-00A-0380-1](#)  
**Lot:** 38 **Block:** A  
**Legal:**

**Lst \$/SqFt:** \$197.02  
**Lake Name:**  
**Lse MLS#:**  
**Plan Dvlpm:**  
**MultiPrcl:** No **MUD Dst:** No

**Beds:** 4 **Tot Bth:** 3 **Liv Area:** 1  
**Fireplc:** 1 **Full Bath:** 3 **Din Area:** 1 **Pool:** No  
**Half Bath:** 0 **Adult Community:**  
**Smart Home App/Pwd:** Yes

**Hdcp Am:** No **Garage:** Yes/2  
**Horses?:** **Attch Gar:** Yes  
**Attached:** No **# Carport:** 0  
**Acres:** 0.130 **Cov Prk:** 2  
**HOA Co:** Essex Association Management LP **Gar Size:** 20x20  
**Phone:** (972) 534-2683

#### School Information

**School Dist:** Community ISD  
**Elementary:** Nesmith **Middle:** Leland Edge **High:** Community

#### Remarks

**Property Description:** Perfect proportions and an abundance of well-placed features make the Oscar a blockbuster design you'll love coming home to. Say hello to the sun as it streams through oversized windows in your primary suite. Just around the corner is your home office, an inviting space that encourages creativity and offers an escape to the back patio or the ultra-modern kitchen when it's time for a break. Family life is centered in the great room with a cozy family room, chic dining area and an ultra-modern kitchen. Three additional bedrooms located near the front of the house are private, quiet and serene.

**Public Driving Directions:** From the President George Bush Turnpike East, take the TX-78 North exit. Follow TX-78 North to LakePointe Blvd. Go right on LakePointe Blvd and a quick right again onto Beechwood Dr. The sales center is located on the corner of Beechwood Dr and Community Dr at 114 Community Dr.

**Private Rmks:** LIMITED SERVICE LISTING: Buyer verifies dimensions & ISD info. Use Bldr contract. Plan: Oscar. Email contact:

#### Financial Information

**Loan Type:** Treat As Clear **Bal:**  
**Pmt Type:** **Lender:** **Payment:**  
**Orig Date:** **2nd Mortg:** No

#### Agent/Office Information

**SUB:** 0 - % **CDOM:** 20 **DOM:** 20 **LD:** 05/26/2022 **XD:**  
**BAC:** 3 - % **VAR:** No  
**List Type:** Exclusive Agency  
**List Off:** [HomesUSA.com](#) (GUAR02) 888-872-6006 **LO Fax:** 214-526-8211 **Brk Lic:** 0437572  
**LO Addr:** 17000 N. Dallas Parkway #202 Dallas, Texas 75248 **LO Email:**  
**List Agt:** [Ben Caballero](#) (0096651) 888-872-6006 **LA Cell:** **LA Fax:**  
**LA Email:** [caballero@homesusa.com](#) **LA Othr:** **LA/LA2 Texting:**  
**LA Website:** [http://quickfinder.homesusa.com](#) **LO Sprvs:** Ben Caballero (0096651) 888-872-6006  
**Off Web:** **Location:** 2805 Dallas Pkwy, Plano (469) 573-6757  
**Pref Title Co:** Green Brick Title

#### Sold Information

**Contract Date:** 06/15/2022 **Opt Exp Date:** **Closed Date:** 09/28/2022 **Close Price:** \$426,350  
**Slr Paid:** \$10,000 **Cls\$/Acre:** \$3,279,615.38 **Cls\$/Lot SF:** \$75.29  
**Buyer Off:** [eXp Realty LLC](#) (XPTY01) 888-519-7431 **Cls\$/SqFt:** \$197.02  
**Buyer Agt:** [Alyssa Helfert](#) (0747759) 612-462-8854 **BA Email:** [alyssahelfert11@gmail.com](#)  
**Third Party AP:** No  
**Buyer Financing:** Conventional

**462 COLT DR.**

☐ 462 Colt Drive, Lavon, Texas 75166

**Listing**

[Virtual Tour URL](#)
[Transaction Desk](#)

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**MLS#:** 20094252 Closed
**462 Colt Drive Lavon, TX 75166**
**LP:** \$446,384

**Property Type:** Residential
 **SubType:** Single Family
 **OLP:** \$479,925

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**Also For Lease:** N
 **Lst \$/SqFt:** \$187.79

**Subdivision:** Lake Pointe
 **County:** Collin
 **Lake Name:**

**Country:** United States
 **Lse MLS#:**

**Parcel ID:** [R-12532-00U-0030-1](#)
**Plan Dvlpm:**

**Lot:** 3
 **Block:** U
 **MultiPrcl:** No
 **MUD Dst:** No

**Legal:**

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**Beds:** 4
 **Tot Bth:** 3
 **Liv Area:** 1

**Fireplc:** 1
 **Full Bath:** 3
 **Din Area:** 1
 **Pool:** No

**Half Bath:** 0
 **Adult Community:**

**Smart Home App/Pwd:** No

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**1 / 29** 462 Colt Front

**SqFt:** 2,377/Plans
 **Hdcp Am:** No
 **Garage:** Yes/2

**Appraisr:**
**Horses?:**
**Attch Gar:** Yes

**Yr Built:** 2022/New Construction - Complete
 **Attached:** No
 **# Carport:** 0

**Lot Dimen:**
**Acres:** 0.150
 **Cov Prk:** 2

**Subdivide?:** No
 **HOA Co:** Essex Association Mng LP
 **Gar Size:** 22x22

**HOA:** Mandatory
 **Phone:** (000) 000-0000

**HOA Dues:** \$750/Annually

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**School Dist:** Community ISD
 **Elementary:** Nesmith
 **Middle:** Leland Edge
 **High:** Community

**Remarks**

**Property Description:**

MLS# 20094252 - Built by Christie Homes - Ready Now! ~ This Corbin floor plan sits on a 60 foot lot! This home will have a vaulted ceiling in the front bedroom. In the living room you will have 10 foot ceilings! The Kitchen will feature cabinets to the ceiling with LED under mount lighting, quartz counter tops, trash can pull outs and a gas range. The master bedroom will have a pan ceiling, the master bathroom will have a soaker tub and 6 foot shower! This home has a LARGE patio with a wood burning fireplace!!

**Public Driving Directions:**

From Hwy 78 E, right into LakePointe subdivision, left onto Colt Drive, left onto Oak Creek Drive.

**Private Rmks:**

LIMITED SERVICE LISTING: Buyer verifies dimensions & ISD info. Use Bldr contract. Plan: .

