

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS
COLLIN COUNTY
CITY OF ANNA

We, the undersigned officers of the City of Anna, Texas (the “City”), hereby certify as follows:

1. The City Council (the “Council”) of the City convened in a regular meeting on March 12, 2019, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of the Council, to wit:

Nate Pike, Mayor
Lee Miller, Mayor Pro-Tem
Nathan Bryan, Deputy Mayor Pro-Tem
Kevin Toten, Council Member
Alonzo Tutson, Council Member
John Beazley, Council Member
Chris Reeves, Council Member

Jim Proce, City Manager
Carrie L. Smith, City Secretary

and all of said persons were present, except Nathan Bryan and Chris Reeves, thus constituting a quorum. Whereupon, among other business the following was transacted at said meeting: a written Ordinance entitled

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

was duly introduced for the consideration of the Council. It was then duly moved and seconded that said Ordinance be passed; and, after due discussion, said motion, carrying with it the passage of said Ordinance, prevailed and carried, with all members of the Council shown present above voting “Aye,” except as noted below:

NAYS: 0 ABSTENTIONS: 0

2. A true, full, and correct copy of the aforesaid Ordinance passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Ordinance has been duly recorded in the Council's minutes of said meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Council's minutes of said meeting pertaining to the passage of said Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Council as indicated therein; that each of the officers and members of the Council was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that said Ordinance would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given all as required by the Texas Government Code, Chapter 551.

3. The Council has approved and hereby approves the Ordinance; and the Mayor and City Secretary hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON MARCH 12, 2019.

Carrie L. Smith

Carrie L. Smith, City Secretary

Nate Pike

Nate Pike, Mayor

(City Seal)



CITY OF ANNA

ORDINANCE NO. 807-2019

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

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

WHEREAS, on October 19, 2018, a petition (the "*Petition*") was submitted and filed with the City Secretary (the "*City Secretary*") of the City meeting the requirements of the PID Act requesting the creation of a public improvement district within the City ; and

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

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

WHEREAS, on November 13, 2018, after due notice, the City Council held a public hearing in the manner required by law on the advisability of the public improvements and services described in the Petition as required by Section 372.009 of the PID Act and made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2018-11-506 (the "*Authorization Resolution*") adopted by a majority of the members of the City Council, authorized and created the Hurricane Creek Public Improvement District (the "*District*") in accordance with its finding as to the advisability of the Authorized Improvements; and

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

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

WHEREAS, on February 12, 2019, the City Council adopted a resolution determining total costs of certain authorized public improvements, approving a preliminary service and assessment plan, including proposed assessment rolls, and directing the publication and mailing of notice of a public hearing (the “*Assessment Hearing*”) to consider an ordinance levying assessments on property within the District (the “*Assessments*”); and

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

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

WHEREAS, the City Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Assessment Hearing on February 21, 2019 in the *Herald-Democrat*, a newspaper of general circulation in the City and the extra-territorial jurisdiction of the City; and

WHEREAS, the City Council convened the Assessment Hearing on March 12, 2019, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the authorized public improvements to be undertaken for the benefit of property within the District (the “*Authorized Improvements*”), the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the owners of 100% of the property subject to the proposed assessment within the District (the “*Landowners*”) had actual knowledge of the Assessment Hearing to be held on March 12, 2019, and support the creation of the District and the levy of assessments against the property in accordance with the Service and Assessment Plan to finance the Authorized Improvements for benefit of the property within the District; and

WHEREAS, the City Council finds and determines that the Assessment Rolls and the Hurricane Creek Public Improvement District Service and Assessment Plan, dated March 12, 2019 (the “*Service and Assessment Plan*”), attached as *Exhibit A* and incorporated as a part of this Ordinance for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan, including the Assessment Rolls attached thereto as Exhibit E and F (the “*Assessment Rolls*”); and

WHEREAS, the City Council further finds that there were no objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation

of the Actual Costs of the Authorized Improvements as described in the Service and Assessment Plan, the Assessment Rolls, and the levy of the Assessments; and

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

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

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

Section 1. Terms.

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

Section 2. Findings.

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

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

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

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

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

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

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

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

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

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

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

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

(l) A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and this meeting has been open to the public as required

by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

Section 3. Service and Assessment Plan.

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan relating to the Authorized Improvements for the District. The Service and Assessment Plan shall be updated by the City Council no less frequently than annually as required by the PID Act and more frequently as may be required by the Service and Assessment Plan including upon the issuance of PID Bonds.

Section 4. Assessment Rolls.

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

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

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

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

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

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

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

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

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

Section 6. Method of Assessment.

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

Section 7. Penalties and Interest on Delinquent Assessments.

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

Section 8. Prepayments of Assessments.

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

Section 9. Lien Priority.

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

Section 10. Applicability of Tax Code.

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

Section 11. Filing in Land Records.

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

Section 12. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the

intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity or any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section 13. Effective Date.

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

(Execution page follows.)

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS, THIS 12th DAY OF MARCH, 2019.

CITY OF ANNA, TEXAS



Nate Pike, Mayor

ATTEST:

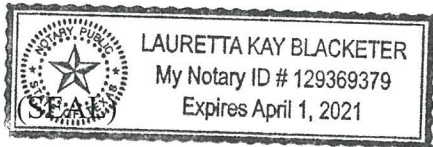
(SEAL)


Carrie L. Smith, City Secretary



STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the 12th day of March, 2019 by Nate Pike, the Mayor, and Carrie L. Smith, the City Secretary, of the City of Anna, Texas on behalf of said City.



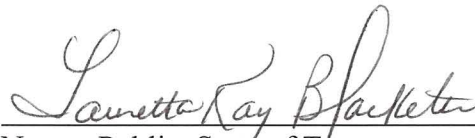

Notary Public, State of Texas

EXHIBIT A

Service and Assessment Plan

Hurricane Creek Public Improvement District

SERVICE AND ASSESSMENT PLAN

3/12/19



AUSTIN, TX | KELLER, TX

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INTRODUCTION

On November 13, 2018, the City of Anna (the “City”) passed and approved Resolution No. 2018-11-506 authorizing the establishment of the Hurricane Creek Public Improvement District (the “District”) in accordance with Chapter 372, Texas Local Government Code, as amended (the “PID Act”), which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 368.2 acres located within the City, as described by metes and bounds and depicted on **Exhibit A**. The District will be developed in three phases, the first phase containing 92.186 acres (“Improvement Area #1”), the second and third phases containing 276.014 acres (“Major Improvement Area”). Improvement Area #1 is legally described by metes and bounds on **Exhibit B**, and the Major Improvement Area is legally described by metes and bounds on **Exhibit C**. Improvement Area #1 and the Major Improvement Area are depicted on **Exhibit D**.

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

The PID Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements (as updated, from time to time, an “Assessment Plan”). 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 of the City (the “City Council”) (as updated from time to time and which may be in one or more parts, the “Assessment Roll”). The Assessment against each Parcel must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to the Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll for Improvement Area #1 is included as **Exhibit E**. The Assessment Roll for the Major Improvement Area is included as **Exhibit F**.

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

SECTION I: DEFINITIONS

“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 equal to 4% of costs; (4) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (5) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; (6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, and governmental fees and charges.

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

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

“Administrator” means an employee or designee of the City who shall have the responsibilities provided in this Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of PID Bonds, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator; (2) 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) issuing, paying, and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; (9) the paying agent/registrar and Bond Trustee in connection with PID Bonds, including their respective legal counsel; and (10) administering the construction of the Authorized Improvements. Annual

Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment on the Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

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

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against a Parcel within the District and imposed pursuant to an Assessment Ordinance and the provisions herein of this Service and Assessment Plan, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel 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.

“Assessment Plan” assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements, more specifically described in **Section V**.

“Assessment Roll” means the Improvement Area #1 Assessment Roll, and/or the Major Improvement Area Assessment Roll, or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan.

“Authorized Improvements” means improvements of which estimated costs are shown on **Exhibit G**, and described in **Section III** as authorized by Section 372.003 of the PID Act.

“Bond Trustee” means a trustee (or successor trustee) under the applicable Indenture.

“City” means the City of Anna, 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 Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“District” means the Hurricane Creek Public Improvement District containing approximately 368.2 acres located within the City, and more specifically described in **Exhibit A**.

“District Formation and Bond Issuance Costs” means the costs and expenses directly associated with forming the District and costs of issuing a particular series of PID Bonds, including but not limited to, issuer fees, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds, including debt service reserve fund, capitalized interest and underwriter’s discount.

“Improvement Area” means specifically defined and designated portions of the District that are developed in phases, including Improvement Area #1.

“Improvement Area #1” means approximately 92.186 acres located within the District, as shown on **Exhibit D** and more specifically described in **Exhibit B**.

“Improvement Area #1 Annual Installment” means the annual installment payment on the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment” means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property 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 Improvement Area #1 Assessment Roll is included in this Service and Assessment Plan as **Exhibit E**.

“Improvement Area #1 Bonds” means those certain “City of Anna, Texas Special Assessment Revenue Bonds, Series 2019 (Hurricane Creek 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 and are described in **Section III.A** hereto and shown on **Exhibit O**.

“Improvement Area #1 Initial Parcel” means all property located within Improvement Area #1, which is more particularly described on **Exhibit B**, against which the entire Improvement Area #1 Assessment is levied as shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit E**.

“Improvement Area #1 Projects” means collectively: (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; (2) the Improvement Area #1 Improvements; and (3) District Formation and Bond Issuance Costs.

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

“Lot” means for any portion of the District for which a final subdivision plat has been recorded in the official public records of the County, a tract of land described by “lot” in such final and recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the estimated final average home value of the Lot as of the date of the recorded subdivision plat as determined by the Administrator and confirmed by the City Council.

“Lot Type 1” means a Lot in Improvement Area #1 designated as such on the Improvement Area #1 Assessment Roll, marketed to homebuilders as a 70’ Lot.

“Lot Type 2” means a Lot in Improvement Area #1 designated as such on the Improvement Area #1 Assessment Roll, marketed to homebuilders as an 80’ Lot.

“Major Improvement Area” means approximately 276.014 acres located within the District, and more specifically described in **Exhibit C**.

“Major Improvement Area Annual Installment” means the annual installment payment on the Major Improvement Area Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Major Improvement Area Assessed Property” means any Parcel within the Major Improvement Area against which an Assessment is levied.

“Major Improvement Area Assessment” means an assessment levied against a Parcel within the Major Improvement Area and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Major Improvement Area Assessment Roll” means the Assessment Roll for the Major Improvement Area Assessed Property 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 Service and Assessment Plan as **Exhibit F**.

“Major Improvement Area Bonds” means those certain “City of Anna, Texas Special Assessment Revenue Bonds, Series 2019 (Hurricane Creek Public Improvement District Major Improvement Area Project)” that are secured by Major Improvement Area Assessments.

“Major Improvement Area Initial Parcel” means the all property located within the Major Improvement Area, which is more particularly described by metes and bounds on **Exhibit C**, against which the entire Major Improvement Area Assessment is levied as shown on Major Improvement Area Assessment Roll attached hereto as **Exhibit F**.

“Major Improvement Area Projects” means: (1) the pro rata portion of the Major Improvements allocable to the Major Improvement Area; and (2) District Formation and Bond Issuance Costs.

“Major Improvements” means those Authorized Improvements that confer special benefit to all the Assessed Property within the District, and as further described in **Section III.C**.

“Maximum Assessment” means (1) for each Lot designated as Lot Type 1 or Lot Type 2, an amount that will not exceed the amount shown on **Exhibit N**. In the event a final plat creates a new Lot Type that differs from what is shown on **Exhibit N**, this Service and Assessment Plan will be updated to reflect the new Lot Type, and the Maximum Assessment for the new Lot Type created by the revised plat shall be the highest practical amount that results in a total tax rate of \$3.09 per \$100 of estimated buildout value (after the TIRZ No. 2 Annual Credit Amount, as such term is defined in Section V.G.) for each new Lot Type, taking into consideration the tax rate of all taxing entities. The Maximum Assessment shall only be calculated upon the recording of a final plat in the official public records of the County; and (2) for each future Lot Type within the Major Improvement Area, the highest practical amount that results in a total tax rate of \$3.09 per \$100 of estimated buildout value (after TIRZ Annual Credit Amount) for each new Lot Type. The Maximum Assessment for each future Lot Type shall only be calculated upon the recording of a final plat with the County.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property is identified as Non-Benefitted Property at the time the Assessments are (1) imposed or (2) reallocated pursuant to a subdivision of a Parcel that is not assessed.

“Owner” means CADG Hurricane Creek, LLC, a Texas limited liability company, and any successor owner of property in the District or any portion thereof.

“Parcel” or **“Parcels”** means a specific property within the District identified by either a tax map identification number assigned by the Collin Central Appraisal District for real property tax purpose, by metes and bounds description, or by lot and block number in a final subdivision plat

recorded in the official public records of the County, or by any other means determined by the City.

“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 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.

“Prepayment Costs” means interest, including Additional Interest, and Annual Collection Costs to the date of Prepayment.

