

OWNSBY FARMS
PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN

JANUARY 17, 2017

OWNSBY FARMS PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

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Section I

PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On June 9, 2015 (the “Creation Date”) the City Council (the “City Council”) of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2015-26R approving and authorizing the creation of the Ownsby Farms Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in such public improvement district (the “Authorized Improvements”), all of which is located within the City of Celina.

The property in the PID is proposed to be developed in approximately two phases, and the PID will finance public improvements for each phase as each phase is developed. Assessments will be imposed on the property in each phase for the public improvements to be provided for that phase.

Chapter 372 of the Texas Local Government Code, the “Public Improvement District Assessment Act” (as amended, the “PID Act”), governs the creation and operation of public improvement districts within the State of Texas. This Ownsby Farms Public Improvement District Preliminary Service and Assessment Plan (the “Service and Assessment Plan”) has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan “must cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements.” The service plan is described in Section IV of this Service and Assessment Plan.

Section 372.014 of the PID Act requires that “an assessment plan must be included in the annual service plan.” The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires that “the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district.” The method of assessing the Authorized Improvement Costs and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires that “after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter.” The Assessment Rolls for the PID are included in this Service and Assessment Plan. The Assessments as shown on the Assessment Rolls are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. Definitions

Capitalized terms used herein shall have the meanings ascribed to them as follows:

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, County permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses.

Actual Costs may include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and codes with respect to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“Administrator” means the employee or designee of the City, identified in any indenture of trust

relating to a series of Bonds or identified in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessments, as shown on the Assessment Rolls attached hereto as Appendix E and Appendix F, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Administrative Expenses, (iii) the prepayment reserve described in Section V.F. of this Service and Assessment Plan, and (iv) the delinquency reserve described in Section V.H. of this Service and Assessment Plan.

“Annual Service Plan Update” has the meaning set forth in the second paragraph of Section IV of this Service and Assessment Plan.

“Assessed Property” means any property that benefits from the Authorized Improvements within the PID on which Assessments have been imposed as shown in the Assessment Roll, as the Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within the PID other than Non-Benefited Property.

“Assessment” means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years and amounts collected to pay Administrative Expenses and interest on all Assessments.

“Assessment Ordinance” means an Assessment Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

“Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments.

“Assessment Roll” or **“Assessment Rolls”** means collectively or separately, as applicable, the Phase #1 Assessment Roll included in this SAP as Appendix E, the Phase #2 Major Improvements Assessment Roll included in this SAP as Appendix F or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this SAP and in the PID Act.

“Authorized Improvements” mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, acquired, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

“Authorized Improvement Costs” mean the actual or budgeted costs, as applicable, of all or any portion of the Authorized Improvements, as shown in Appendix B.

“Bonds” mean any bonds issued for financing the Authorized Improvements, including the Phase #1 Bonds, the Phase #2 Major Improvement Bonds and the Phased PID Bonds, in one or

more series and secured in whole or in part by the Assessment Revenues.

“Budgeted Cost(s)” means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

“Certification for Payment” means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements, which may be in segments or sections.

“City” means the City of Celina, Texas.

“City Council” means the duly elected governing body of the City.

“City Major Improvements” means the additional public improvements to be constructed as part of the agreement between the City and the Developer under the Development Agreement as discussed in Section III.B.

“County” means Collin County, Texas.

“Delinquency Reserve” has the meaning set forth in Section V.G. of this Service and Assessment Plan.

“Delinquent Collection Costs” mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney’s fees.

“Developer” means CADG Ownsby Farms, LLC, a Texas limited liability company and its successors and assigns.

“Development Agreement” means that certain Development Agreement relating to the PID executed by and between the Developer and the City effective July 19, 2016, as the same may be amended from time to time.

“Equivalent Units” mean, as to any Parcel the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix D attached hereto.

“Homeowner Association” means a homeowners’ association or property owners’ association established for the benefit of property owners within the PID.

“Homeowners’ Association Special Assessment Allocation” means 1% of the total Assessment that will be reallocated to cover the benefit received by the Homeowner’s Association from the Authorized Improvements benefitting the Homeowner Association Property once the Homeowner Association is created within the PID.

“Homeowner Association Property” or **“(HOA Property)”** means property within the PID

owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, a Homeowners' Association established for the benefit of a group of homeowners or property owners.

“Lot” means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of Collin County, Texas.

“Lot Type” means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, 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 for each lot as of the date of the recorded subdivision plat, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“Lot Type 1” means lots identified as such on the Assessment Roll, being lots typically with approximately 7,200 square feet size and a lot width of 60 feet, which may be referred to as such in the Planned Development District.