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**Agent/Office Information**

**SUB:** 0 - %
 **CDOM:** 71
 **DOM:** 71
 **LD:** 06/22/2022
 **XD:**

**BAC:** 3 - %
 **VAR:** No

**List Type:** Exclusive Agency

**List Off:** [HomesUSA.com](#) (GUAR02) 888-872-6006
 **LO Fax:** 214-526-8211
 **Brk Lic:** 0437572

**LO Addr:** 17000 N. Dallas Parkway #202 Dallas, Texas 75248
 **LO Email:**

**List Agt:** [Ben Caballero](#) (0096651) 888-872-6006
 **LA Cell:**
**LA Fax:**

**LA Email:** [caballero@homesusa.com](#)
**LA Othr:**
**LA/LA2 Texting:**

**LA Website:** [http://quickfinder.homesusa.com](#)
**LO Sprvs:** Ben Caballero (0096651) 888-872-6006

**Off Web:**

**Pref Title Co:** Texas Legacy Land Title
 **Location:** Mobile Close (806) 374-3386

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**Showing Information**

**Call:** Builder
 **Appt:** (469) 560-4505
 **Owner Name:** Christie Homes

**Keybox #:** 0
 **Keybox Type:** None
 **Seller Type:** Builder

**Show Instr:**

Home is under construction. For your safety, call appt number for showings. For more information please call (469) 560-4505. Homes will be unlocked Monday - Friday 8am-5pm Saturdays homes will be unlocked 12-5. Homes will not be unlocked on Sundays. Builder is closed on Sundays. Email contact: blake@christie.net

**Occupancy:** Vacant
 **Open House:**

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**Sold Information**

**Contract Date:** 09/01/2022
 **Opt Exp Date:**
**Closed Date:** 09/29/2022
 **Close Price:** \$437,000

**Sir Paid:** \$10,000
 **Cls\$/Acres:** \$2,913,333.33
 **Cls\$/Lot SF:** \$66.88

**Buyer Off:** [NON MLS](#) (NMLS00NM) 999-999-9999
 **Cls\$/SqFt:** \$183.85

**Buyer Agt:** [Non-Mls Member](#) (99999999)
 **BA Email:** [customercaregroup@ntreils.net](#)

**Third Party AP:** No

**Buyer Financing:** Conventional



**FINAL VALUE CONCLUSION – IMPROVEMENT AREA #2**

Improvement Area #2 has horizontal construction – earthwork and grading, street paving, drainage, utility lines – complete as of the date of our site visit which is the effective date of the valuation for that portion of the subject property – October 23, 2022. In addition, at least 50 of the lots have a finished residence on the lot which are separately valued from the improved lots. We reviewed Collin County deed records and noted the homebuilders in Improvement Area #2 – Bluehaven Homes, Trophy Signature Homes, and Christie Homes – purchased their allocated lots in takedown transactions at below market prices. Because the developer has already sold the lots in IA#2, a discounted cash flow is not relevant.

A typical single purchaser of the vacant developed lots – whether an investor, developer, or homebuilder – would consider relevant expenses such as taxes, marketing, and transaction fees. Thus, we have deducted the cumulative retail value of the lots in Improvement Area #2 – **\$19,536,000** – by 10% as a typical purchaser would consider these relevant expenses. Our final value conclusion as of October 23, 2022, for the remaining improved lots in IA#2 is thus, \$17,582,400, **rounded to \$17,600,000 (\$83,810/Lot)**. **A table of our final value conclusion for the lots in Improvement Area #2 is shown below.**

We concluded that the completed residences in Improvement Area #2 have an average GBA size of **2,383-SF** and recent sales in the development indicate that the average price per square foot for similar homes sold in the community is **\$181.68/SF**. We segregated our completed residence into three cohorts based on size and determined the market value for each finished residence in IA#2 is approximately \$426,000, or **\$21,300,000**. . Each of the improved residences has separate ownership so a bulk sale discount is not relevant.

Improvement Area	Lot Type	Concluded Retail Value 10/23/2022	Lot Count	Total Value
<b>VACANT DEVELOPED LOT</b>				
2	50' Detached Lot	\$82,500	76	\$6,270,000
2	60' Detached Lot	\$99,000	134	\$13,266,000
<i>SUBTOTAL</i>				<i>\$19,536,000</i>
<i>Bulk Sale Discount (-10%)</i>				<i>-\$1,953,600</i>
<b>TOTAL</b>				<b>\$17,582,400</b>
<b>ROUNDED</b>				<b>\$17,600,000</b>
<b>IMPROVED RESIDENCE</b>				
2	42 - 50's, 8 - 60's	\$426,000	50	<b>\$21,300,000</b>

Adding the two components that have value – the improved lots and the improved residences – **the As-Is market value of the Fee Simple interest of Improvement Area #2 is \$38,900,000.**

### DISCOUNT CASH FLOW ANALYSIS – IMPROVEMENT AREA #3

A Discounted Cash Flow (DCF) analysis for the lots under construction in Improvement Area #3 is relevant. We will base this DCF on market absorption of the lots, relevant expenses, and a market discount rate based on the estimated timing of the lot sales. The DCF analysis for IA#3 follows:

Having determined the retail lot value conclusions for the 50' lots in Improvement Area #3 using the Sales Comparison Approach, we will develop an opinion of the market value of the IA#3 property to a single purchaser, as of the construction completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the completed construction date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those which reflect all expenses associated with the disposition of the property as well as the cost of capital and entrepreneurial profit. **This latter item of entrepreneurial profit is accounted for herein as part of the discount rate.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

#### Absorption

As discussed in detail in the “Absorption Analysis” section of the report, our quarterly absorption projections are summarized as follows for the subject:

#### LAKEPOINTE PID IMPROVEMENT AREA #3

##### Projected Quarterly Absorption Summary - Improvement Area #3 (221 Lots)

<i>Lot Type</i>	<i>Apr-2023</i>	<i>Jul-2023</i>	<i>Oct-2023</i>	<i>Jan-2024</i>	<i>Apr-2024</i>	<i>Jul-2024</i>
<b>50' Lots</b>	27	27	27	27	27	27
<b>Total</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>

<i>Oct-2024</i>	<i>Jan-2025</i>	<i>Apr-2025</i>	<b>TOTAL</b>
27	27	5	<b>221</b>
<b>27</b>	<b>27</b>	<b>5</b>	<b>221</b>

### **Value Increases During Sellout Period**

Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the Wall Street Journal prime rate (6.25% as of late-October 2022), plus one percent (annually) up to 8.0%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

### **EXPENSES**

**Taxes** are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the subject property is **0.02188565 per \$100 assessed – 2.188565%** for the purpose of our analysis – with taxes due to the City of Lavon, Collin County, and Community ISD.