“Service and Assessment Plan” means this Hurricane Creek Public Improvement District Service and Assessment Plan as amended from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

“TIRZ No. 2” means Tax Increment Reinvestment Zone No. 2, City of Anna, Texas created by the City pursuant to TIRZ Creation Ordinance No. 804-2019 on March 12, 2019.

“TIRZ” means a tax increment reinvestment zone created by the City for the benefit of each Improvement Area.

“TIRZ Act” means Chapter 311, Texas Tax Code, as amended.

“TIRZ Agreement” means an agreement between the City and the Developer relating to a TIRZ Annual Credit Amount.

“TIRZ Annual Credit Amount” means, for each year, the amounts paid by the City from a TIRZ Fund to reduce an Annual Installment, which amount will be calculated pursuant to a TIRZ Agreement for each TIRZ, not to exceed the amount described in **Section V.G.2.**

“TIRZ Creation Ordinance” means an ordinance adopted by the City Council creating a TIRZ and a TIRZ Fund.

“TIRZ Final Plan” means a Final Project and Financing Plan for a TIRZ, adopted by the City Council in accordance with the TIRZ Act, as the same may be amended from time to time.

“TIRZ Plan Ordinance” means an ordinance adopted by the City Council approving a TIRZ Final Plan and authorizing the use of TIRZ Revenues for project costs related to certain public

improvements under the TIRZ Act, as provided for in the TIRZ Final Plan.

“TIRZ Fund” means the tax increment fund created pursuant to a TIRZ Creation Ordinance.

“TIRZ Revenues” mean, for each year, the amounts which are deposited in the TIRZ Fund pursuant to the TIRZ Final Plan Ordinance, as described in the TIRZ Final Plan, and the TIRZ Agreement.

SECTION II: THE DISTRICT

The District includes approximately 368.200 contiguous acres located within the City, as more particularly described by metes and bounds on **Exhibit A**. Development of the District is anticipated to include approximately 654 single-family homes.

Improvement Area #1 includes approximately 92.186 contiguous acres located within the City, as more particularly described by metes and bounds on **Exhibit B**. Development of Improvement Area #1 is anticipated to include approximately 215 single-family homes.

The Major Improvement Area includes approximately 276.014 contiguous acres located within the City, as more particularly described by metes and bounds on **Exhibit C**. Development of the Major Improvement Area is anticipated to include approximately 439 single-family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

The City Council, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the costs described below are costs of Authorized Improvements, as defined by the PID Act, that confer a special benefit on the Assessed Property. Allocation of the Authorized Improvements is shown on **Exhibit G**.

A. Improvement Area #1 Improvements

All Improvement Area #1 Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

▪ *Street Improvements*

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

▪ *Water Improvements*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water service to each Lot within Improvement Area #1.

- *Sanitary Sewer Improvements*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide wastewater service to each Lot within Improvement Area #1.

- *Storm Drainage 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, and erosion control necessary to provide storm drainage for each Lot in Improvement Area #1.

B. Major Improvements

All Major Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Street Improvements*

Improvements include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices.

- *Water Distribution System Improvements*

Improvements consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the District.

- *Sanitary Sewer Improvements*

Improvements consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the District.

- *Storm Drainage Improvements*

Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts.

C. District Formation and Bond Issuance Costs

- *Cost of Issuance*

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

- *Debt Service Reserve Fund*

- Equals the amount required under an Indenture in connection with the issuance of a particular series of PID Bonds.

- *Capitalized Interest*

- Equals the amount required under an Indenture in connection with the issuance of a particular series of PID Bonds.

- *Underwriter's Discount*

- Equals a percentage of the par amount of a particular series of PID Bonds plus a fee for underwriter's counsel.

- *District Formation*

Includes 1st year District administration reserves, costs and expenses directly associated with forming the District.

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 must be reviewed and updated, at least annually, and approved by the City Council. **Exhibit H** summarizes the Service Plan for the District.

Exhibit I summarizes the sources and uses of funds required to construct the Authorized Improvements and pay the District Formation and Bond Issuance Costs. The sources and uses of funds shown on **Exhibit I** shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

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 governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality or the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

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

A. Assessment Methodology for Improvement Area #1

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Improvement Area #1 Projects shall be allocated 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 build out value of each Parcel within Improvement Area #1 to the estimated build out value for all Parcels within Improvement Area #1.

B. Assessment Methodology for the Major Improvement Area

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that 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 build out value of each Parcel within the Major Improvement Area to the estimated build out value for all Parcels within the Major Improvement Area.

C. Assessments

The Improvement Area #1 Assessment will be levied on the Improvement Area #1 Initial Parcel in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit**

E. The projected Improvement Area #1 Annual Installments are shown on **Exhibit J**. Upon subdivision of the Improvement Area #1 Initial Parcel by the recording of a final plat in the official public records of the County, Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Major Improvement Area Assessment will be levied on the Major Improvement Area Initial Parcel in the amount shown on the Major Improvement Area Assessment Roll, attached hereto as **Exhibit F**. The projected Major Improvement Area Annual Installments are shown on **Exhibit K**. Upon subdivision of the Major Improvement Area Initial Parcel by the recording of a final plat in the official public records of the County, the Major Improvement Area Assessment will be reallocated pursuant to **Section VI**.

Exhibit N shows the estimated Assessment and Annual Installment for each Lot Type within Improvement Area #1. The projected Assessment and Annual Installment shown on **Exhibit N** are preliminary and are subject to change based on the land uses contained within the final plat, but in no case will the Assessment for any Lot Type exceed the Maximum Assessment.

D. Findings of Special Benefit

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

- *Improvement Area #1*
 - The costs of the Improvement Area #1 Projects equal \$8,384,413 as shown on **Exhibit G**; and
 - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects equal to or greater than the Actual Cost of the Improvement Area #1 Projects; and
 - The Improvement Area #1 Initial Parcel will be allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Projects, which equal \$7,375,000 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit E**;
 - The special benefit (\geq \$8,384,413) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Projects is equal to or greater than the amount of the Improvement Area #1 Assessment (\$7,375,000) levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Projects; and
 - At the time the City Council approved the Service and Assessment Plan, the Owner owned 100% of the Improvement Area #1 Initial Parcel. The Owner acknowledged

that the Improvement Area #1 Projects confer a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Ordinance; (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Initial Parcel.

- *Major Improvement Area*

- The costs of the Major Improvement Area Projects equal \$3,535,000, as shown on **Exhibit G**; and
- The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Projects equal to or greater than the Actual Cost of the Major Improvement Area Projects; and
- The Major Improvement Area Initial Parcel will be allocated 100% of the Major Improvement Area Assessment levied for the Major Improvement Area Projects, which equal \$3,535,000 as shown on the Major Improvement Area Assessment Roll attached hereto as **Exhibit F**;
- The special benefit ($\geq \$3,535,000$) received by the Major Improvement Area Initial Parcel from the Major Improvement Area Projects is greater than or equal to the amount of the Major Improvement Area Assessment (\$3,535,000) levied on the Major Improvement Area Initial Parcel for the Major Improvement Area Projects; and
- At the time the City Council approved the Service and Assessment Plan, the Owner owned 100% of the Major Improvement Area Initial Parcel. The Owner acknowledged that the Major Improvement Area Projects confer a special benefit on the Major Improvement Area Initial Parcel and consented to the imposition of the Major Improvement Area 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 Assessment Ordinance; (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of Major Improvement Area Assessment on the Major Improvement Area Initial Parcel.

E. Annual Collection Costs

The Annual Collection Costs shall be paid for by each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. 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.

F. Additional Interest

The interest rate on Assessments levied on the Assessed Property may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Additional Interest shall be collected as part of each Annual Installment and shall be deposited into a reserve account and segregated from other funds of the City, pursuant to the Indenture.

G. TIRZ No. 2 Annual Credit Amount

In accordance with the TIRZ Final Plan Ordinance and the TIRZ Agreement for TIRZ No. 2, the City Council has agreed to use a portion of TIRZ Revenues generated from TIRZ No. 2 to reduce the Improvement Area #1 Annual Installment for all Improvement Area #1 Assessed Property (the "TIRZ No. 2 Annual Credit Amount") based on the desire of the City Council to maintain a competitive, composite ad valorem equivalent tax rate taking into consideration the tax rates of all applicable taxing units and the equivalent tax rate of the Improvement Area #1 Annual Installment based on assumed buildout values.

1. The Improvement Area #1 Annual Installment for a Parcel shall be calculated from the previous tax year's TIRZ Revenues then on deposit in the TIRZ Fund for TIRZ No. 2 (i.e., TIRZ Revenues collected in 2019 shall be applied as the TIRZ No. 2 Annual Credit Amount applicable to Improvement Area #1 Annual Installments to be collected in 2020), but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the amounts shown in **Section V.G.2** as calculated on **Exhibit R** for each Parcel.
2. The TIRZ No. 2 Annual Credit Amount available to reduce the Improvement Area #1 Annual Installment for a Parcel is calculated for each Lot Type within Improvement Area #1, as shown on **Exhibit R**. The TIRZ No. 2 Annual Credit Amount is calculated so that the average Improvement Area #1 Annual Installment minus the TIRZ No. 2 Annual Credit Amount for each Lot Type does not produce an equivalent tax rate which exceeds the competitive, composite ad valorem equivalent tax rate (\$3.09 per \$100 of assessed value) taking into consideration the tax rates of all applicable taxing units and the equivalent tax rate of the Improvement Area #1 Annual Installments based on assumed buildout values at the time the City Council approves the Assessment Ordinance for Improvement Area #1. The TIRZ No. 2

Annual Credit Amount for Lot Type 1 and Lot Type 2 will be calculated pursuant to the TIRZ Agreement for TIRZ No. 2, but in no event will the TIRZ No. 2 Annual Credit Amount for Lot Type 1 and Lot Type 2 exceed the amounts shown below:

- a. Maximum TIRZ No. 2 Annual Credit Amount for Lot Type 1: \$1,151
 - b. Maximum TIRZ No. 2 Annual Credit Amount for Lot Type 2: \$1,316
3. If the debt service on issued and outstanding Improvement Area #1 Bonds is reduced as the result of an economic refunding of those Improvement Area #1 Bonds, the Prepayment of Improvement Area #1 Assessments, or the redemption of Improvement Area #1 Bonds, then there would be a corresponding reduction in the Improvement Area #1 Assessment and the Improvement Area #1 Annual Installment; in which case the TIRZ No. 2 Annual Credit Amount will be recalculated according to **Section V.G.2** above. In such case, the reduced Improvement Area #1 Assessment and Improvement Area #1 Annual Installment, as shown on the Improvement Area #1 Assessment Roll, shall be reflected in the next Annual Service Plan Update and approved by City Council.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the estimated buildout value of the newly divided Assessed Property

D = the sum of the estimated buildout value for all of the newly divided Assessed Properties

The calculation of the buildout value of an Assessed Property shall be performed by the Administrator and confirmed by the City Council based on information from the Owner, homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive.

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

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on 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 average buildout value of all newly subdivided Lots with same Lot Type

D = the sum of the estimated average buildout value for all of the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with same Lot Type

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

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

3. Upon Consolidation

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

B. Mandatory Prepayment of Assessments

1. Transfer to exempt person or entity

If the Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the 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 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.

2. 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, 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 to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, prior to the City approving the final plat.

C. Reduction of Assessments

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

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.

D. Prepayment of Assessments

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

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

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

E. Payment of Assessment in Annual Installments

Exhibit J shows the estimated Annual Installments for Improvement Area #1, and **Exhibit K** shows the estimated Annual Installments for the Major Improvement Area. Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update. Interest will begin accruing on the outstanding Assessment on the date interest begins accruing on the applicable PID Bonds.

If any Parcel shown on the Assessment Roll is assigned multiple tax identification numbers, the Annual Installment shall be allocated pro rata based on the acreage of the property as shown by Collin Central Appraisal District for each tax identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs shall be paid for by each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by the Annual Credit Amount and any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Bond Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and

foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. 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 the non-delinquent Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the PID Bonds shall be due when billed and shall be delinquent if not paid prior to February 1, 2020.

SECTION VII: ASSESSMENT ROLL

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

The Major Improvement Area Assessment Roll is attached as **Exhibit F**. 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.