“Lot Type 2” means lots identified as such on the Assessment Roll, being lots typically with approximately 6,000 square feet size and a lot width of 50 feet, which may be referred to as such in the Planned Development District.

“Major Improvements” means the Authorized Improvements that will benefit all Assessed Property in the PID as described in Section III.B.

“Non-Benefited Property” means Parcels that accrue no special benefit from the Authorized Improvements, including Public Property and easements that create an exclusive use for a public utility provider. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.D.

“Other Major Improvements” means the Major Improvements other than City Major Improvements as described in Section III.B.

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

“Phase” means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within a Phase will be assessed in connection with the issuance of Phased PID Bonds for Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Parcels within the Phase.

“Phase #1” means the initial Phase to be developed within the PID, identified as “Phase #1” and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix E.

“Phase #1 Assessed Property” means all Parcels within Phase #1 other than Non-Benefited Property and shown on the Phase #1 Assessment Roll against which an Assessment relating to the Phase #1 Improvements is levied.

“Phase #1 Assessment Revenues” mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Phase #1 Assessed Property, or the Annual Installments thereof, for the Phase #1 Improvements.

“Phase #1 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phase #1 Bonds” mean collectively the Phase #1A Bonds (defined in Section IV.A.) and the Phase #1B Bonds [defined in Section IV.A.], if any, to be issued by the City to finance the Phase #1 Improvements.

“Phase #1 Improvements” mean the Authorized Improvements which only benefit Phase #1 Assessed Property and the portion of the Major Improvements required to be constructed for Phase #1 as described in Section III.B.

“Phase #2” means the second Phase to be developed within the PID, identified as “Phase #2” and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix F.

“Phase #2 Assessed Property” means all Parcels within Phase #2 other than Non-Benefited Property and shown on the Phase #2 Assessment Roll against which an Assessment relating to the Phase #2 Improvements is levied.

“Phase #2 Assessment Revenues” mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Phase #2 Assessed Property, or the Annual Installments thereof, for the Phase #1 Improvements.

“Phase #2 Major Improvement Bonds” mean collectively the Phase #2 Major Improvement Bonds (defined in Section IV.A.) to be issued by the City to finance a portion of the Phase #2 Major Improvements.

“Phase #2 Major Improvements” mean the portion of the Major Improvements required to be constructed for Phase #2 as described in Section III.B.

“Phase #2 Major Improvement Assessment Roll” means the document included in this Service and Assessment Plan as Appendix F, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phased PID Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Phase. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels, other than Non-Benefited Property, located within the respective Phase.

“PID” has the meaning set forth in Section I.A. of this Service and Assessment Plan.

“PID Act” means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

“PID Reimbursement Agreement” means that certain Ownsby Farms Public Improvement District Phase #1 Reimbursement Agreement, dated January 17, 2017, by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of Phase #1 Improvements and the City agrees to reimburse the Developer for a portion of such Actual Costs of the Phase #1 Improvements funded by the Developer with interest as permitted by the PID Act.

“Planned Development District” means the zoning classification established as PD – Planned Development District #39 pursuant to Ordinance No 2015-14 adopted by the City Council designating the zoning and development standards.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment allowed by applicable law, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.

“Prepayment Reserve” has the meaning set forth in Section V.F. of this Service and Assessment Plan.

“Public Property” means property, right of way and easements within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Collin County, the City, a school district or any other public agency or political subdivision, whether in fee simple or through an exclusive use easement.

“Service and Assessment Plan” means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

“TIRZ No. 7” means the Tax Increment Reinvestment Zone No. 7, City of Celina, Texas.

“TIRZ Annual Credit Amount” means, for each Parcel, such Parcel’s prorated amount of TIRZ Revenues calculated pursuant to Section VI.A. of this Service and Assessment Plan.

“TIRZ Ordinance” means an ordinance adopted by the City Council authorizing the use of TIRZ Revenues for project costs under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to certain public improvements as provided for in the Tax Increment Reinvestment Zone No. Seven Project Plan and Financing Plan (including amendments or supplements thereto).

“TIRZ Revenues” mean, for each year, the amounts paid by the City from the TIRZ No. 7 tax increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated

each year by the Administrator in collaboration with the City, in accordance with Section VI.A. of this Service and Assessment Plan.

“Trust Indenture” means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

“Trustee” means the fiscal agent or trustee as specified in a Trust Indenture, including a substitute fiscal agent or trustee.