Based upon our experience as property tax consultants and information gathered from builders/ developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builders will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of \$100,000 then the assessed value will be for \$70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

**Cost of Sales** has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, and title policies.

**Marketing Expense** is not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders. This is confirmed by the contracts the developer has where the lots are presold to homebuilders.

### **Discount Rate**

The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a town-approved Planned Development which will have less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2022*						
Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
<b>Site-Built Residential</b>	14.26%	32.17%	21.52%	13.69%	30.88%	20.66%
-100 Units	14.26%	27.73%	20.57%	13.69%	26.62%	19.75%
100-500 Units	14.61%	30.50%	21.65%	14.03%	29.28%	20.79%
500+ Units	14.97%	31.89%	22.02%	14.37%	30.61%	21.14%
Mixed Use	15.32%	32.17%	21.85%	14.71%	30.88%	20.97%
<b>Manufactured Housing</b>	14.57%	35.02%	22.99%	13.99%	33.62%	22.07%
-100 Units	14.57%	30.45%	22.06%	13.99%	29.23%	21.18%
100-500 Units	14.94%	33.49%	23.25%	14.34%	32.15%	22.32%
500+ Units	15.30%	35.02%	23.65%	14.69%	33.62%	22.70%
<b>Business Parks</b>	14.53%	32.49%	21.83%	13.95%	31.19%	20.95%
-100 Acres	14.53%	28.26%	20.97%	13.95%	27.13%	20.13%
100-500 Acres	14.90%	31.08%	22.07%	14.30%	29.84%	21.19%
500+ Acres	15.26%	32.49%	22.45%	14.65%	31.19%	21.55%
<b>Industrial Parks</b>	14.62%	28.04%	19.86%	14.04%	26.92%	19.07%
-100 Acres	14.62%	24.39%	19.11%	14.04%	23.41%	18.35%
100-500 Acres	14.99%	26.83%	20.07%	14.39%	25.75%	19.27%
500+ Acres	15.35%	28.04%	20.40%	14.74%	26.92%	19.58%
*2nd Quarter 2022 Data			Copyright 2022 RealtyRates.com <sup>TM</sup>			

As shown, the minimum actual rates in Texas range from 14.26% for less than 100 units; 14.61% for 100 to 500+ units; and 14.97% for 500+ units with minimum pro-forma rates ranging from 13.69% to 14.37%. These rates have been consistently low for about the past year, but actual and pro-forma rates rose in this most recent quarter across the board approximately 60-70 basis points (bps) compared to the prior quarter. These rate Developer Survey rate increases were likely due to rising borrowing costs and worries of a greater market slowdown.

The 7<sup>th</sup> Edition of the Dictionary of Real Estate Appraisal defines this term as “a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk. We believe that a potential purchaser would expect to receive a much lower return on his investment for a project similar to the subject which has Substantial Completion imminent, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development, i.e., higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an IRR that is lower than the minimum rates provided by the RealtyRates “Developer Survey” for Texas of 14.97% for 500+ units; and 14.37% for likewise minimum pro-forma rates ranging is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject’s submarket area, we have selected a discount rate of **13.0% for Improvement Area #3** (with Substantial Completion expected in 1Q2023) which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flows, the income stream is discounted quarterly and an annual DCF also included. With each of the required elements in place, we will analyze the subject in DCF analyses on the following pages.

### IMPROVEMENT AREA #3 – DISCOUNT CASH FLOW (DCF) ANALYSIS

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Construction expected to be complete by end of 1Q2023 – Absorption commences April 1, 2023
- Current base lot values: \$82,500 for 50's
- 6% Appreciation/Year (1.5%/Quarter)
- 50' Lots absorbed at 33/Quarter
- Discount Rate 13% (3.25%/Quarter)
- Tax expense on inventory is 2.188565%/Year, 0.547141%/Quarter, but is discounted 30%
- Sales and Marketing Expense (Totals 1.5% of Revenue)

As Substantial Construction on the lots is expected to be complete in the first quarter of 2023, we have set the effective date for April 1, 2023, which is the first full month following Substantial Completion. As of April 1, 2023, we expect the lots to appreciate 2% following our report date. Thus, the base lot value for 50' lots is **\$85,388 (up from \$82,500)** with a total cumulative value "Upon Completion" (April 1, 2023) of **\$18,870,638**. A table is shown below:

LakePointe PID - Improvement Area #3				
Total Lots	Feet Frontage (FF)	Retail Price/Lot on Apr. 1, 2023	Price/FF (\$/FF)	Total Retail Value (\$)
221	50	\$85,388	\$1708/FF	\$18,870,638
				<b>\$18,870,638</b>

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 3.25% is applied to each quarterly period.

**DISCOUNT CASH FLOW DATA –IMPROVEMENT AREA #3 LOTS (QUARTERLY)**

	<b>Apr. 2023</b>			<b>Jul. 2023</b>		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
50' Lot	221	\$ 85,388	27	194	\$ 86,668	27
<b>Revenue</b>		<b>\$2,305,463</b>			<b>\$2,340,044</b>	
Expenses						
<i>Tax Expense</i>		\$ 72,274			\$ 64,396	
<i>Sales Expense</i>		\$ 34,582			\$ 35,101	
<b>Net Income</b>		<b>\$2,198,606</b>			<b>\$2,240,548</b>	
<b>Factor</b>		<b>0.984839</b>			<b>0.955203</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$2,165,273</b>			<b>\$2,140,177</b>	



	<b>Oct. 2023</b>			<b>Jan. 2024</b>		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50' Lot	167	\$ 87,968	27	140	\$ 89,288	27
<b>Revenue</b>		<b>\$2,375,145</b>			<b>\$2,410,772</b>	
Expenses						
<i>Tax Expense</i>		\$ 56,265			\$ 47,876	
<i>Sales Expense</i>		\$ 35,627			\$ 36,162	
<b>Net Income</b>		<b>\$2,283,253</b>			<b>\$2,326,735</b>	
<b>Factor</b>		<b>0.926459</b>			<b>0.898579</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$2,115,339</b>			<b>\$2,090,755</b>	





	<b>Apr. 2024</b>			<b>Jul. 2024</b>		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50' Lot	113	\$ 90,627	27	86	\$ 91,987	27
<b>Revenue</b>		<b>\$2,446,934</b>			<b>\$2,483,638</b>	
Expenses						
<i>Tax Expense</i>		\$ 39,222			\$ 30,298	
<i>Sales Expense</i>		\$ 36,704			\$ 37,255	
<b>Net Income</b>		<b>\$2,371,007</b>			<b>\$2,416,085</b>	
<b>Factor</b>		<b>0.871539</b>			<b>0.845312</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$2,066,425</b>			<b>\$2,042,346</b>	