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 Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval

of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a public hearing, and within 30 days after closing such hearing, the City Council shall make a final determination as to whether 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 Service and Assessment Plan, the Assessment Ordinance, the Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

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

D. Severability

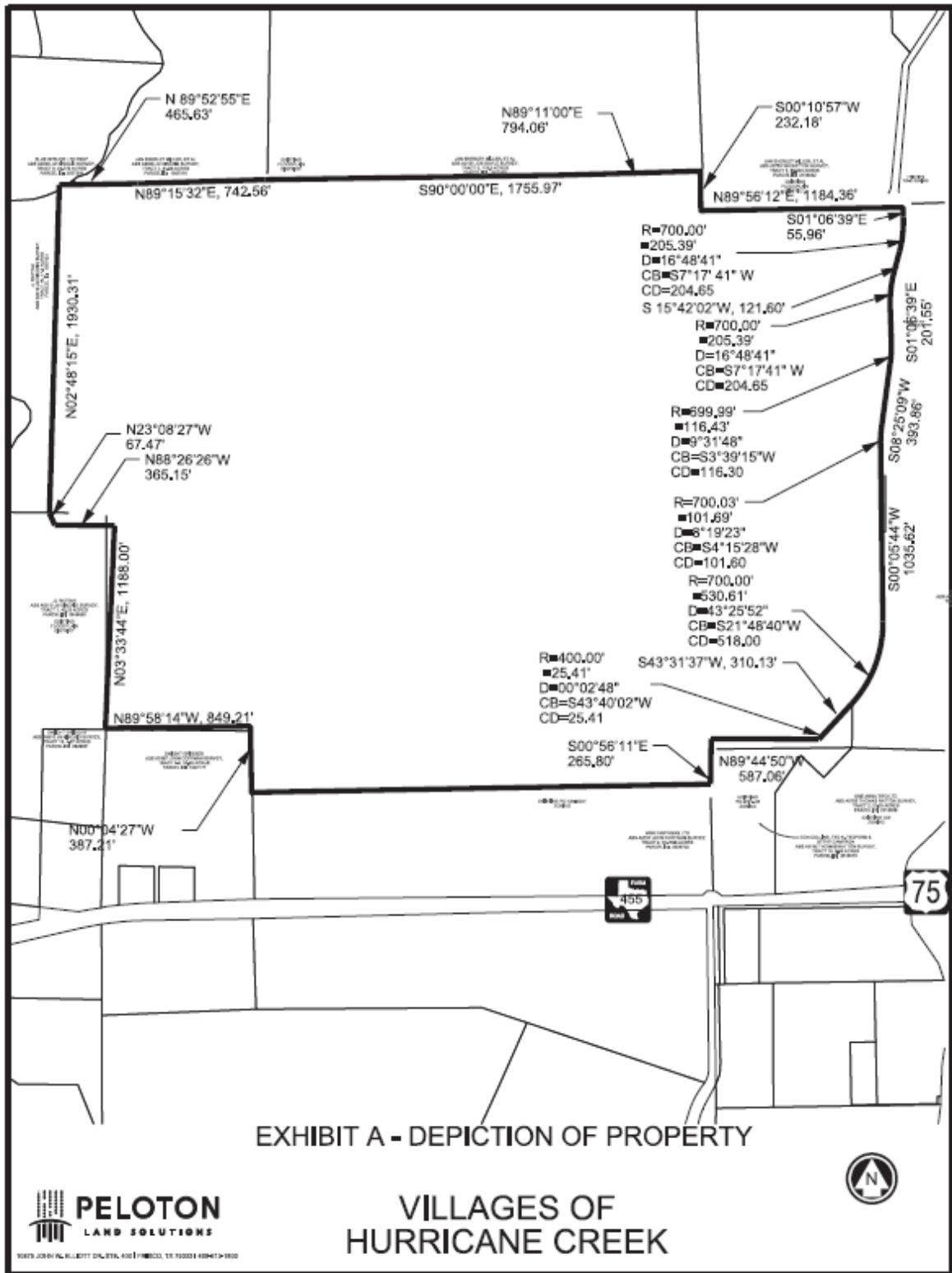
If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

Exhibit A	District Map & Legal Description
Exhibit B	Improvement Area #1 Legal Description
Exhibit C	Major Improvement Area Legal Description
Exhibit D	Map of Improvement Area #1 and Major Improvement Area
Exhibit E	Improvement Area #1 Assessment Roll
Exhibit F	Major Improvement Area Assessment Roll
Exhibit G	Allocation of Authorized Improvements
Exhibit H	Service Plan
Exhibit I	Sources and Uses of Funds
Exhibit J	Improvement Area #1 Annual Installments
Exhibit K	Major Improvement Area Annual Installments
Exhibit L	Lot Type 1 Annual Installments
Exhibit M	Lot Type 2 Annual Installments
Exhibit N	Improvement Area #1 Allocation by Lot Type
Exhibit O	Map(s) of Improvement Area #1 Improvements
Exhibit P	Map(s) of Major Improvements
Exhibit Q	Allocation of Major Improvements
Exhibit R	Annual TIRZ Credit by Lot Type

EXHIBIT A – DISTRICT MAP & LEGAL DESCRIPTION



BEING all that certain tract of land situated in then Joseph Boyle Survey, Abstract Number 105, the John Coffman Survey, Abstract Number 197 the J. M. Kincaide Survey, Abstract Number 509 J. W. Mitchel Survey, Abstract Number 565 the W. Rattan Survey, Abstract Number 752 and the T. Rattan Survey, Abstract Number 785, Collin County, Texas and being all of a called 262.41 acre tract as described by deed to Villages of Hurricane Creek, LP recorded in Volume 5430, Page 9864 of County Records, Collin County, Texas and being part of a called 114.252 acre of land described by deed to Don Collins, et al recorded in Volume 5257, Page 4877 of said County Records and being more particularly described by metes and bounds as follows:

BEGINNING at the southeast corner of said 262.41 acre tract, in the west line of said 114.252 acre tract:

THENCE S 89°54'24"W, 2687.84 feet;
THENCE N 00°04'27"W, 387.21 feet;
THENCE N 89°58'14"W, 849.21 feet;
THENCE N 03°33'44"E, 1188.00 feet;
THENCE N 88°26'26"W, 365.15 feet;
THENCE N 23°08'27"W, 67.47 feet;
THENCE N 02°48'15"E, 1930.31 feet;
THENCE N 89°52'55"E, 465.63 feet;
THENCE N 89°15'32"E, 742.56 feet;
THENCE S 90°00'00"E, 1755.97 feet to the northeast corner of said 262.41 acre tract of land and being the northwest corner of said 114.252 acre tract;
THENCE N 89°11'00"E, 794.06 feet;
THENCE S 00°10'57"W, 232.18 feet;
THENCE N 89°56'12"E, 1184.36 feet;
THENCE S 01°06'39"E, 55.96 feet to the beginning of a curve to the right;
THENCE with said curve to the right, an arc distance of 205.39 feet, through a central angle of 16°48'41", having a radius of 700.00 feet, the long chord which bears S 07°17'41"W, 204.65 feet;
THENCE S 15°42'02"W, 121.60 feet;
THENCE with said curve to the left, an arc distance of 205.39 feet, through a central angle of 16°48'41", having a radius of 700.00 feet, the long chord which bears S 07°17'41"W, 204.65 feet;
THENCE S 01°06'39"E, 201.55 feet;
THENCE with said curve to the right, an arc distance of 116.43 feet, through a central angle of 09°31'48", having a radius of 699.99 feet, the long chord which bears S 03°39'15"W, 116.30 feet;
THENCE S 08°25'09"W, 393.86 feet;
THENCE with said curve to the left, an arc distance of 101.59 feet, through a central angle of 08°19'23", having a radius of 700.03 feet, the long chord which bears S 04°13'28"W, 101.60 feet;
THENCE S 00°05'44"W, 1035.62 feet;
THENCE with said curve to the right, an arc distance of 530.61 feet, through a central angle of 43°25'52", having a radius of 700.00 feet, the long chord which bears S 21°43'40"W, 518.00 feet;
THENCE S 43°31'37"W, 241.38 feet;
THENCE with said curve to the right, an arc distance of 25.41 feet, through a central angle of 00°02'48", having a radius of 400.00 feet, the long chord which bears S 43°40'02"W, 25.41 feet;
THENCE N 89°44'50"W, 655.06 feet;
THENCE S 00°56'11"E, 265.80 feet to the **Point of Beginning** and containing 16,037,378 square feet or 368.2 acres of land more or less.

EXHIBIT A1 - METES AND BOUNDS VILLAGES OF HURRICANE CREEK



J:\080821\080821_Hurricane Creek\Z\Final\080821\080821_A1 - Metes and Bounds.dgn

EXHIBIT B – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

LEGAL DESCRIPTION

BEING a tract of land situated in the Joseph Boyle Survey, Abstract Number 105, W.S. Rattan Survey, Abstract Number 752, T. Rattan Survey, Abstract Number 782, and the J. Coffman Survey, Abstract Number 197, Collin County, Texas and being part of that tract of land described in deed to CADG Hurricane Creek, LLC, recorded in Instrument Number 20150529000631020 of the Official Public Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found for the northeast corner of a remainder tract WBK Partners, LTD recorded in Volume 4292, Page 27 of said Official Public Records and the easternmost southeast corner of said CADG Hurricane Creek, LLC tract;

THENCE S 88°58'27" W, 1,910.63 feet with the south line of said CADG tract to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE departing said south line of the CADG Hurricane Creek, LLC tract, N 00°15'27" E, 421.11 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 46°18'49" E, 320.76 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 43°41'11" W, 120.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE S 46°18'49" W, 117.06 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 43°41'11" W, 50.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 46°18'49" E, 145.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 43°41'11" W, 120.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 46°18'49" E, 570.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 43°41'11" W, 170.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 46°18'49" E, 2.17 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set to the beginning of a curve to the right;

THENCE, with said curve to the right, an arc distance of 47.91 feet, through a central angle of 05°54'13", having a radius of 465.00 feet, the long chord bears N 49°15'56" E, 47.89 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 43°41'11" W, 163.78 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 46°18'49" E, 259.23 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 89°13'07" E, 741.15 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE S 23°12'58" E, 16.58 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 89°13'07" E, 140.84 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 59°26'33" E, 195.37 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE N 89°13'07" E, 731.48 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 00°46'53" E, 284.46 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE N 89°13'07" E, 525.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 00°46'53" E, 460.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 89°13'07" W, 170.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 01°32'35" W, 138.83 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 03°56'49" W, 63.28 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 20°40'36" W, 64.06 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 34°31'32" W, 64.92 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 56°29'24" W, 66.49 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 55°11'09" W, 70.72 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 33°07'12" E, 131.90 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 36°16'47" E, 50.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;
THENCE S 53°43'13" W, 1.72 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE S 36°16'47" E, 163.61 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set in the east line of said CADG Hurricane Creek, LLC. Tract at the beginning of a curve to the right;

THENCE with said curve to the right, an arc distance of 61.57 feet, through an angle of 05°02'21", having a radius of 700.00 feet, and a long chord which bears S 56°44'35" W, 61.55 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE S 59°01'02" W, 294.65 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE S 89°21'12" W, 420.50 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE S 01°31'10" E, 184.67 feet to the POINT OF BEGINNING and containing 4,015,625 square feet or 92.186 acres of land, more or less.

EXHIBIT C – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

BEING a tract of land situated in the Joseph Boyle Survey, Abstract Number 105, W.S. Rattan Survey, Abstract Number 752, T. Rattan Survey, Abstract Number 782, and the J. Coffman Survey, Abstract Number 197, Collin County, Texas and being part of that tract of land described in deed to CADG Hurricane Creek, LLC, recorded in Instrument Number 20150529000631020 of the Official Public Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at the southernmost southeast corner of said CADG Hurricane Creek, LLC tract;

THENCE S 89°54'24"W, 2,687.84 feet;

THENCE N 00°04'27"W, 387.21 feet;

THENCE N 89°58'14"W, 849.21 feet;

THENCE N 03°33'44"E, 1,188.00 feet;

THENCE N 88°26'26"W, 365.15 feet;

THENCE N 23°08'27"W, 67.47 feet;

THENCE N 02°48'15"E, 1,930.31 feet;

THENCE N 89°52'55"E, 465.63 feet;

THENCE N 89°15'32"E, 742.56 feet;

THENCE S 90°00'00"E, 1,755.97 feet;

THENCE N 89°11'00"E, 794.06 feet;

THENCE S 00°10'57"W, 232.18 feet;

THENCE N 89°56'12"E, 1184.36 feet;

THENCE S 01°06'39"E, 55.96 feet to the beginning of a curve to the right;

THENCE with said curve to the right, an arc distance of 205.39 feet, through a central angle of 16°48'41", having a radius of 700.00 feet, the long chord which bears S 07°17'41"W, 204.65 feet;

THENCE S 15°42'02"W, 121.60 feet to the beginning of a curve to the left;

THENCE with said curve to the left, an arc distance of 205.39 feet, through a central angle of

16°48'41", having a radius of 700.00 feet, the long chord which bears S 07°17'41"W, 204.65 feet;

THENCE S 01°06'39"E, 201.55 feet to the beginning of a curve to the right;

THENCE with said curve to the right, an arc distance of 116.43 feet, through a central angle of 09°31'48", having a radius of 699.99 feet, the long chord which bears S 03°39'15"W, 116.30 feet;

THENCE S 08°25'09"W, 393.86 feet to the beginning of a curve to the left;

THENCE with said curve to the left, an arc distance of 101.69 feet, through a central angle of 08°19'23", having a radius of 700.03 feet, the long chord which bears S 04°15'28"W, 101.60 feet;

THENCE S 00°05'44"W, 1035.62 feet to the beginning of a curve to the right;

THENCE with said curve to the right, an arc distance of 530.61 feet, through a central angle of 43°25'52", having a radius of 700.00 feet, the long chord which bears S 21°48'40"W, 518.00 feet;

THENCE S 43°31'37"W, 241.38 feet to the beginning of a curve to the right;

THENCE with said curve to the right, an arc distance of 25.41 feet, through a central angle of 00°02'48", having a radius of 400.00 feet, the long chord which bears S 43°40'02"W, 25.41 feet;

THENCE N 89°44'50"W, 655.06 feet;

THENCE S 00°56'11"E, 265.80 feet to the Point of Beginning and containing 16,037,378 square feet or 368.2 acres of land more or less.