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Section II PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is presently located within the City and contains approximately 113.5 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 372 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (372) and the classification of each lot are based upon the proposed development plan.

The property within the PID is proposed to be developed as follows:

Table II-A
Proposed Development

| Proposed Development Type | Quantity | Measurement |
|-------------------------------------|-----------------|--------------------|
| Single Family Residential – 60 Feet | 107 | units |
| Single Family Residential – 50 Feet | 265 | units |
| Total | 372 | units |

B. Property Included in Phase #1

Phase #1 consists of approximately 72.85 acres and is projected to consist of 205 single family residential units as further described in Section III. A map of the property within Phase #1 and Phase #2 and depicting the boundaries of each proposed Phase is shown in Appendix A.

C. Property Included in Phase #2

Phase #2 consists of approximately 40.7 acres and is projected to consist of approximately 167 residential units. As Phase #2 is developed, additional Phased PID Bonds may be issued. In connection with the issuance of each new series of Phased PID Bonds, this Service and Assessment Plan will be updated to add additional details of Phase #2. A map of the projected property within each Phase is shown in Appendix A.

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

Section III DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. Authorized Improvement Overview

Section 372.003 of the PID Act defines the improvements that may be undertaken by a municipality or county through the establishment of a public improvement district, as follows:

372.003. Authorized Improvements

- (a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.
- (b) A public improvement may include:
 - (i) landscaping;
 - (ii) erection of fountains, distinctive lighting, and signs;
 - (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
 - (iv) construction or improvement of pedestrian malls;
 - (v) acquisition and installation of pieces of art;
 - (vi) acquisition, construction, or improvement of libraries;
 - (vii) acquisition, construction, or improvement of off-street parking facilities;
 - (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
 - (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
 - (x) the establishment or improvement of parks;
 - (xi) projects similar to those listed in Subdivisions (i)-(x);
 - (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
 - (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and
 - (xiv) payment of expenses incurred in the establishment, administration and operation of the district.

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed as the Major Improvements and Phase #1 Improvements in Section III.B. below and described in Appendix B and shown on the diagram included as Appendix C for the benefit of the Phase #1 Assessed Property and the Phase #2 Assessed Property. Any change to the list of Authorized Improvements, including any improvements for Phase #2, will require the approval of the City and an update to this Service and Assessment Plan.

B. Description of the Authorized Improvements

Major Improvements:

The Major Improvements are the Authorized Improvements that will benefit all Assessed Property in the PID. The Major Improvements include public improvements that are contemplated to be constructed as part of the agreement between the Developer and the City under the Development Agreement, (“City Major Improvements”) and other Major Improvements required for the PID (“Other Major Improvements”). The Major Improvements include roadway improvements, water distribution system improvements and sanitary sewer collection system improvements.

Roadway improvements: The road improvements part of the Major Improvements includes construction of perimeter road and thoroughfare improvements, including related paving, turn lanes, curbs, gutters, sidewalks, signage, and traffic control devices. The road improvements include approximately 3,000 linear feet of 7” thick concrete pavement for John Campbell Trail (400 linear feet of 2 – 25’ divided pavement section within a 90’ ROW, 2,600 linear feet of 37’ undivided pavement section within a 60’ ROW), 1,400 linear feet of 7” thick concrete pavement for Josephine Boulevard (37’ undivided pavement section within a 60’ ROW), 2,250 linear feet of 7” thick concrete pavement for Ownsby Parkway (1,400 linear feet of 2 – 25’ divided pavement section within a 90’ ROW, 950 linear feet of 37’ undivided pavement section within a 60’ ROW) and will provide street access to the PID as well as access to community roadways and state highways. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements: The water distribution system improvements part of the Major Improvements consists of construction approximately 2,550 linear feet of 18” watermain and 600 linear feet of 12” watermain 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. These water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary sewer collection system improvements: The sanitary sewer improvements part of the Major Improvements consists of construction approximately 3,650 linear feet of 12” sanitary sewer main connects into a regional 21” sewer main at Josephine Boulevard and the creek and run north through Josephine Boulevard, east through Ownsby Parkway, and continues north along Preston Road to connect into the existing Carter Ranch sewer system and installation of service lines, manholes, encasements and appurtenances. The sanitary sewer collection system improvements will be designed and constructed in accordance with

City standards and specifications and will be owned and operated by the City.