	<b>Oct. 2024</b>			<b>Jan. 2025</b>		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50' Lot	59	\$ 93,366	27	32	\$ 94,767	27
<b>Revenue</b>		<b>\$2,520,892</b>			<b>\$2,558,706</b>	
Expenses						
<i>Tax Expense</i>		\$ 21,098			\$ 11,615	
<i>Sales Expense</i>		\$ 37,813			\$ 38,381	
<b>Net Income</b>		<b>\$2,461,981</b>			<b>\$2,508,711</b>	
<b>Factor</b>		<b>0.819875</b>			<b>0.795203</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$2,018,516</b>			<b>\$1,994,934</b>	



▼

	<b>Apr. 2025</b>		
Lot Type	Units Available	Lot Price	Sales
50' Lot	5	\$ 96,188	5
<b>Revenue</b>		<b>\$ 480,942</b>	
Expenses			
<i>Tax Expense</i>		\$ 1,942	
<i>Sales Expense</i>		\$ 7,214	
<b>Net Income</b>		<b>\$ 471,786</b>	
<b>Factor</b>		<b>0.771273</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 363,876</b>	

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▼

<b><i>Total Net Revenue Over ~9 Quarters</i></b>	<b>\$ 19,278,711</b>
<b><u>Net Present Value (at completion) at 13% Discount Rate</u></b>	<b>\$ 16,997,642</b>
<b><u>Rounded</u></b>	<b>\$ 17,000,000</b>

*Note: Quarterly discount calculations are averaged to the middle of the quarter*



**DISCOUNT CASH FLOW DATA – IMPROVEMENT AREA #3 LOTS (ANNUALLY)**

		<b>2023</b>		<b>2024</b>		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
60' Lot	221	\$ 89,100	81	140	\$ 93,778	108
<b>Revenue</b>	<b>221</b>	<b>\$ 7,217,100</b>			<b>\$ 10,127,997</b>	
Expenses						
<i>Tax Expense</i>		\$ 301,667			\$ 100,567	
<i>Sales Expense</i>		\$ 108,257			\$ 151,920	
<b>Net Income</b>		<b>\$ 6,807,177</b>			<b>\$ 9,875,510</b>	
<b>Factor</b>		<b>0.940721</b>			<b>0.832496</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 6,403,653</b>			<b>\$ 8,221,326</b>	

▼

<b>2025</b>			
Lot Type	Units Available	Lot Price	Sales
60' Lot	32	\$ 97,294	32
<b>Revenue</b>		<b>\$3,113,421</b>	
Expenses			
<i>Tax Expense</i>		\$ 3,975	
<i>Sales Expense</i>		\$ 46,701	
<b>Net Income</b>		<b>\$3,062,745</b>	
<b>Factor</b>		<b>0.767356</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$2,350,215</b>	

▼

<b><i>Total Net Income Over ~2 Years</i></b>	<b>\$ 19,745,432</b>
<b>Net Present Value (at completion) at 13% Discount Rate</b>	<b>\$ 16,975,194</b>
<b><u>Rounded</u></b>	<b>\$ 17,000,000</b>

*Note: Annual discount and appreciation calculations are averaged to the middle of the period*

**Improvement Area #3 Conclusion (Improved 50' Lots)**

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for Improvement Area #3 in the LakePointe PID in a bulk sale transaction would be between \$16,997,642 and \$16,975,194 (unrounded) which are approximately 0-.1% different. Both annual and quarterly DCF analyses have relevance and are a check of reasonable on each other, but we consider the quarterly analysis to be the more accurate and precise calculation although they are rounded to the same figure - \$17,000,000. Thus, we have determined that the **market value for Improvement Area #3 (221 lots) “Upon Completion” with an effective date of April 1, 2023, is \$17,000,000 (\$76,923/Lot).**

**FINAL VALUE CONCLUSION – IMPROVEMENT AREA #3**

Using the Discount Cash Flow Analysis to determine the net present value after the expected construction completion date for Improvement Area #3 (April 1, 2023), we have determined the following values for LakePointe PID as shown in the table below:

INCOME (SUBDIVISION DEVELOPMENT) APPROACH VALUE INDICATION	
<i>Fee Simple Interest as of April 1, 2023</i>	
<b>LakePointe PID - Improvement Area #3</b> <i>221 Improved Lots</i>	<b>\$17,000,000 (\$76,923/Lot)</b>

## **RECONCILIATION AND FINAL VALUE CONCLUSION**

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

*“Resolving the differences among various value indications is called reconciliation.... The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others...Final reconciliation relies on proper application of appraisal techniques and the appraiser’s judgment.”*

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed and developed as part of the scope of work of this assignment. A summary of each approach follows:

### **Cost Approach**

Since the subject property’s residential subdivision has been constructed in phases over several years and we are only appraising a portion of the development, *the Cost Approach is not appropriate and thus was not utilized.* This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project.

### **Income (Subdivision Development) Approach**

For the improved lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since our assignment is to determine the bulk sale value of 481 improved residential lots in Improvement Areas #2 and #3 in the LakePointe PID, as of the construction completion dates, the Income Approach is appropriate and was developed. **Through Discounted Cash Flow Analysis, we determined the value of the 221 improved lots “Upon Completion” in Improvement Area #3 of the LakePointe PID, as of April 1, 2023, is \$17,000,000 (\$76,923/Lot).**

### **Sales Comparison Approach**

For the improved lots, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions is not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots.

### Final Value Conclusion Summary

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. We utilized the Income (Subdivision Development) Approach to value the 431 improved residential lots. Our final value conclusion for the retail lot value and the cumulative value of the lots is shown below:

LakePointe PID - Improvement Area #2 & #3						
Improvement Area	Total Lots	Feet Frontage (FF)	Retail Price/Lot on Oct. 23, 2022	Retail Price/Lot on Apr. 1, 2023	Price/FF (\$/FF)	Total Retail Value (\$)
2	76	50	\$82,500	-	\$1650/FF	\$6,270,000
2	134	60	\$99,000	-	\$1650/FF	\$13,266,000
3	221	50	-	\$85,388	\$1708/FF	\$18,870,638
						<b>\$38,406,638</b>

In addition, the 50 completed residences have an average value of \$426,000 and a cumulative value of \$21,300,000. After considering a bulk-sale on the vacant developed lots in Improvement Area #2, the overall value of the improved residences in Improvement Area #2, and discounted cash flows in Improvement Area #3 (which simulates a bulk-sale), our final market value conclusions are:

FINAL MARKET VALUE CONCLUSION	
<i>Fee Simple Interest as of October 23, 2022</i>	
<b>LakePointe PID - Improvement Area #2</b> <i>210 Improved Lots</i>	<b>\$17,600,000 (\$83,810/Lot)</b>
<b>LakePointe PID - Improvement Area #2</b> <i>50 Improved Residences</i>	<b>\$21,300,000 (\$426,000/Home)</b>
<i>Fee Simple Interest as of April 1, 2023</i>	
<b>LakePointe PID - Improvement Area #3</b> <i>221 Improved Lots</i>	<b>\$17,000,000 (\$76,923/Lot)</b>

**Exposure Time**

Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 6-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 6-12 months.