SAVE AND EXCEPT

BEING a tract of land situated in the Joseph Boyle Survey, Abstract Number 105, W.S. Rattan Survey, Abstract Number 752, T. Rattan Survey, Abstract Number 782, and the J. Coffman Survey, Abstract Number 197, Collin County, Texas and being part of that tract of land described in deed to CADG Hurricane Creek, LLC, recorded in Instrument Number 20150529000631020 of the Official Public Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at the southernmost southeast corner of said CADG Hurricane Creek, LLC tract;

THENCE S 88°58'27" W, 1,910.63 feet;

THENCE N 00°15'27" E, 421.11 feet;

THENCE N 46°18'49" E, 320.76 feet;
THENCE N 43°41'11" W, 120.00 feet;
THENCE S46°18'49" W, 117.06 feet;
THENCE N 43°41'11" W, 50.00 feet;
THENCE N 46°18'49" E, 145.00 feet;
THENCE N 43°41'11" W, 120.00 feet;
THENCE N 46°18'49" E, 570.00 feet;
THENCE N 43°41'11" W, 170.00 feet;
THENCE N 46°18'49" E, 2.17 feet to the beginning of a curve to the right;
THENCE, with said curve to the right, an arc distance of 47.91 feet, through a central angle of 05°54'13", having a radius of 465.00 feet, the long chord bears N 49°15'56" E, 47.89 feet;
THENCE N 43°41'11" W, 163.78 feet;
THENCE N 46°18'49" E, 259.23 feet;
THENCE N 89°13'07" E, 741.15 feet;
THENCE S 23°12'58" E, 16.58 feet;
THENCE N 89°13'07" E, 140.84 feet;
THENCE N 59°26'33" E, 195.37 feet;
THENCE N 89°13'07" E, 731.48 feet;
THENCE S 00°46'53" E, 284.46 feet;
THENCE N 89°13'07" E, 525.00 feet;
THENCE S 00°46'53" E, 460.00 feet;
THENCE S 89°13'07" W, 170.00 feet;
THENCE S 01°32'35" W, 138.83 feet;
THENCE S 03°56'49" W, 63.28 feet;

THENCE S 20°40'36" W, 64.06 feet;
THENCE S 34°31'32" W, 64.92 feet;

THENCE S 56°29'24" W, 66.49 feet;

THENCE S 55°11'09" W, 70.72 feet;

THENCE S 33°07'12" E, 131.90 feet;

THENCE S 36°16'47" E, 50.00 feet;

THENCE S 53°43'13" W, 1.72 feet;

THENCE S 36°16'47" E, 163.61 feet to the beginning of a curve to the right;

THENCE with said curve to the right, an arc distance of 61.57 feet, through an angle of 05°02'21", having a radius of 700.00 feet, and a long chord which bears S 56°44'35" W, 61.55 feet;

THENCE S 59°01'02" W, 294.65 feet;

THENCE S 89°21'12" W, 420.50 feet;

THENCE S 01°31'10" E, 184.67 feet to the POINT OF BEGINNING and containing 4,015,625 square feet or 92.186 acres of land, more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

EXHIBIT D – MAP OF IMPROVEMENT AREA #1 & MAJOR IMPROVEMENT AREA

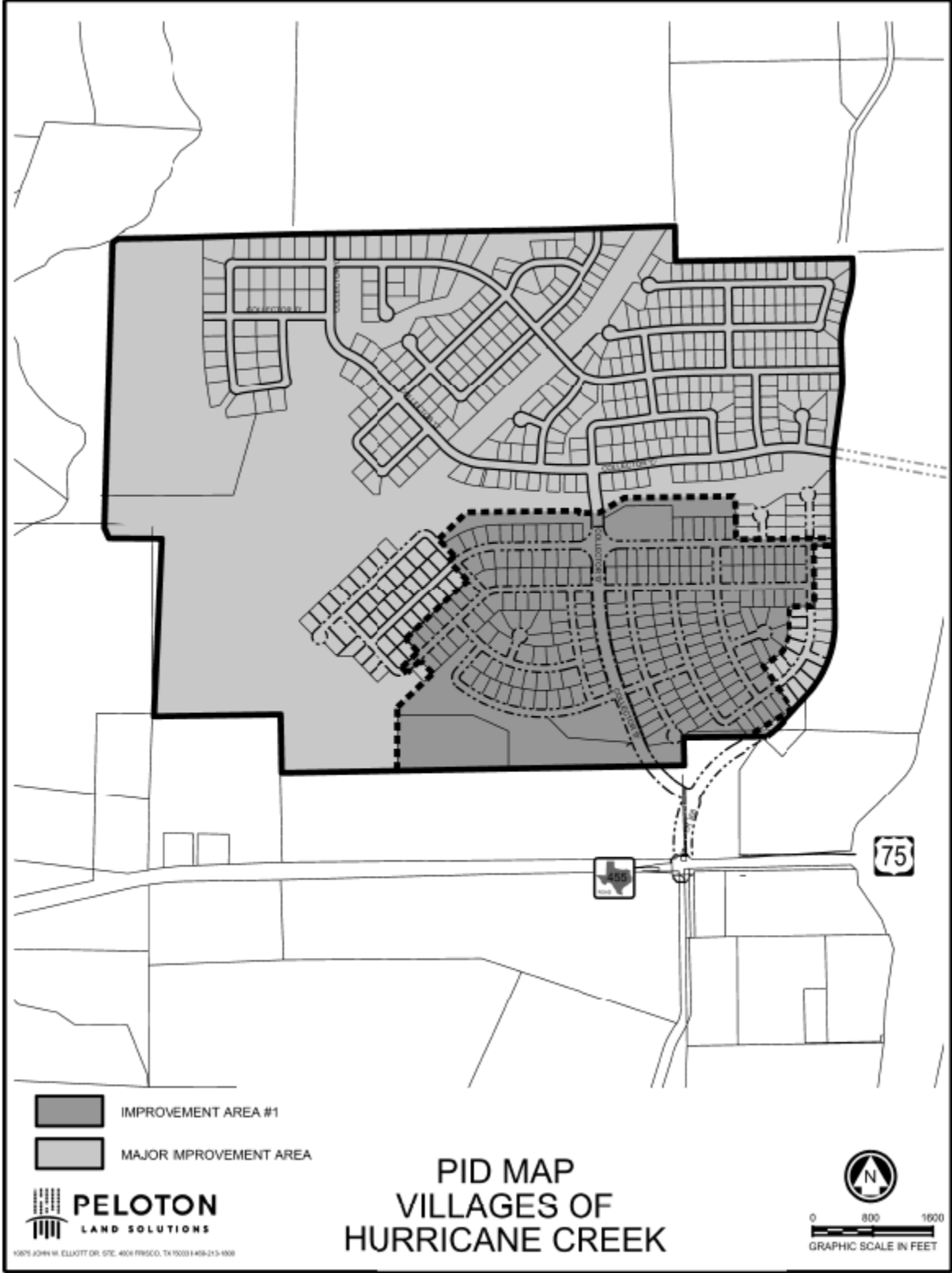


EXHIBIT E – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Parcel ID	Improvement Area #1	
	Outstanding Assessment	Annual Installment due 1/31/2020
Improvement Area #1 Initial Parcel	\$ 7,375,000.00	\$ 66,875.00
Total	\$ 7,375,000.00	\$ 66,875.00

EXHIBIT F – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Parcel ID	Major Improvement Area	
	Outstanding Assessment	Annual Installment due 1/31/2020
Major Improvement Area Initial Parcel	\$ 3,535,000.00	\$ 47,675.00
Total	\$ 3,535,000.00	\$ 47,675.00

EXHIBIT G – ALLOCATION OF AUTHORIZED IMPROVEMENTS

	Total Costs ⁽¹⁾	Non-PID (Oversizing)		Improvement Area #1		Major Improvement Area		
		%	Cost	%	Cost	%	Cost	
Major Improvements								
Street	\$ 1,400,925	0.00%	\$ -	31.51%	\$ 441,430	68.49%	\$ 959,495	
Water	380,448	15.47%	58,856	26.64%	101,333	57.89%	220,259	
Sanitary Sewer	1,217,219	13.96%	169,891	27.11%	330,012	58.93%	717,315	
Developer District Formation Expenses	597,350	0.00%	-	31.51%	188,224	68.49%	409,126	
Geotechnical testing, SWPPP, Flood Study	148,984	0.00%	-	31.51%	46,945	68.49%	102,039	
Subtotal	<u>\$ 3,744,926</u>		<u>\$ 228,747</u>		<u>\$ 1,107,944</u>		<u>\$ 2,408,234</u>	
Improvement Area #1 Improvements								
Street	\$ 2,701,765	0.00%	\$ -	100.00%	\$ 2,701,765	0.00%	\$ -	
Water	838,296	0.00%	-	100.00%	838,296	0.00%	-	
Sanitary Sewer	714,688	0.00%	-	100.00%	714,688	0.00%	-	
Storm Drainage	647,921	0.00%	-	100.00%	647,921	0.00%	-	
Street Lights/Hike & Bike Trail	463,943	0.00%	-	100.00%	463,943	0.00%	-	
Subtotal	<u>\$ 5,366,613</u>		<u>\$ -</u>		<u>\$ 5,366,613</u>		<u>\$ -</u>	
PID Formation and Bond Issuance Costs								
Debt Service Reserve Fund	\$ 877,050		\$ -		\$ 585,750		\$ 291,300	
Capitalize Interest	1,161,150		-		670,445		490,705	
Underwriter Discount	327,300		-		221,250		106,050	
Cost of Issuance	601,122		-		397,411		203,711	
1 st Year Administrative Costs	70,000		-		35,000		35,000	
Subtotal	<u>\$ 3,036,621</u>		<u>\$ -</u>		<u>\$ 1,909,855</u>		<u>\$ 1,126,766</u>	
Total	<u>\$ 12,148,160</u>		<u>\$ 228,747</u>		<u>\$ 8,384,413</u>		<u>\$ 3,535,000</u>	

⁽¹⁾ Cost per the Engineer's Estimate of Probable Cost provided by Peloton Land Solutions as of December 3, 2018. The oversized estimate was provided by Peloton Land Solutions on December 19, 2018. All costs include 12.0% Engineering and Survey, 3.0% PPM Bonds, 3.0% Inspection Fees, 2.0% Contingency for Improvement Area #1 Improvements and 3.8% Contingency for Major Improvements.

EXHIBIT H – SERVICE PLAN

		Improvement Area #1				
Installments Due		1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023
Principal		\$ -	\$ -	\$ 105,000	\$ 110,000	\$ 115,000
Interest		199,957	470,488	470,488	464,450	458,125
Capitalized Interest		(199,957)	(470,488)	-	-	-
Total Debt Service	(1)	\$ -	\$ -	\$ 575,488	\$ 574,450	\$ 573,125
Annual Collection Costs		\$ -	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836
Total Annual Collection Costs	(2)	\$ -	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836
Additional Interest Reserve		\$ -	\$ 36,875	\$ 36,875	\$ 36,350	\$ 35,800
Total Reserve Requirements	(3)	\$ -	\$ 36,875	\$ 36,875	\$ 36,350	\$ 35,800
Total Budget	(4) = (1) + (2) + (3)	\$ -	\$ 66,875	\$ 642,963	\$ 642,012	\$ 640,761

		Major Improvement Area				
Installments Due		1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023
Principal		\$ -	\$ -	\$ -	\$ 55,000	\$ 60,000
Interest		99,705	234,600	234,600	234,600	231,300
Capitalized Interest		(99,705)	(234,600)	(156,400)	-	-
Total Debt Service	(1)	\$ -	\$ -	\$ 78,200	\$ 289,600	\$ 291,300
Annual Collection Costs		\$ -	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836
Total Annual Collection Costs	(3)	\$ -	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836
Additional Interest Reserve		\$ -	\$ 17,675	\$ 17,675	\$ 17,675	\$ 17,400
Total Reserve Requirements	(4)	\$ -	\$ 17,675	\$ 17,675	\$ 17,675	\$ 17,400
Total Budget	(5) = (1) + (2) + (3) + (4)	\$ -	\$ 47,675	\$ 126,475	\$ 338,487	\$ 340,536

EXHIBIT I – SOURCES AND USES OF FUNDS

	Improvement Area #1	Major Improvement Area
Sources of Funds		
Gross Bond Amount	\$ 7,375,000	\$ 3,535,000
Owner Contribution ⁽¹⁾	1,009,413	-
Total Sources	\$ 8,384,413	\$ 3,535,000
Uses of Funds		
Improvement Area #1 Improvements	\$ 5,366,613	\$ -
Major Improvements	1,107,944	2,408,234
	\$ 6,474,557	\$ 2,408,234
Debt Service Reserve Fund	\$ 585,750	\$ 291,300
Capitalized Interest	670,445	490,705
Underwriter Discount	221,250	106,050
Cost of Issuance	397,411	203,711
1 st Year Administrative Costs	35,000	35,000
Additional Proceeds	-	-
	\$ 1,909,855	\$ 1,126,766
Total Uses	\$ 8,384,413	\$ 3,535,000

⁽¹⁾ Non-reimbursable to Owner.