Strom drainage collection system improvements: The storm drainage collection system improvements part of the Major Improvements consists of construction approximately 18” – 36” reinforced concrete pipes, 6’x4’, 7’x4’, and 7’x5’ reinforced concrete boxes, and 8 – 10’x8’ multi-reinforced box culverts to server John Campbell Trail, 18” – 42” reinforced concrete pipes and 8 – 10’x4’ multi-reinforced box culverts to server Josephine Boulevard, 18” reinforced concrete pipe and 2 – 6’x4’ multi-reinforced box culverts to server Ownsby Parkway. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Table III-A below shows the estimated costs of the Major Improvements anticipated to be constructed. The Budgeted Costs shown in Table III-A may be revised in an Annual Service Plan Update as needed. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

Table III-A

Authorized Improvements - Major Improvements

| Description | Major Improvements related to | | |
|--|-------------------------------|--------------------|--------------------|
| | Phase #1 | Phase #2 | Total |
| <i>City Major Improvements</i> | | | |
| Roadway improvements | \$686,874 | \$1,604,161 | \$2,291,035 |
| Water improvements | \$51,940 | \$68,151 | \$120,091 |
| Sanitary sewer improvements | \$303,001 | \$2,373 | \$305,374 |
| Storm drainage improvements | \$24,041 | \$56,146 | \$80,187 |
| Other soft costs | \$288,347 | \$468,247 | \$756,594 |
| <i>Subtotal - City Major Improvements</i> | <i>\$1,354,202</i> | <i>\$2,199,079</i> | <i>\$3,553,281</i> |
| <i>Other Major Improvements</i> | | | |
| Roadway improvements | \$1,662,750 | \$924,569 | \$2,587,319 |
| Water improvements | \$46,694 | \$81,651 | \$128,345 |
| Sanitary sewer improvements | \$4,440 | \$2,870 | \$7,310 |
| Storm drainage improvements | \$58,202 | \$32,354 | \$90,556 |
| Other soft costs | \$479,403 | \$281,742 | \$761,145 |
| <i>Subtotal - Other Major Improvements</i> | <i>\$2,251,490</i> | <i>\$1,323,185</i> | <i>\$3,574,675</i> |
| Total | \$3,605,692 | \$3,522,264 | \$7,127,956 |

Note: The Major Improvements related to Phases #1 and Phases #2 are categorized based on the projected timing of construction. Additional Major Improvements related to Phase #2 are anticipated to be funded with the future Phased PID Bonds.

Phase #1 Improvements:

The Phase #1 Improvements are the Authorized Improvements that will benefit the Phase #1 Assessed Property. The descriptions of the Phase #1 Improvements are presented below and the

Budgeted Costs of the Phase #1 Improvements are shown in Table III-B. The Budgeted Costs shown in Table III-B may be revised in an Annual Service Plan Update as needed.

Roadway improvements: The roadway improvements within Phase #1 include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. The road improvements include approximately 15,000 linear feet of local collectors (6" thick 31' wide concrete section) within a 50' ROW and will provide street access to each lot within Phase #1 as well as access to community roadways and state highways. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements: The water distribution system improvements within Phase #1 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 Phase #1 Assessed Property. The water distribution system improvements includes approximately 11,700 linear feet of 8" waterline with all appurtenances and will extend water service to the boundaries of Phase #1 and to all lots within Phase #1. The water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary sewer collection system improvements: The sanitary sewer collection system improvements within Phase #1 consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Phase #1 Assessed Property. The sanitary sewer improvements include approximately 12,050 linear feet of sanitary sewer with all appurtenances and will extend wastewater service to the boundaries of Phase #1 and to all lots within Phase #1. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Additional details of the Phase #1 Improvements are shown in Appendix B attached to this Service and Assessment Plan. The method of cost allocation is explained in Section V.C.

The Budgeted Costs shown in Tables III-B may be revised in Annual Service Plan Updates. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID). The detailed costs of the Phase #1 Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

Table III-B
Authorized Improvements - Phase #1 Improvements

| Description | Estimated Costs |
|---|--------------------|
| Roadway improvements | \$3,296,087 |
| Water improvements | \$513,972 |
| Sanitary sewer improvements | \$632,843 |
| Storm drainage improvements | \$0 |
| Other soft costs | \$778,068 |
| <i>Subtotal - Phase #1 Improvements</i> | \$5,220,970 |
| Major Improvements related to Phase #1 | \$3,605,692 |
| Total Phase #1 Improvement Costs | \$8,826,663 |

Additionally, the Developer plans to construct certain improvements within the PID over a period of approximately five years including amenities, landscaping, hardscaping and other miscellaneous items (collectively, the “Private Costs”) to serve the entire PID. The Private Costs will be paid entirely by the Developer without any reimbursement through the PID.