**Marketing Time**

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6-12 months.

DRAFT

**ADDENDA**

**LEGAL DESCRIPTION – IMPROVEMENT AREA #2 (NORTH)**

WHEREAS, LDC LAVON, LLC., is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavon, Collin County, Texas, being part of a 200.9089 acre tract of land described in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

COMMECNING, at a ½ inch iron rod found at the most westerly northwest corner of said 200.9089 acre tract, being in the east line of Highway 78 (120' R.O.W.);

THENCE, South 19°58'32" West, along the west line of said 200.9089 acre tract and the east line of said Highway 78, for a distance of 419.76 feet, to a 5/8 inch iron rod found with a Txdot Aluminum cap found at the point of curvature of a curve to the right, having a radius of 5729.58 feet, a central angle of 09°58'17";

THENCE, continuing along said east and west lines and with said curve to the right for an arc distance of 997.15 feet (Chord Bearing South 21°42'53" West – 995.90 feet), to the POINT OF BEGINNING;

THENCE, South 56°13'16" East, departing said east and west lines, for a distance of 234.46 feet, to a point on a non-tangent curve to the left, having a radius of 395.00 feet, a central angle of 17°52'25";

THENCE, along said curve to the left for an arc distance of 123.22 feet (Chord Bearing South 79°55'21" East – 122.72 feet), to a point at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 568.53 feet, to a point at the point of curvature of a curve to the right, having a radius of 395.00 feet, a central angle of 58°11'51";

THENCE, along said curve to the right for an arc distance of 401.22 feet (Chord Bearing South 59°45'37" East – 384.19 feet), to a point on a non-tangent curve to the right, having a radius of 1140.00 feet, a central angle of 00°42'28";

THENCE, along said curve to the right for an arc distance of 14.09 feet (Chord Bearing North 71°46'39" East – 14.09 feet), to a point;

THENCE, South 17°52'06" East, for a distance of 170.00 feet, to a point on a non-tangent curve to the left, having a radius of 970.00 feet, a central angle of 17°51'38";

THENCE, along said curve to the left for an arc distance of 302.38 feet (Chord Bearing South 63°12'04" West – 301.15 feet), to a point at the point reverse curvature of a curve to the right, having a radius of 480.00 feet, a central angle of 36°52'11";

THENCE, along said curve to the right for an arc distance of 308.88 feet (Chord Bearing South 72°42'21" West – 303.58 feet), to a point at the point of tangency;

THENCE, North 88°51'33" West, for a distance of 406.13 feet, to a point at the point of curvature of a curve to the right, having a radius of 975.00 feet, a central angle of 32°34'29";

THENCE, with said curve to the right for an arc distance of 554.32 feet (Chord Bearing North 72°34'19" West – 546.89 feet), to a point at the point of tangency;

THENCE, North 56°17'04" West, for a distance of 103.06 feet, to a point in the east line of said Highway 78 (120' R.O.W.) and the west line of said 200.9089 acre tract, being on a curve to the left, having a radius of 5729.58 feet, a central angle of 05°53'23";

THENCE, along the west line of said 200.9089 acre tract and the east line of Highway 78 with said curve to the left, for an arc distance of 588.97 feet (Chord Bearing North 29°38'44" East – 588.72 feet), to the POINT OF BEGINNING and containing 17.524 acres of land.

DRAFT



**LEGAL DESCRIPTION – IMPROVEMENT AREA #2 (SOUTH)**

WHEREAS, LDC LAVON, LLC., is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavon, Collin County, Texas, being part of a 200.9089 acre tract of land described in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING, at a ½ inch iron rod found at the southeast corner of said 200.9089 acre tract, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE, South 72°03'07" West, along the south line of said 200.9089 acre and the north line of said Northeast Texas Rural Rail Transportation District, for a distance of 1656.82 feet, to a ½ inch iron rod found at the most southerly southwest corner of said 200.9089 acre tract;

THENCE, North 23°30'56" West, departing said north line and along the west line of said 200.9089 acre tract, for a distance of 173.19 feet, to a ½ inch iron rod found;

THENCE, North 01°53'11" West, continuing along said west line, for a distance of 530.40 feet, to a ½ inch iron rod found;

THENCE, South 84°43'14" West, continuing along said west line, for a distance of 236.18 feet, to a ½ inch iron rod found;

THENCE, North 06°53'43" West, continuing along said west line, for a distance of 748.23 feet, to a ½ inch iron rod found;

THENCE, South 89°16'47" East, continuing along said west line, at 64.98 feet passing a ½ inch iron rod found at an interior ell corner of said 200.9089 acre tract and continuing for a total distance of 244.07 feet, to a point being on a non-tangent curve to the left, having a radius of 50.00 feet, a central angle of 160°28'31";

THENCE, continuing along said curve to the left for an arc distance of 140.04 feet (Chord Bearing South 45°16'41" East – 98.55 feet), to a point on a curve to the right, having a radius of 1200.00 feet, a central angle of 08°36'23";

THENCE, continuing along said curve to the right for an arc distance of 180.25 feet (Chord Bearing South 74°47'36" East – 180.08 feet), to a point at the point of reverse curvature of a curve to the left, having a radius of 2695.00 feet, a central angle of 04°09'55";

THENCE, continuing along said curve to the left for an arc distance of 195.92 feet (Chord Bearing South 72°34'22" East – 195.88 feet), to a point on a non-tangent curve to the left, having a radius of 1800.00 feet, a central angle of 03°50'16";

THENCE, continuing along said curve to the left for an arc distance of 120.57 feet (Chord Bearing South 09°44'11" West – 120.55 feet), to a point on a curve to the left, having a radius of 2815.00 feet, a central angle of 13°57'50";

LakePointe Public Improvement District – IA#2 & IA#3

THENCE, continuing along said curve to the left for an arc distance of 686.07 feet (Chord Bearing South 81°52'38" East – 648.37 feet), to a point at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 365.96 feet, to a point;

THENCE, North 01°08'27" East, for a distance of 120.00 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 7.65 feet, to a point;

THENCE, North 01°08'27" East, for a distance of 340.00 feet, to a point;

THENCE, North 88°51'33" West, for a distance of 7.73 feet, to a point;