EXHIBIT J – IMPROVEMENT AREA #1 ESTIMATED ANNUAL INSTALLMENTS

Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019	\$ -	\$ 199,957	\$ -	\$ -	\$ (199,957)	\$ -	\$ -
2020	\$ -	\$ 470,488	\$ 30,000	\$ 36,875	\$ (470,488)	\$ -	\$ 66,875
2021	\$ 105,000	\$ 470,488	\$ 30,600	\$ 36,875	\$ -	\$ -	\$ 642,963
2022	\$ 110,000	\$ 464,450	\$ 31,212	\$ 36,350	\$ -	\$ -	\$ 642,012
2023	\$ 115,000	\$ 458,125	\$ 31,836	\$ 35,800	\$ -	\$ -	\$ 640,761
2024	\$ 125,000	\$ 451,513	\$ 32,473	\$ 35,225	\$ -	\$ -	\$ 644,210
2025	\$ 130,000	\$ 444,325	\$ 33,122	\$ 34,600	\$ -	\$ -	\$ 642,047
2026	\$ 135,000	\$ 436,850	\$ 33,785	\$ 33,950	\$ -	\$ -	\$ 639,585
2027	\$ 145,000	\$ 429,088	\$ 34,461	\$ 33,275	\$ -	\$ -	\$ 641,823
2028	\$ 155,000	\$ 420,750	\$ 35,150	\$ 32,550	\$ -	\$ -	\$ 643,450
2029	\$ 165,000	\$ 411,838	\$ 35,853	\$ 31,775	\$ -	\$ -	\$ 644,465
2030	\$ 170,000	\$ 402,350	\$ 36,570	\$ 30,950	\$ -	\$ -	\$ 639,870
2031	\$ 185,000	\$ 391,300	\$ 37,301	\$ 30,100	\$ -	\$ -	\$ 643,701
2032	\$ 195,000	\$ 379,275	\$ 38,047	\$ 29,175	\$ -	\$ -	\$ 641,497
2033	\$ 210,000	\$ 366,600	\$ 38,808	\$ 28,200	\$ -	\$ -	\$ 643,608
2034	\$ 220,000	\$ 352,950	\$ 39,584	\$ 27,150	\$ -	\$ -	\$ 639,684
2035	\$ 235,000	\$ 338,650	\$ 40,376	\$ 26,050	\$ -	\$ -	\$ 640,076
2036	\$ 250,000	\$ 323,375	\$ 41,184	\$ 24,875	\$ -	\$ -	\$ 639,434
2037	\$ 270,000	\$ 307,125	\$ 42,007	\$ 23,625	\$ -	\$ -	\$ 642,757
2038	\$ 285,000	\$ 289,575	\$ 42,847	\$ 22,275	\$ -	\$ -	\$ 639,697
2039	\$ 305,000	\$ 271,050	\$ 43,704	\$ 20,850	\$ -	\$ -	\$ 640,604
2040	\$ 325,000	\$ 251,225	\$ 44,578	\$ 19,325	\$ -	\$ -	\$ 640,128
2041	\$ 350,000	\$ 230,100	\$ 45,470	\$ 17,700	\$ -	\$ -	\$ 643,270
2042	\$ 370,000	\$ 207,350	\$ 46,379	\$ 15,950	\$ -	\$ -	\$ 639,679
2043	\$ 395,000	\$ 183,300	\$ 47,307	\$ 14,100	\$ -	\$ -	\$ 639,707
2044	\$ 425,000	\$ 157,625	\$ 48,253	\$ 12,125	\$ -	\$ -	\$ 643,003
2045	\$ 450,000	\$ 130,000	\$ 49,218	\$ 10,000	\$ -	\$ -	\$ 639,218
2046	\$ 485,000	\$ 100,750	\$ 50,203	\$ 7,750	\$ -	\$ -	\$ 643,703
2047	\$ 515,000	\$ 69,225	\$ 51,207	\$ 5,325	\$ -	\$ -	\$ 640,757
2048	\$ 550,000	\$ 35,750	\$ 52,231	\$ 2,750	\$ -	\$ (585,750)	\$ 54,981
Total	\$ 7,375,000	\$ 9,445,445	\$ 1,163,767	\$ 715,550	\$ (670,445)	\$ (585,750)	\$ 17,443,567

EXHIBIT K – MAJOR IMPROVEMENT AREA ESTIMATED ANNUAL INSTALLMENTS

Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019	\$ -	\$ 99,705	\$ -	\$ -	\$ (99,705)	\$ -	\$ -
2020	\$ -	\$ 234,600	\$ 30,000	\$ 17,675	\$ (234,600)	\$ -	\$ 47,675
2021	\$ -	\$ 234,600	\$ 30,600	\$ 17,675	\$ (156,400)	\$ -	\$ 126,475
2022	\$ 55,000	\$ 234,600	\$ 31,212	\$ 17,675	\$ -	\$ -	\$ 338,487
2023	\$ 60,000	\$ 231,300	\$ 31,836	\$ 17,400	\$ -	\$ -	\$ 340,536
2024	\$ 60,000	\$ 227,700	\$ 32,473	\$ 17,100	\$ -	\$ -	\$ 337,273
2025	\$ 65,000	\$ 224,100	\$ 33,122	\$ 16,800	\$ -	\$ -	\$ 339,022
2026	\$ 70,000	\$ 220,200	\$ 33,785	\$ 16,475	\$ -	\$ -	\$ 340,460
2027	\$ 70,000	\$ 216,000	\$ 34,461	\$ 16,125	\$ -	\$ -	\$ 336,586
2028	\$ 75,000	\$ 211,800	\$ 35,150	\$ 15,775	\$ -	\$ -	\$ 337,725
2029	\$ 80,000	\$ 207,300	\$ 35,853	\$ 15,400	\$ -	\$ -	\$ 338,553
2030	\$ 85,000	\$ 202,500	\$ 36,570	\$ 15,000	\$ -	\$ -	\$ 339,070
2031	\$ 90,000	\$ 196,763	\$ 37,301	\$ 14,575	\$ -	\$ -	\$ 338,639
2032	\$ 95,000	\$ 190,688	\$ 38,047	\$ 14,125	\$ -	\$ -	\$ 337,860
2033	\$ 100,000	\$ 184,275	\$ 38,808	\$ 13,650	\$ -	\$ -	\$ 336,733
2034	\$ 105,000	\$ 177,525	\$ 39,584	\$ 13,150	\$ -	\$ -	\$ 335,259
2035	\$ 115,000	\$ 170,438	\$ 40,376	\$ 12,625	\$ -	\$ -	\$ 338,439
2036	\$ 120,000	\$ 162,675	\$ 41,184	\$ 12,050	\$ -	\$ -	\$ 335,909
2037	\$ 130,000	\$ 154,575	\$ 42,007	\$ 11,450	\$ -	\$ -	\$ 338,032
2038	\$ 140,000	\$ 145,800	\$ 42,847	\$ 10,800	\$ -	\$ -	\$ 339,447
2039	\$ 150,000	\$ 136,350	\$ 43,704	\$ 10,100	\$ -	\$ -	\$ 340,154
2040	\$ 155,000	\$ 126,225	\$ 44,578	\$ 9,350	\$ -	\$ -	\$ 335,153
2041	\$ 170,000	\$ 115,763	\$ 45,470	\$ 8,575	\$ -	\$ -	\$ 339,807
2042	\$ 180,000	\$ 104,288	\$ 46,379	\$ 7,725	\$ -	\$ -	\$ 338,392
2043	\$ 190,000	\$ 92,138	\$ 47,307	\$ 6,825	\$ -	\$ -	\$ 336,269
2044	\$ 205,000	\$ 79,313	\$ 48,253	\$ 5,875	\$ -	\$ -	\$ 338,441
2045	\$ 220,000	\$ 65,475	\$ 49,218	\$ 4,850	\$ -	\$ -	\$ 339,543
2046	\$ 235,000	\$ 50,625	\$ 50,203	\$ 3,750	\$ -	\$ -	\$ 339,578
2047	\$ 250,000	\$ 34,763	\$ 51,207	\$ 2,575	\$ -	\$ -	\$ 338,544
2048	\$ 265,000	\$ 17,888	\$ 52,231	\$ 1,325	\$ -	\$ (291,300)	\$ 45,143
Total	\$ 3,535,000	\$ 4,749,968	\$ 1,163,767	\$ 346,475	\$ (490,705)	\$ (291,300)	\$ 9,013,205

(a) Interest is calculated at a 6.71% rate.

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 L – LOT TYPE 1 ESTIMATED ANNUAL INSTALLMENTS

Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019	\$ -	\$ 884.63	\$ -	\$ -	\$ (884.63)	\$ -	\$ -
2020	\$ -	\$ 2,081.47	\$ 132.72	\$ 163.14	\$ (2,081.47)	\$ -	\$ 295.86
2021	\$ 464.53	\$ 2,081.47	\$ 135.38	\$ 163.14	\$ -	\$ -	\$ 2,844.52
2022	\$ 486.65	\$ 2,054.76	\$ 138.08	\$ 160.82	\$ -	\$ -	\$ 2,840.31
2023	\$ 508.77	\$ 2,026.78	\$ 140.85	\$ 158.38	\$ -	\$ -	\$ 2,834.78
2024	\$ 553.01	\$ 1,997.53	\$ 143.66	\$ 155.84	\$ -	\$ -	\$ 2,850.04
2025	\$ 575.13	\$ 1,965.73	\$ 146.54	\$ 153.07	\$ -	\$ -	\$ 2,840.47
2026	\$ 597.25	\$ 1,932.66	\$ 149.47	\$ 150.20	\$ -	\$ -	\$ 2,829.57
2027	\$ 641.49	\$ 1,898.32	\$ 152.46	\$ 147.21	\$ -	\$ -	\$ 2,839.47
2028	\$ 685.73	\$ 1,861.43	\$ 155.51	\$ 144.00	\$ -	\$ -	\$ 2,846.67
2029	\$ 729.97	\$ 1,822.00	\$ 158.62	\$ 140.58	\$ -	\$ -	\$ 2,851.16
2030	\$ 752.09	\$ 1,780.03	\$ 161.79	\$ 136.93	\$ -	\$ -	\$ 2,830.83
2031	\$ 818.45	\$ 1,731.14	\$ 165.02	\$ 133.16	\$ -	\$ -	\$ 2,847.78
2032	\$ 862.70	\$ 1,677.94	\$ 168.32	\$ 129.07	\$ -	\$ -	\$ 2,838.03
2033	\$ 929.06	\$ 1,621.87	\$ 171.69	\$ 124.76	\$ -	\$ -	\$ 2,847.37
2034	\$ 973.30	\$ 1,561.48	\$ 175.12	\$ 120.11	\$ -	\$ -	\$ 2,830.01
2035	\$ 1,039.66	\$ 1,498.21	\$ 178.63	\$ 115.25	\$ -	\$ -	\$ 2,831.75
2036	\$ 1,106.02	\$ 1,430.64	\$ 182.20	\$ 110.05	\$ -	\$ -	\$ 2,828.90
2037	\$ 1,194.50	\$ 1,358.74	\$ 185.84	\$ 104.52	\$ -	\$ -	\$ 2,843.61
2038	\$ 1,260.86	\$ 1,281.10	\$ 189.56	\$ 98.55	\$ -	\$ -	\$ 2,830.07
2039	\$ 1,349.34	\$ 1,199.15	\$ 193.35	\$ 92.24	\$ -	\$ -	\$ 2,834.08
2040	\$ 1,437.83	\$ 1,111.44	\$ 197.22	\$ 85.50	\$ -	\$ -	\$ 2,831.98
2041	\$ 1,548.43	\$ 1,017.98	\$ 201.16	\$ 78.31	\$ -	\$ -	\$ 2,845.88
2042	\$ 1,636.91	\$ 917.33	\$ 205.19	\$ 70.56	\$ -	\$ -	\$ 2,829.99
2043	\$ 1,747.51	\$ 810.93	\$ 209.29	\$ 62.38	\$ -	\$ -	\$ 2,830.11
2044	\$ 1,880.23	\$ 697.35	\$ 213.48	\$ 53.64	\$ -	\$ -	\$ 2,844.70
2045	\$ 1,990.83	\$ 575.13	\$ 217.75	\$ 44.24	\$ -	\$ -	\$ 2,827.95
2046	\$ 2,145.68	\$ 445.73	\$ 222.10	\$ 34.29	\$ -	\$ -	\$ 2,847.79
2047	\$ 2,278.40	\$ 306.26	\$ 226.54	\$ 23.56	\$ -	\$ -	\$ 2,834.76
2048	\$ 2,433.24	\$ 158.16	\$ 231.07	\$ 12.17	\$ -	\$ (2,591.40)	\$ 243.24
Total	\$ 32,627.57	\$ 41,787.38	\$ 5,148.60	\$ 3,165.65	\$ (2,966.10)	\$ (2,591.40)	\$ 77,171.69

(a) Interest is calculated at a 6.46% rate.

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 M – LOT TYPE 2 ESTIMATED ANNUAL INSTALLMENTS

Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019	\$ -	\$ 1,011.41	\$ -	\$ -	\$ (1,011.41)	\$ -	\$ -
2020	\$ -	\$ 2,379.79	\$ 151.74	\$ 186.52	\$ (2,379.79)	\$ -	\$ 338.26
2021	\$ 531.11	\$ 2,379.79	\$ 154.78	\$ 186.52	\$ -	\$ -	\$ 3,252.20
2022	\$ 556.40	\$ 2,349.26	\$ 157.87	\$ 183.86	\$ -	\$ -	\$ 3,247.39
2023	\$ 581.69	\$ 2,317.26	\$ 161.03	\$ 181.08	\$ -	\$ -	\$ 3,241.06
2024	\$ 632.27	\$ 2,283.82	\$ 164.25	\$ 178.17	\$ -	\$ -	\$ 3,258.51
2025	\$ 657.56	\$ 2,247.46	\$ 167.54	\$ 175.01	\$ -	\$ -	\$ 3,247.57
2026	\$ 682.85	\$ 2,209.65	\$ 170.89	\$ 171.72	\$ -	\$ -	\$ 3,235.11
2027	\$ 733.43	\$ 2,170.39	\$ 174.31	\$ 168.31	\$ -	\$ -	\$ 3,246.44
2028	\$ 784.01	\$ 2,128.22	\$ 177.79	\$ 164.64	\$ -	\$ -	\$ 3,254.66
2029	\$ 834.59	\$ 2,083.13	\$ 181.35	\$ 160.72	\$ -	\$ -	\$ 3,259.80
2030	\$ 859.89	\$ 2,035.15	\$ 184.98	\$ 156.55	\$ -	\$ -	\$ 3,236.56
2031	\$ 935.76	\$ 1,979.25	\$ 188.68	\$ 152.25	\$ -	\$ -	\$ 3,255.94
2032	\$ 986.34	\$ 1,918.43	\$ 192.45	\$ 147.57	\$ -	\$ -	\$ 3,244.79
2033	\$ 1,062.21	\$ 1,854.32	\$ 196.30	\$ 142.64	\$ -	\$ -	\$ 3,255.46
2034	\$ 1,112.79	\$ 1,785.27	\$ 200.22	\$ 137.33	\$ -	\$ -	\$ 3,235.62
2035	\$ 1,188.66	\$ 1,712.94	\$ 204.23	\$ 131.76	\$ -	\$ -	\$ 3,237.60
2036	\$ 1,264.54	\$ 1,635.68	\$ 208.31	\$ 125.82	\$ -	\$ -	\$ 3,234.35
2037	\$ 1,365.70	\$ 1,553.48	\$ 212.48	\$ 119.50	\$ -	\$ -	\$ 3,251.16
2038	\$ 1,441.57	\$ 1,464.71	\$ 216.73	\$ 112.67	\$ -	\$ -	\$ 3,235.68
2039	\$ 1,542.73	\$ 1,371.01	\$ 221.06	\$ 105.46	\$ -	\$ -	\$ 3,240.27
2040	\$ 1,643.90	\$ 1,270.73	\$ 225.48	\$ 97.75	\$ -	\$ -	\$ 3,237.86
2041	\$ 1,770.35	\$ 1,163.88	\$ 229.99	\$ 89.53	\$ -	\$ -	\$ 3,253.75
2042	\$ 1,871.51	\$ 1,048.81	\$ 234.59	\$ 80.68	\$ -	\$ -	\$ 3,235.59
2043	\$ 1,997.97	\$ 927.16	\$ 239.29	\$ 71.32	\$ -	\$ -	\$ 3,235.73
2044	\$ 2,149.71	\$ 797.29	\$ 244.07	\$ 61.33	\$ -	\$ -	\$ 3,252.40
2045	\$ 2,276.17	\$ 657.56	\$ 248.95	\$ 50.58	\$ -	\$ -	\$ 3,233.26
2046	\$ 2,453.20	\$ 509.61	\$ 253.93	\$ 39.20	\$ -	\$ -	\$ 3,255.94
2047	\$ 2,604.95	\$ 350.15	\$ 259.01	\$ 26.93	\$ -	\$ -	\$ 3,241.04
2048	\$ 2,781.98	\$ 180.83	\$ 264.19	\$ 13.91	\$ -	\$ (2,962.81)	\$ 278.10
Total	\$ 37,303.83	\$ 47,776.45	\$ 5,886.50	\$ 3,619.36	\$ (3,391.21)	\$ (2,962.81)	\$ 88,232.13

(a) Interest is calculated at a 6.46% rate.

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.

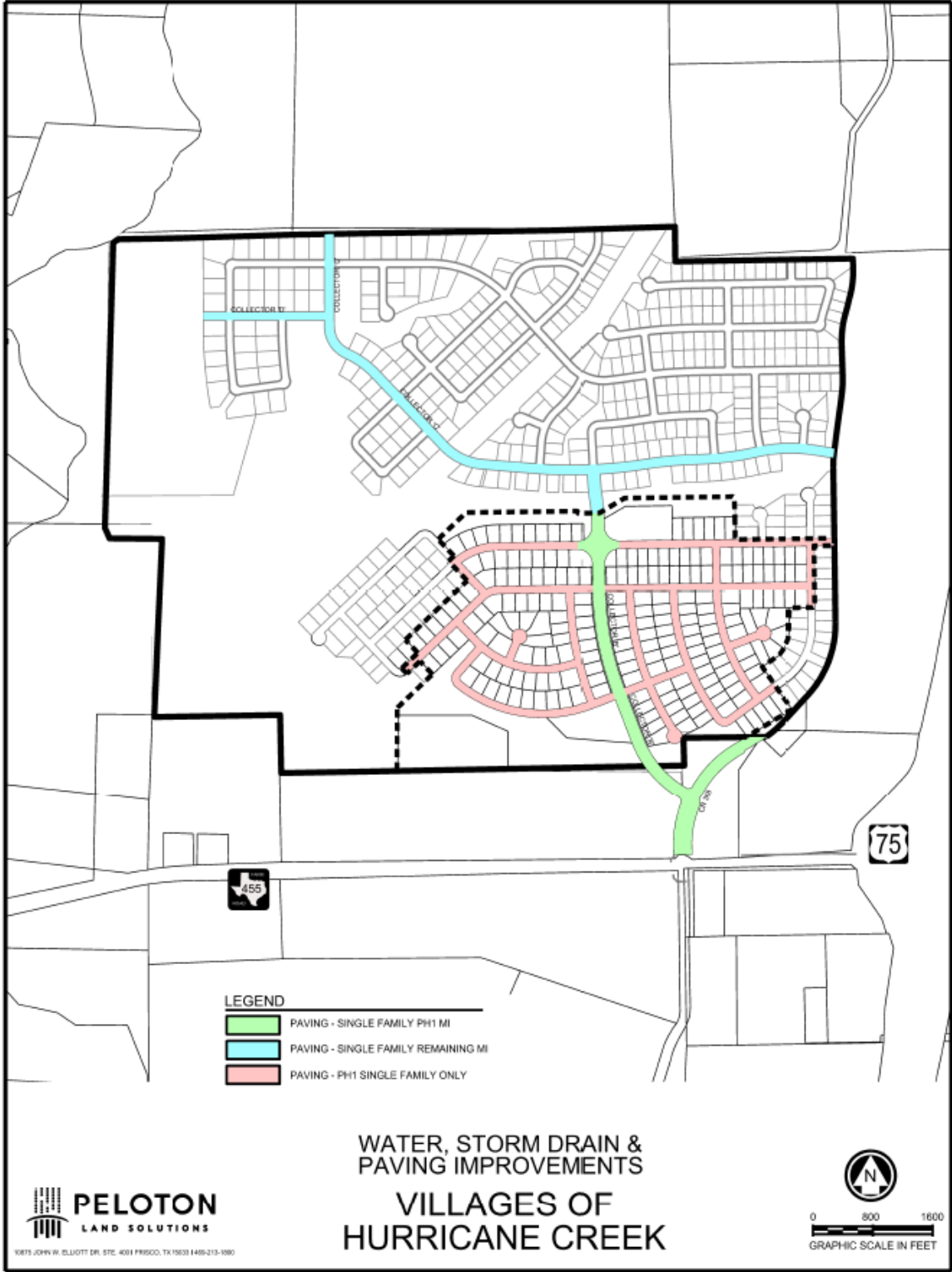
EXHIBIT N – IMPROVEMENT AREA #1 ALLOCATION BY LOT TYPE

Lot Type	Units [a]	Estimated AV Per Unit [a]	Total Assessed Value	Allocation of Improvement Area #1 Assessments	Total Assessment	Maximum Assessment Per Unit
IMPROVEMENT AREA #1						
Lot Type 1 (70')	138	\$ 307,000	\$ 42,366,000	61.05%	\$ 4,502,605	\$ 32,627.57
Lot Type 2 (80')	77	\$ 351,000	\$ 27,027,000	38.95%	\$ 2,872,395	\$ 37,303.83
	215		\$ 69,393,000	100.00%	\$ 7,375,000	

Footnotes

[a] As reported by the Owner.