THENCE, North 01°08'27" East, for a distance of 120.00 feet, to a point;

THENCE, North 88°51'33" West, for a distance of 365.88 feet, to a point of curvature of a curve to the right, having a radius of 2235.00 feet, a central angle of 13°05'30";

THENCE, along said curve to the right for an arc distance of 510.69 feet (Chord Bearing North 82°18'48" West – 509.58 feet), to a point;

THENCE, North 14°52'24" East, for a distance of 680.06 feet, to a point on a curve to the left, having a radius of 1550.00 feet, a central angle of 12°48'41";

THENCE, along said curve to the left for an arc distance of 347.70 feet (Chord Bearing South 82°27'13" East – 346.98 feet), to a point at the point of tangency;

THENCE, South 88°51'33" East, for a distance of 546.28 feet, to a point;

THENCE, North 01°09'20" East, for a distance of 10.00 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 120.00 feet, to a point in the east line of said 200.9089 acre tract;

THENCE, South 01°09'20" West, along the east line of said 200.9089 acre tract, for a distance of 1762.46 feet, to the POINT OF BEGINNING and containing 57.455 acres of land.

**LEGAL DESCRIPTION – IMPROVEMENT AREA #3**

WHEREAS, LDC LAVON, LLC., is the owner of a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in the City of Lavon, Collin County, Texas, being part of a 200.9089 acre tract of land described in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING, at a ½ inch iron rod found at the most easterly southeast corner of said 200.9089 acre tract;

THENCE, North 88°51'38" West, along a south line of said 200.9089 acre tract, for a distance of 871.25 feet, to a ½ inch iron rod found at an interior ell corner of said 200.9089 acre tract;

THENCE, North 01°09'20" East, for a distance of 59.54 feet, to a point;

THENCE, North 07°55'56" West, for a distance of 108.68 feet, to a point on a non-tangent curve to the left, having a radius of 650.00 feet, a central angle of 02°37'39";

THENCE, along said curve to the left for an arc distance of 29.81 feet (Chord Bearing North 67°51'51" East – 29.81 feet), to a point;

THENCE, North 23°26'58" West, for a distance of 170.00 feet, to a point on a curve to the left, having a radius of 480.00 feet, a central angle of 12°16'46";

THENCE, along said curve to the left for an arc distance of 102.87 feet (Chord Bearing North 60°24'38" East – 102.68 feet), to a point at the point of reverse curvature of a curve to the right, having a radius of 970.00 feet, a central angle of 17°51'38";

THENCE, along said curve to the right for an arc distance of 302.38 feet (Chord Bearing North 63°12'04" East – 301.15 feet), to a point;

THENCE, North 17°52'06" West, for a distance of 170.00 feet, to a point on a non-tangent curve to the left, having a radius of 1140.00 feet, a central angle of 00°42'28";

THENCE, along said curve to the left for an arc distance of 14.09 feet (Chord Bearing South 71°46'39" West – 14.09 feet), to a point on a curve to the left, having a radius of 395.00 feet, central angle of 58°11'51";

THENCE, along said curve to the left for an arc distance of 401.22 feet (Chord Bearing North 59°45'37" West – 384.19 feet), to a point at the point of tangency;

THENCE, North 88°51'33" West, for a distance of 568.53 feet, to a point at the point of curvature of a curve to the right, having a radius 395.00 feet, a central angle of 17°52'25";

THENCE, along said curve to the right for an arc distance of 123.22 feet (Chord Bearing North 79°55'21" West – 122.72 feet), to a point;

THENCE, North 56°13'16" West, for a distance of 234.46 feet, to a point in the west line of said 200.9089 acre tract and being in the east line of Highway 78 (120' R.O.W.), being on a curve to the left, having a radius of 5729.58 feet, a central angle of 04°43'15";

LakePointe Public Improvement District – IA#2 & IA#3

THENCE, continuing along said east and west lines and with said curve to the left for an arc distance of 472.08 feet (Chord Bearing North 24°20'25" East – 471.95 feet), to a point;

THENCE, South 88°51'33" East, departing said east and west lines, for a distance of 168.46 feet, to a point;

THENCE, North 33°46'44" East, for a distance of 344.38 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 624.63 feet, to a point;

THENCE, North 01°01'15" East, for a distance of 9.75 feet, to a point;

THENCE, South 88°58'45" East, for a distance of 120.00 feet, to a point;

THENCE, South 01°01'15" West, for a distance of 300.00 feet, to a point;

THENCE, South 88°51'33" East, for a distance of 579.95 feet, to a point in the east line of said 200.9089 acre tract;

THENCE, South 01°00'58" West, along the east line of said 200.9089 acre tract, for a distance of 1449.67 feet, to the POINT OF BEGINNING and containing 44.633 acres of land.