EXHIBIT O – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS



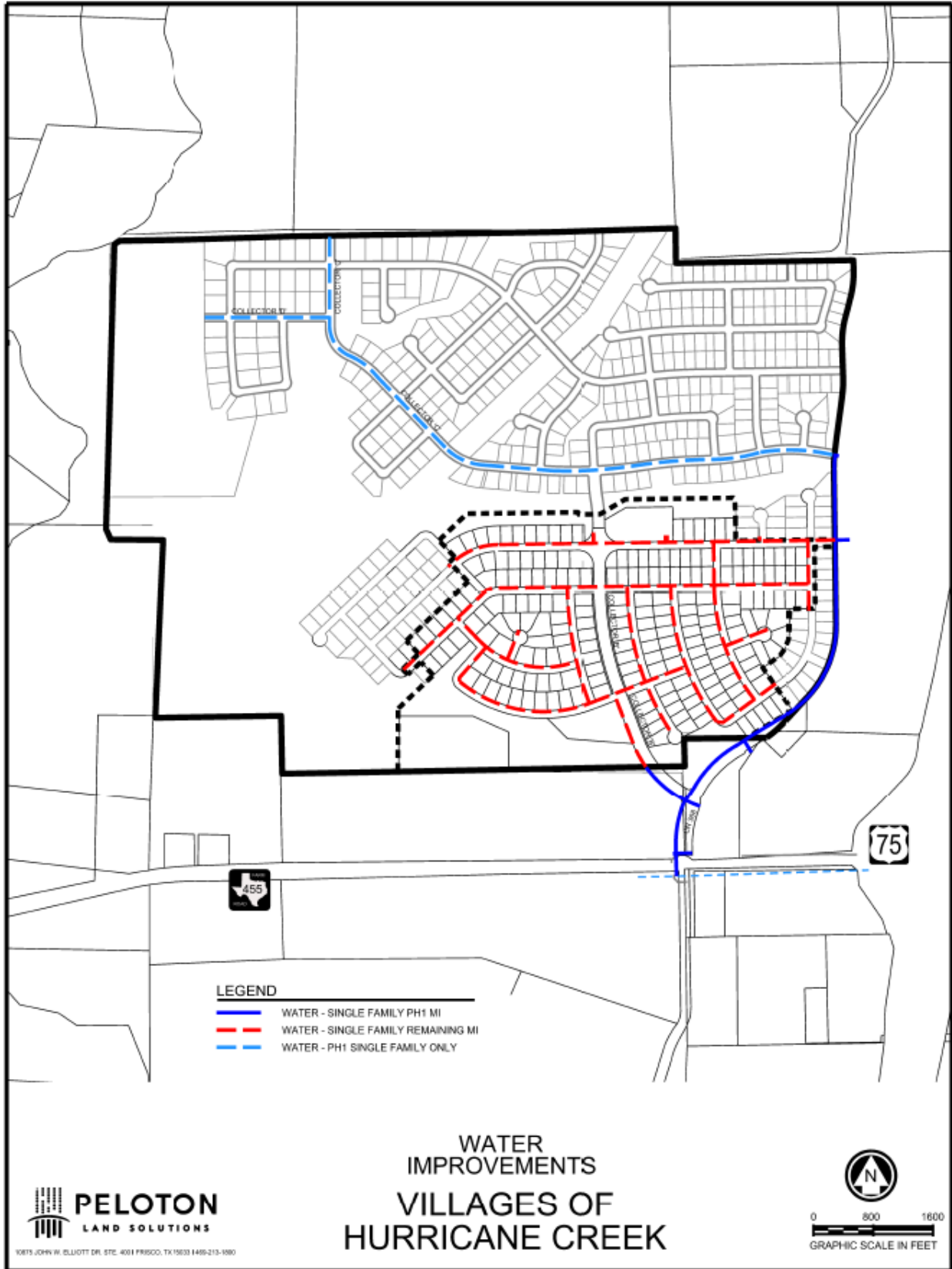
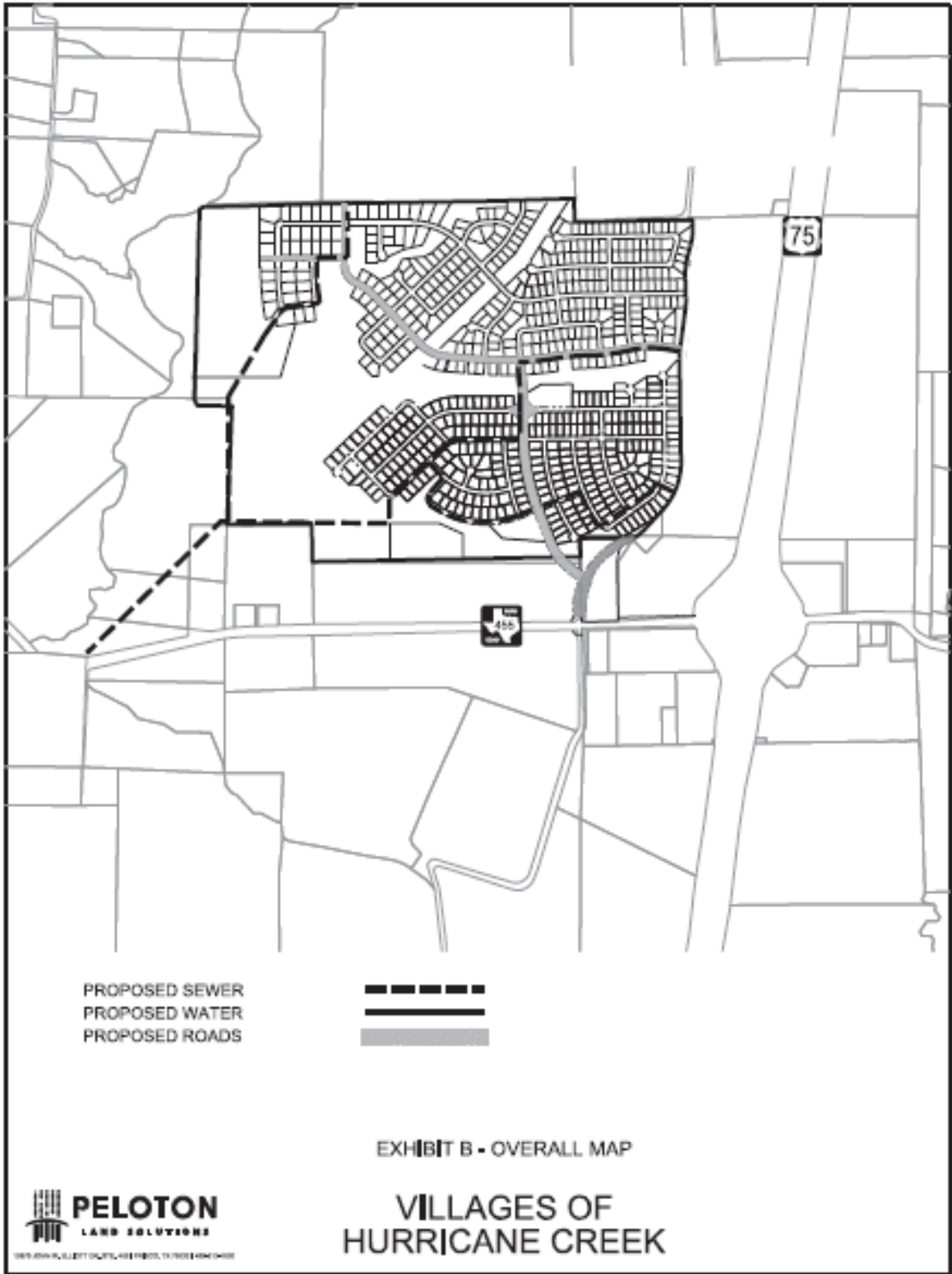
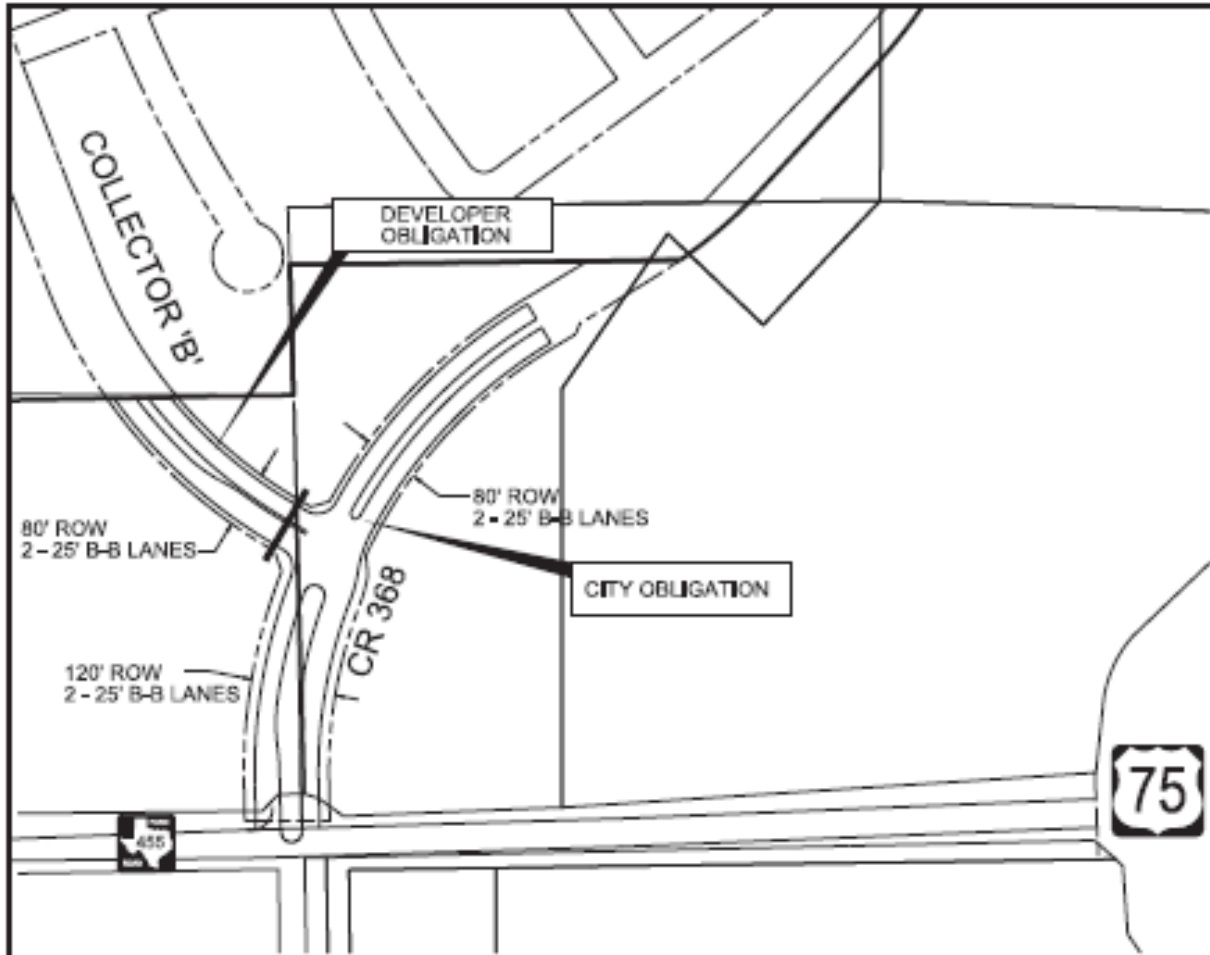


EXHIBIT P – MAPS OF MAJOR IMPROVEMENTS





THE PHASE 1 OFFSITE ROADWAY FACILITIES SHALL INCLUDE THE FOLLOWING:

- 1) CONSTRUCTION OF A PORTION OF CR 368 AS DEPICTED WHICH SHALL BE LOCATED IN A 120 FOOT WIDE RIGHT-OF-WAY DEDICATED TO THE CITY, AND WHICH SHALL INCLUDE THE CONSTRUCTION OF 4 CONCRETE LANES (ULTIMATE 6 LANES) DIVIDED BY A RAISED MEDIAN.
- 2) PERIMETER SIDEWALKS SHALL BE CONSTRUCTED ADJACENT TO ALL DIVIDED ROADWAYS.
- 3) STREET LIGHTING WITHIN ALL RAISED MEDIANS SHALL BE PROVIDED AS PART OF THE REQUIRED ROADWAY IMPROVEMENTS. ELECTRIC SERVICE LINES FOR STREET LIGHTS SHALL BE LOCATED UNDERGROUND.

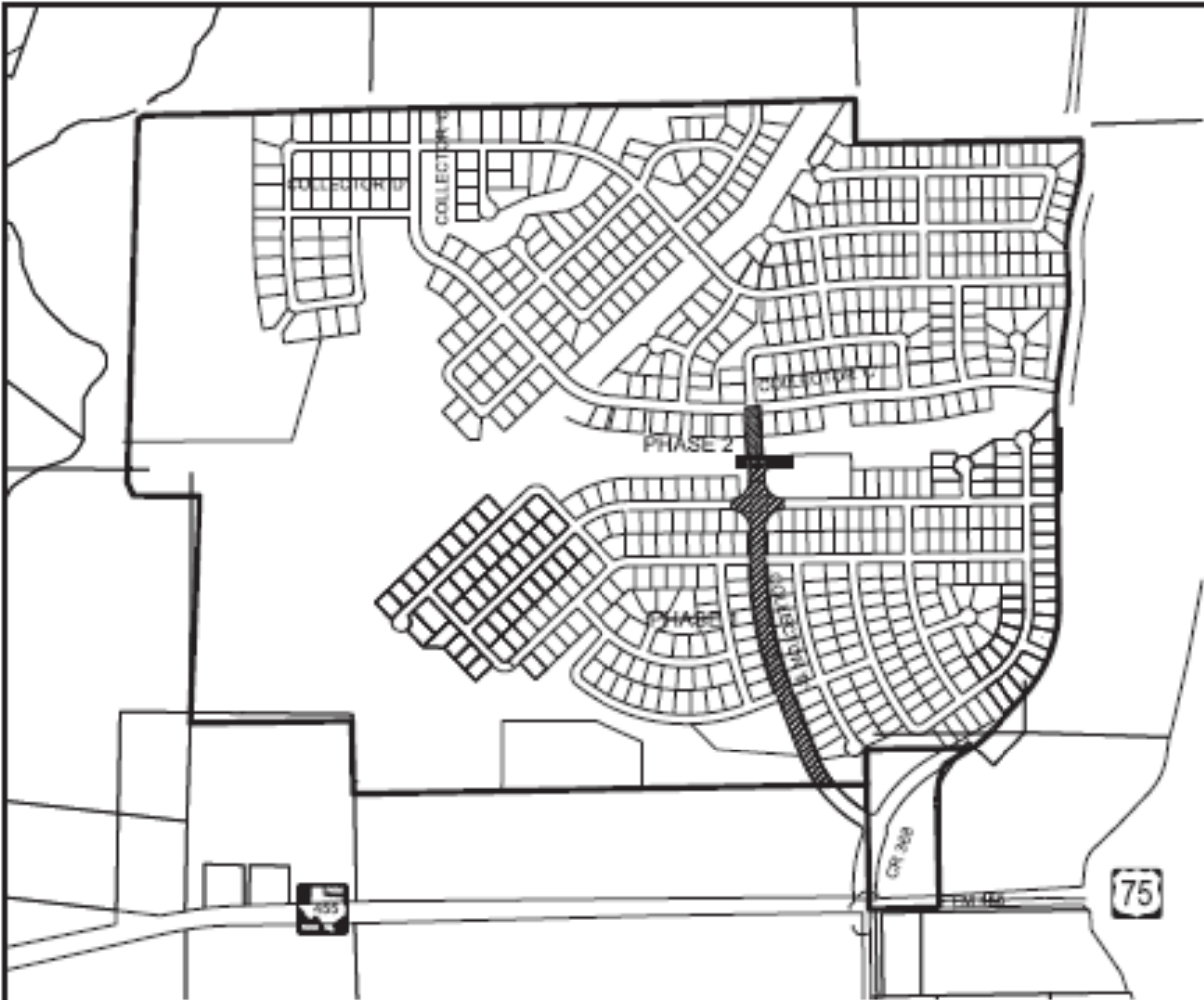
THE FINAL LOCATION AND ALIGNMENT OF THE PHASE 1 OFFSITE ROADWAY FACILITIES SHALL BE SUBJECT TO APPROVAL BY THE CITY. THE DESIGN AND CONSTRUCTION OF THE PHASE 1 OFFSITE ROADWAY FACILITIES SHALL CONFORM TO THE MOST CURRENT CITY REGULATIONS. STATE OF TEXAS REGULATIONS SHALL APPLY WHERE APPLICABLE.