**PROJECT COSTS (ENGINEERING REPORT – CORWIN ENGINEERING, INC.)**  
*Per Preliminary Service & Assessment Plan*

	Total Costs	Privately Funded	Major Improvement Area		Improvement Area #1		Improvement Area #2		Improvement Area #3	
			%	Cost	%	Cost	%	Cost	%	Cost
<b>Major Improvements<sup>1</sup></b>										
Right of Way <sup>2</sup>	\$ 479,955	\$ -	0.00%	\$ -	100.00%	\$ 479,955	0.00%	\$ -	0.00%	\$ -
Sewer <sup>3</sup>	1,038,148	-	67.78%	703,632	32.22%	334,516	0.00%	-	0.00%	-
Storm Sewer	30,000	-	67.78%	20,333	32.22%	9,667	0.00%	-	0.00%	-
Pavement	632,350	-	67.78%	428,592	32.22%	203,758	0.00%	-	0.00%	-
Eng. Design, Fees & Const. Management	216,457	-	67.78%	146,709	32.22%	69,748	0.00%	-	0.00%	-
Hardscape and Landscape	621,000	-	67.78%	420,899	32.22%	200,101	0.00%	-	0.00%	-
PID Creation Cost	485,000	-	67.78%	328,722	32.22%	156,278	0.00%	-	0.00%	-
	<u>\$ 3,502,910</u>	<u>\$ -</u>		<u>\$ 2,048,887</u>		<u>\$ 1,454,023</u>		<u>\$ -</u>		<u>\$ -</u>
<b>Improvement Area #1 Improvements</b>										
Sewer	\$ 538,770	\$ -	0.00%	\$ -	100.00%	\$ 538,770	0.00%	\$ -	0.00%	\$ -
Storm Sewer	1,224,000	-	0.00%	-	100.00%	1,224,000	0.00%	-	0.00%	-
Pavement	1,761,738	-	0.00%	-	100.00%	1,761,738	0.00%	-	0.00%	-
Eng. Design, Fees & Const. Management	1,250,054	-	0.00%	-	100.00%	1,250,054	0.00%	-	0.00%	-
	<u>\$ 4,774,562</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 4,774,562</u>		<u>\$ -</u>		<u>\$ -</u>
<b>Improvement Area #2 Improvements</b>										
Hardscape, Irrigation, and Landscape	\$ 635,000	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 635,000	0.00%	\$ -
Sewer	615,000	-	0.00%	-	0.00%	-	100.00%	615,000	0.00%	-
Storm Sewer	1,423,000	-	0.00%	-	0.00%	-	100.00%	1,423,000	0.00%	-
Pavement	2,330,000	-	0.00%	-	0.00%	-	100.00%	2,330,000	0.00%	-
Eng. Design, Fees & Const. Management	925,000	-	0.00%	-	0.00%	-	100.00%	925,000	0.00%	-
Contingency <sup>4</sup>	300,000	-	0.00%	-	0.00%	-	100.00%	300,000	0.00%	-
Water	525,000	-	0.00%	-	0.00%	-	100.00%	525,000	0.00%	-
	<u>\$ 6,753,000</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 6,753,000</u>		<u>\$ -</u>
<b>Improvement Area #3 Improvements</b>										
Hardscape and Landscape	\$ 227,308	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 227,308
Sewer	541,545	-	0.00%	-	0.00%	-	0.00%	-	100.00%	541,545
Storm Sewer	1,105,000	-	0.00%	-	0.00%	-	0.00%	-	100.00%	1,105,000
Pavement	1,842,241	-	0.00%	-	0.00%	-	0.00%	-	100.00%	1,842,241
Miscellaneous <sup>5</sup>	933,702	-	0.00%	-	0.00%	-	0.00%	-	100.00%	933,702
Water	604,742	-	0.00%	-	0.00%	-	0.00%	-	100.00%	604,742
	<u>\$ 5,254,538</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 5,254,538</u>
<b>Private Improvements</b>										
Water	\$ 2,822,960	\$ 2,822,960	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Sewer	817,000	817,000	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Excavation	700,000	700,000	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Gas	445,100	445,100	0.00%	-	0.00%	-	0.00%	-	0.00%	-
CMT	35,000	35,000	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Retaining Walls	1,423,267	1,423,267	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Engineering and Staking	373,803	373,803	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 6,617,130</u>	<u>\$ 6,617,130</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
<b>Bond Issuance Costs</b>										
Debt Service Reserve Fund	\$ 1,407,553			\$ 178,313		\$ 334,400		\$ 554,980		\$ 339,860
Capitalized Interest	354,532			127,600		226,932		-		-
Underwriter Discount	621,750			78,900		160,950		241,740		140,160
Cost of Issuance	1,293,745			165,359		300,936		523,770		303,680
	<u>\$ 3,677,579</u>			<u>\$ 550,171</u>		<u>\$ 1,023,218</u>		<u>\$ 1,320,490</u>		<u>\$ 783,700</u>
<b>Other Costs</b>										
First Year Annual Collection Costs	\$ 120,000			\$ 30,000		\$ 30,000		\$ 30,000		\$ 30,000
Rounding Amount	4,343			942		3,401		-		-
	<u>\$ 124,343</u>			<u>\$ 30,942</u>		<u>\$ 33,401</u>		<u>\$ 30,000</u>		<u>\$ 30,000</u>
<b>Total</b>	<b>\$ 25,929,500</b>	<b>\$ 6,617,130</b>		<b>\$ 2,630,000</b>		<b>\$ 7,285,204</b>		<b>\$ 8,103,490</b>		<b>\$ 6,068,238</b>

**COLLIN CAD ACCOUNT**  
Improvement Area #3 – ID: 38646

## Property Search

Property ID: 2849278 - Tax Year: 2022

### General Information

Property ID	2849278
Property Status	Active
Geographic ID	R-6740-001-1650-1
Property Type	Real
Total Land Area	44.6330 acres
Total Improvement Main Area	n/a
Abstract/Subdivision	<a href="#">S M Rainer Survey</a>
Primary State Code	E (Rural Non-ag Land (Not Platted, Not In City))
Legal Description	ABS A0740 S M RAINER SURVEY, SHEET 1, TRACT 165, 44.633 ACRES

### Owner Information

Owner ID	1227919
Owner Name(s)	<a href="#">Lavon Lakepointe Development LLC</a>
Exemptions	None
Percent Ownership	100.00%
Mailing Address	520 Central Pkwy E Ste 104 Piano, TX 75074-5526

### 2022 Value Information

Improvement Homesite Value	\$0
Improvement Non-Homesite Value	\$0
Total Improvement Market Value	\$0
Land Homesite Value	\$0
Land Non-Homesite Value	\$5,832,640
Land Agricultural Market Value	\$0
Total Land Market Value	\$5,832,640
Total Market Value	\$5,832,640
Agricultural Use Loss	\$0
Total Appraised Value	\$5,832,640
Homestead Cap Loss	\$0
Total Assessed Value	\$5,832,640

### Entities

Taxing Entity	Tax Rate	Collected By
CLA (Lavon City)	0.478956 (2021 Rate)	<a href="#">Collin County Tax Office</a>
GCN (Collin County)	0.168087 (2021 Rate)	<a href="#">Collin County Tax Office</a>
JCN (Collin College)	0.081222 (2021 Rate)	<a href="#">Collin County Tax Office</a>
SCO (Community ISD)	1.460300 (2021 Rate)	<a href="#">Collin County Tax Office</a>

### Improvements

Our records don't show any improvement data for Property ID 2849278 in the year 2022.

### Land Segments

Land Segment #1	Undeveloped
State Code	E (Rural Non-ag Land (Not Platted, Not In City))
Homesite	No
Market Value	\$5,832,640
Ag Use Value	n/a
Land Size	44.6330 acres 1,944,213 sq. ft.

LakePointe Public Improvement District – IA#2 & IA#3

**Value History**

Year	Improvement	Land	Market	Ag Loss	Appraised	HS Cap Loss	Assessed
2022	\$0	\$5,832,640	\$5,832,640	\$0	\$5,832,640	\$0	\$5,832,640

**Deed History**

Deed Date	Seller	Buyer	Instr #	Volume/Page
12/01/2021	LDC LAVON LLC	LAVON LAKEPOINTE DEVELOPMENT LLC	20211207002478270	

**SB 541 – Amends Section 25.027 of the Property Tax Code, effective September 1, 2005**

**RESTRICTION ON POSTING DETAILED IMPROVEMENT INFORMATION ON INTERNET WEBSITE:**

Information in appraisal records may not be posted on the Internet if the information is a photograph, sketch, or floor plan of an improvement to real property that is designed primarily for use as a human residence. This section does not apply to an aerial photograph that depicts five or more separately owned buildings.