**EXHIBIT D1 - ROADWAY IMPROVEMENTS
PHASE 1 ROADWAY
VILLAGES OF
HURRICANE CREEK**



10000 WILLOW CREEK DRIVE, SUITE 100, DALLAS, TEXAS 75243





THE COLLECTOR "B" ROADWAY IMPROVEMENTS SHALL INCLUDE THE FOLLOWING:

- 1) CONSTRUCTION OF THE COLLECTOR "B" ROADWAY AS DEPICTED WHICH SHALL BE LOCATED IN AN 80 FOOT WIDE RIGHT-OF-WAY DEDICATED TO THE CITY, AND WHICH SHALL INCLUDE THE CONSTRUCTION OF 4 CONCRETE LANES DIVIDED BY A RAISED MEDIAN.
- 2) PERIMETER SIDEWALKS SHALL BE CONSTRUCTED ADJACENT TO COLLECTOR "B".
- 3) STREET LIGHTING WITHIN ALL RAISED MEDIANS SHALL BE PROVIDED AS PART OF THE REQUIRED ROADWAY IMPROVEMENTS. ELECTRIC SERVICE LINES FOR STREET LIGHTS SHALL BE LOCATED UNDERGROUND.



STREET	PAVEMENT	ROW	LENGTH	PHASE
 COLLECTOR B	2 @ 25' B-B	80'	2155 LF	1
 COLLECTOR B	2 @ 25' B-B	80'	285 LF	2
TOTAL			2440 LF	

EXHIBIT D2 - COLLECTOR "B" ROADWAY IMPROVEMENTS



VILLAGES OF HURRICANE CREEK



THE FINAL LOCATION AND ALIGNMENT OF THE OVERSIZED SANITARY SEWER FACILITIES SHALL BE SUBJECT TO APPROVAL BY THE CITY. THE DESIGN AND CONSTRUCTION OF THE OVERSIZED SANITARY SEWER FACILITIES SHALL CONFORM TO THE MOST CURRENT CITY REGULATIONS.

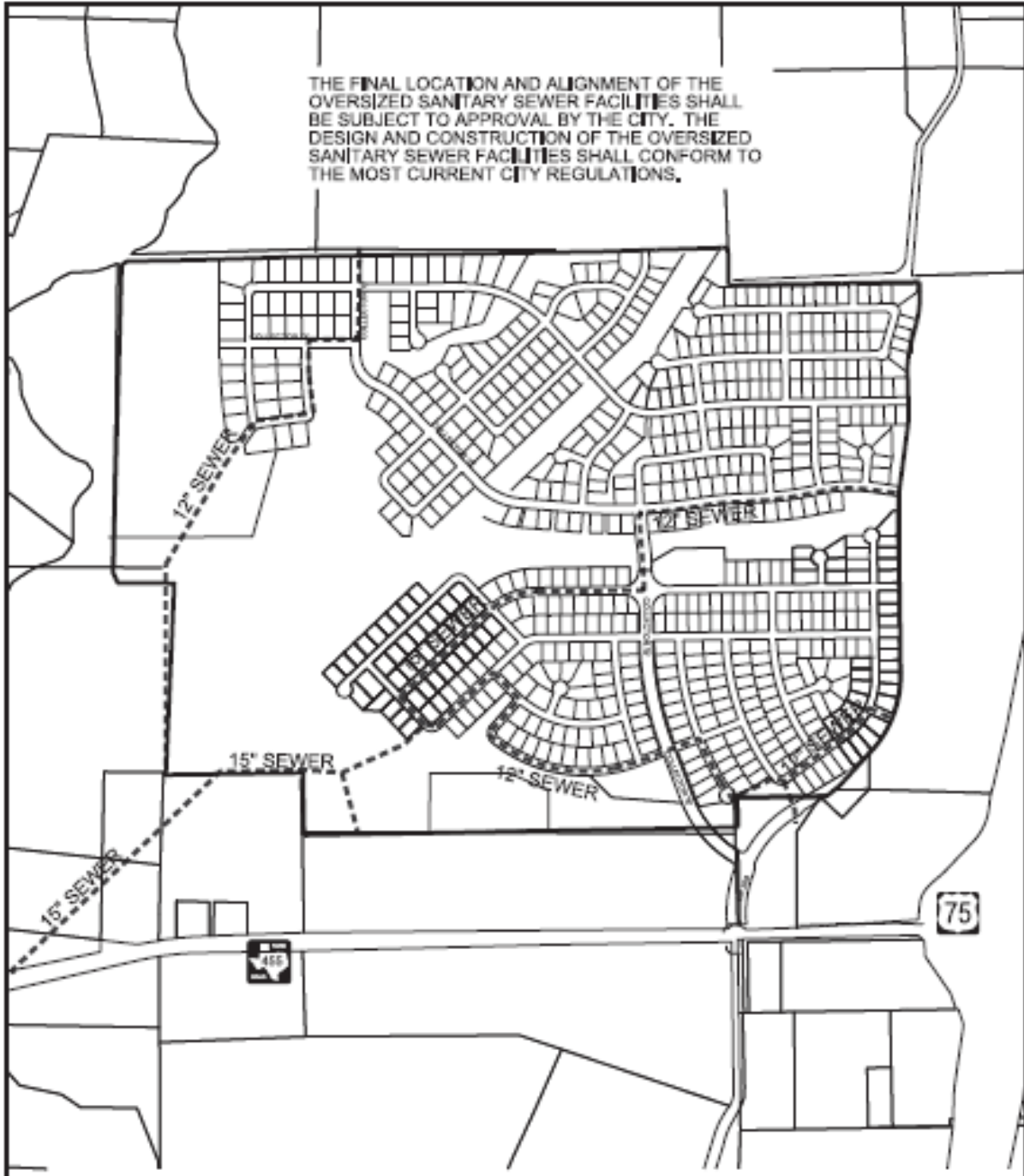


EXHIBIT H-1 - OVERSIZED AND OFFSITE
SANITARY SEWER FACILITIES



VILLAGES OF HURRICANE CREEK



THE FINAL LOCATION AND ALIGNMENT OF THE WATER FACILITIES SHALL BE SUBJECT TO APPROVAL BY THE CITY. THE DESIGN AND CONSTRUCTION OF THE WATER FACILITIES SHALL CONFORM TO THE MOST CURRENT CITY REGULATIONS.

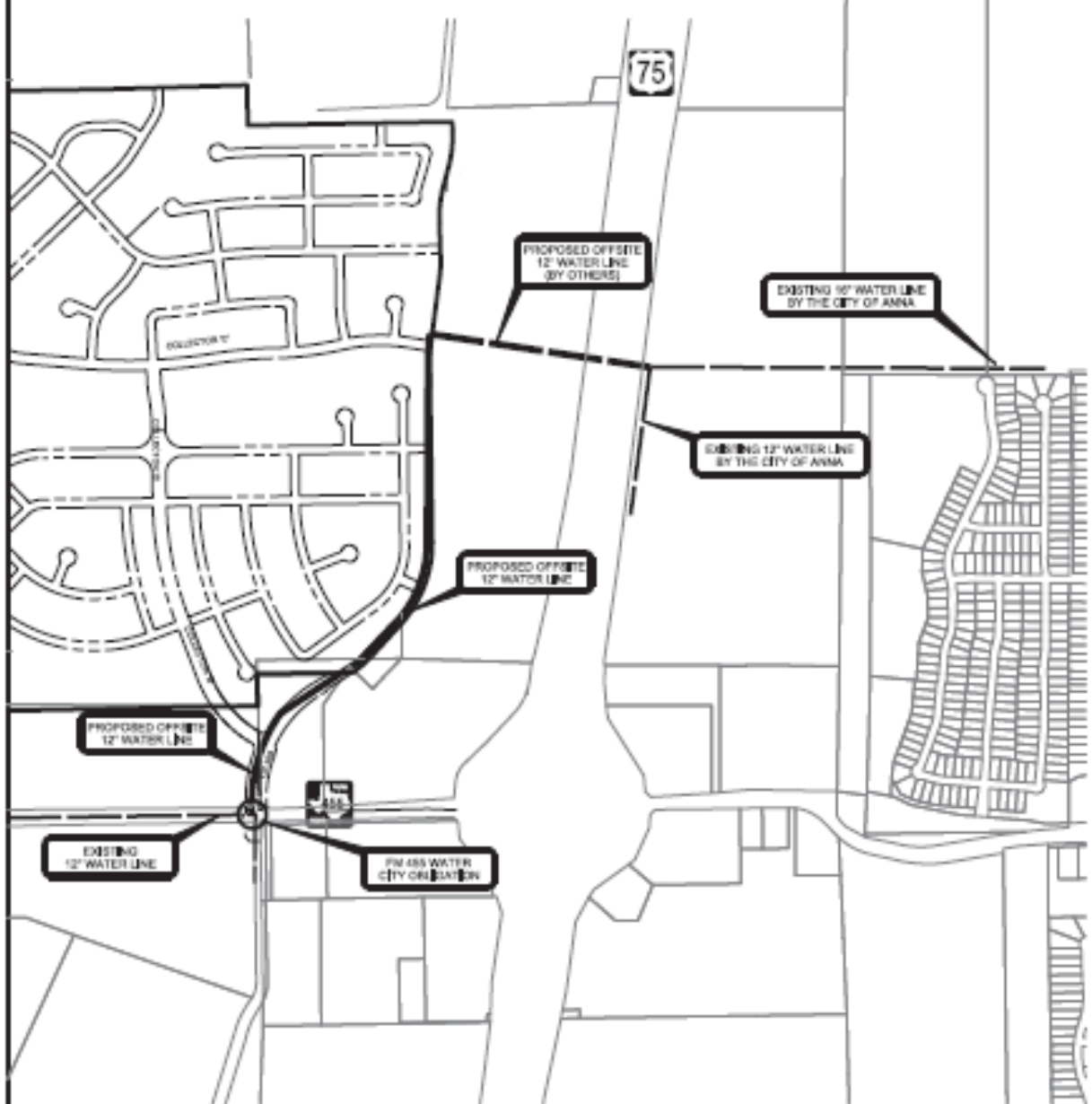


EXHIBIT M - WATER FACILITIES

VILLAGES OF HURRICANE CREEK



1815 ANNA VALLEY DR., SUITE 100, FORT WORTH, TX 76104 | 817.342.4400



0 900 1800
GRAPHIC SCALE IN FEET

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EXHIBIT Q – ALLOCATION OF MAJOR IMPROVEMENTS

Lot Type	Units [a]	Estimated AV Per Unit [a]	Total Assessed Value	Allocation of Major Improvements
IMPROVEMENT AREA #1				
Lot Type 1 (70')	138	\$ 307,000	\$ 42,366,000	
Lot Type 2 (80')	77	\$ 351,000	27,027,000	
Lot Type 3 (90')	-	\$ 395,000	-	
Lot Type 4 (100')	-	\$ 439,000	-	
	215		\$ 69,393,000	31.51%
MAJOR IMPROVEMENT AREA				
Lot Type 1 (70')	227	\$ 307,000	\$ 69,689,000	
Lot Type 2 (80')	108	\$ 351,000	37,908,000	
Lot Type 3 (90')	55	\$ 395,000	21,725,000	
Lot Type 4 (100')	49	\$ 439,000	21,511,000	
	439		\$ 150,833,000	68.49%
TOTAL	654		\$ 220,226,000	

Footnotes

[a] As reported by the Owner.

EXHIBIT R – ANNUAL TIRZ CREDIT BY LOT TYPE

Lot Type	Estimated AV Per		Assessment Per		Avg. Annual		Equivalent PID		Equivalent Total		Annual TIRZ #2		Net Annual		Net Equivalent			
	Unit [a]	Unit	Unit	Unit	Installment per	Unit	Tax Rate	Tax Rate	Annual TIRZ #2	Credit Per Unit	Installment Per	Unit	PID Tax Rate	Total	Tax Rate			
IMPROVEMENT AREA #1																		
Lot Type 1 (70')	\$	307,000	\$	32,627.57	\$	2,838	\$	0.9245	\$	3.4478	\$	(1,151)	\$	1,687	\$	0.5497	\$	3.0730
Lot Type 2 (80')	\$	351,000	\$	37,303.83	\$	3,245	\$	0.9245	\$	3.4478	\$	(1,316)	\$	1,929	\$	0.5497	\$	3.0730

Footnotes

[a] As reported by the Owner.

	TIRZ No. 2	TIRZ No. 3 (Estimated)	TIRZ No. 4 (Estimated)	Total
Max Annual Contribution Per Unit				
Lot Type 1 (70')	\$ 1,151	\$ 1,151	\$ 1,151	
Lot Type 2 (80')	\$ 1,316	\$ 1,316	\$ 1,316	
Lot Type 3 (90')	\$ -	\$ 1,481	\$ 1,481	
Lot Type 4 (100')	\$ -	\$ -	\$ 1,646	
Lot Count				
Lot Type 1 (70')	138	134	93	
Lot Type 2 (80')	77	63	45	
Lot Type 3 (90')	0	19	36	
Lot Type 4 (100')	0	0	49	
Max Annual Contribution	\$ 260,110	\$ 265,219	\$ 300,157	\$ 825,485
Term	30	30	30	
Discount Rate	6.96%	6.96%	6.96%	
Present Value	\$3,240,723	\$3,304,377	\$3,739,677	\$10,284,777
PID Bond Net Construction Proceeds as a % of PAR [a]				71.95%
Net TIRZ Projects [b]				\$ 7,400,000

Footnotes:

[a] Estimate based on Improvement Area #1 Bonds

[b] Per the First Amended and Restated Villages of Hurricane Creek Subdivision Improvement Agreement.