**HB 394 – Amends Section 25.027 of the Property Tax Code, effective September 1, 2015**

**RESTRICTION ON POSTING AGE RELATED INFORMATION ON INTERNET WEBSITE:**

Information in appraisal records may not be posted on the Internet if the information indicates the age of a property owner, including information indicating that a property owner is 65 years of age or older.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

This report is subject to the following assumptions and limiting conditions:

- 1) The value is based on the assumption of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.
- 3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.
- 4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser has been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.
- 7) The appraiser, by reason of this report, are not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.
- 8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- 9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.
- 10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets if provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No



responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered “to-be-built” improvements.

- 11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, are not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
- 13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
- 14) The projections of income, expenses, terminal values or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- 15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.
- 16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- 17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein
- 18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner

- 19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.
- 20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
- 21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.
- 22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.
- 23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

## EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

### The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **hypothetical conditions** that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.

## ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.
- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

## DEFINITIONS

### **Entitlement**

Approval to develop a property for a use that is specific. In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

### **Fee Simple Estate**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

### **Leased Fee Interest**

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

### **Leasehold Interest**

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

### **Market Rent**

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

### **Market Value**

*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash (\$US).

### **Extraordinary assumption**

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.

### **Hypothetical condition**

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.

### **Prospective Opinion of Value**

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

### **Prospective Market Value “As Completed” and “As Stabilized”**

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property’s market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property’s market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4\* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

### **Retrospective Value Opinion**

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

### **Neighborhood**

- (1) A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.
- (2) A developed residential superpad within a master-planned community usually having a distinguishing name and entrance.

### **Depreciation**

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset’s life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

*Physical Deterioration*

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition, is generally the measure of deferred maintenance.

*Functional Obsolescence*

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

*External Obsolescence*

According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is “*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.*”

**Paper Lot**

Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

**Definition Sources:**

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

**JAMES L. MAIBACH, CPM**

Certified Property Manager and State Certified General Real Estate Appraiser

**EDUCATION:**

Graduate North Quincy High School, Quincy, Massachusetts, 1976  
Bachelor of Science in Business Administration (with Honors)  
Northeastern University, Boston Massachusetts, 1981  
Major: Accounting Minor: Marketing

**TECHNICAL TRAINING:**

Institute of Real Estate Management Courses:

#303 - Leasing and Management of Shopping Center and Retail Space  
#400 - Managing Real Estate as an Investment  
#500 - Problem-Solving & Decision-Making for the Property Manager  
#800 - Ethics in Real Estate Management

University of Texas at Arlington: Real Estate Courses:

RE 001 Real Estate Finance; RE 004 Real Estate Mathematics ;  
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;  
RE 501 Texas Real Estate Law; RE 701 Property Management

East Texas Baptist University:

Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:  
USPAP Update

Texas Association of Property Tax Professionals, Inc.:

Principles of Property Tax Consulting; A Survey of Texas Property Tax Law

Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997

TREC Licensed Instructor – Commercial Investment Course, CEI 1998

Continuing Education Institute:

Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update

Institute for Real Estate Professionals, Inc.

Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007

Texas Association of Realtors:

Tarrant County Appraisal Review Board Determinations

**PROFESSIONAL AFFILIATIONS:**

Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-G

Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942

Texas Real Estate Broker's License, No. 375882

Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360

Texas Property Tax Arbitrator #32020394139

Tarrant Appraisal Review Board Member 1991-1992 Appointment

City of Arlington - Planning and Zoning – Commissioner 1997-2003 (Appointed by Mayor and City Council)

American Planning Association – Member 1997 to 2003

Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2007 to present

City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007

**EXPERIENCE:**

Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June, 1986.

Appeared in Texas State Court as an expert witness on real estate values on numerous occasions. A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.





## Certified General Real Estate Appraiser

Appraiser: **James Lawrence Maibach**

License #: **TX 1323658 G**

License Expires: **09/30/2024**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:  
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

  
Chelsea Buchholtz  
Commissioner

**SHERIDAN ENGEL**  
State Certified General Real Estate Appraiser

**EDUCATION:**

Graduate, 2002 - Brookville High School, Lynchburg, VA

Bachelor of Science in Biochemistry, 2007 - Virginia Polytechnic Institute & State University, Blacksburg, VA

Bachelor of Science in Psychology, 2007 - Virginia Polytechnic Institute & State University, Blacksburg, VA

**TECHNICAL TRAINING:**

*Appraisal Institute Courses – Practicing Affiliate*

- Subdivision Valuation
- Business Practices and Ethics

*McKissock Learning Appraisal Courses*

- Basic Appraisal Principles
- Basic Appraisal Procedures
- 2018-2019 National USPAP Course
- Supervisor-Trainee Course for Texas
- Residential Appraiser Site Valuation and Cost Approach
- Residential Sales Comparison and Income Approaches
- Residential Market Analysis and Best Use
- Residential Report Writing and Case Studies
- Advanced Residential Applications and Case Studies
- Finance, Modeling, and Statistics
- General Appraiser-Highest and Best Use
- General Report Writing & Case Studies
- General Sales Comparison Approach
- General Cost Approach
- General Income Approach
- Expert Witness for Commercial Appraisers
- Commercial Appraisal Review
- Appraisal Subject Matter Electives

**EXPERIENCE:**

October 2020-Present

Commercial Appraiser with Peyco Southwest Realty, Arlington, TX - #1381232

- Wrote reports on commercial office/retail, industrial, subdivision, vacant land, and complex residential appraisals
- Consistently developed three approaches to value in a variety of assignment for a variety of intended users
- Acquired significant knowledge of commercial properties and cap rates for many property types in DFW
- Performed complete administrative tasks to manage and coordinate appraisal department
- Served as liaison between clients, banks, and supervisor
- Trained two appraisal trainees on how to write reports, search and confirm comparables, and understanding appraisal practice

April 2009-October 2020

Field Calibration Technician with Bio-Tek Services, Inc., Dallas, TX

- Serviced laboratory instruments for university research, government, hospital, and biotech laboratories
- Top earning service/sales representative from 2011-2020; sales on average 3 times higher than the mean sales rep
- Worked remotely (main office based in Richmond, VA) and with limited supervision throughout employment
- Organized an extremely busy schedule (along with 75% overnight travel) to assist in maintaining customer compliance with regulatory authorities
- Developed and maintained strong relationships with clients over the course of a decade – many laboratories were constituent throughout the duration of employment
- Followed ISO 17025 guidelines to keep client labs compliant with regulatory standards



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