C. Phase #2 Additional Authorized Improvements

As Phase #2 is developed, Phased PID Bonds may be issued, in compliance with the notice and hearing requirements of the PID Act, to finance Authorized Improvements for the Phase #2 and this Service and Assessment Plan will be updated to identify the specific Authorized Improvements financed by such Phased PID Bonds that benefit Phase #2 (i.e., a Table III-C will be added to show the Budgeted Costs for Authorized Improvements that will benefit the Assessed Property within Phase #2).

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Section IV SERVICE PLAN

A. Sources and Uses of Funds

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 PID during the five year period. It is anticipated that it will take approximately 12 months to construct the Phase #1 Improvements. Following the completion of construction of Phase #1 Improvements, Phase #2 development will begin and Phase #2 will be developed corresponding to the Service and Assessment Plan to be updated with that development.

The Budgeted Costs for the Phase #1 Improvements plus costs related to the issuance of the Phase #1 Bonds, in one or more series, and payment of expenses incurred in the establishment, administration and operation of the PID are \$8,628,598 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Actual Costs of the Authorized Improvements, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

The Budgeted Costs for a portion of the Phase #2 Major Improvements plus costs related to the issuance of the Phase #2 Major Improvement Bonds and payment of expenses incurred in the establishment, administration and operation of the PID are \$2,222,725 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Actual Costs of the Authorized Improvements, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

Table IV-A summarizes the sources and uses of funds required to construct the Phase #1 Improvements to be financed with the proceeds from the Phase #1A Bonds and PID Reimbursement Agreement, including Budgeted Costs related to establishing the PID and issuing the Phase #1 Bonds and the Phase #2 Major Improvements to be financed with the proceeds from the Phase #2 Major Improvement Bonds, including Budgeted Costs related to establishing the PID and issuing the Phase #2 Major Improvement Bonds. The sources and uses of funds shown in Table IV-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and changes in Actual Costs.

As Phase #2 is developed in connection with the issuance of Phased PID Bonds, this Service and Assessment Plan will be amended (i.e. Table IV-B will be added for Phase #2).

The first series of Phase #1 Bonds (“Phase #1A Bonds”) is anticipated to be issued to finance a portion of the Phase #1 Improvements, including costs to issue the Phase #1A Bonds, as shown in Table IV-A below. The Phase #1A Bonds will be used to construct or acquire a portion of the Phase #1 Improvements. A portion of the remaining costs of Phase #1 Improvements will be financed through the PID Reimbursement Agreement. A second series of Phase #1 Bonds (“Phase #1B Bonds”) may, subject to the approval of the City Council and compliance with the applicable provisions in the Trust Indenture relating to the Phase #1A Bonds, be issued in 2018 or 2019; and, to the extent provided by law, the proceeds from the Phase #1B Bonds will be used to reimburse

certain Actual Costs paid by the Developer under the terms of the PID Reimbursement Agreement and to pay any unpaid Actual Costs of Phase #1 Improvements required to be paid under the PID Reimbursement Agreement.

The Phase #2 Major Improvement Bonds are anticipated issued to finance a portion of the Phase #2 Major Improvements, including costs to issue the Phase #2 Major Improvement Bonds, as shown in Table IV-A below. Phased PID Bonds may, subject to the approval of the City Council and compliance with Section 13.2 and other applicable provisions in the Trust Indenture for the Phase #2 Major Improvement Bonds, be issued in 2018 or 2019; and, to the extent provided by law, the proceeds from the Phased PID Bonds will be used to pay any unpaid Actual Costs of Phase #2 Major Improvements and additional Authorized Improvements for Phase #2.

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Table IV-A
Sources and Uses

| Sources of Funds | Authorized Improvements (Phase #1) | Authorized Improvements (Phase #2) | Other Improvements (Non-PID) | Total Amounts |
|---|---|---|---|--------------------------|
| Bond par amount | \$4,465,000 | \$1,765,000 | \$0 | \$6,230,000 |
| PID Reimbursement Agreement | \$1,256,000 | \$0 | \$0 | \$1,256,000 |
| <i>Subtotal</i> | <i>\$5,721,000</i> | <i>\$1,765,000</i> | <i>\$0</i> | <i>\$7,486,000</i> |
| Other funding sources - Authorized Improvements | \$2,907,598 | \$457,725 | \$0 | \$3,365,322 |
| Total Sources for Phase #1 Improvements | \$8,628,598 | \$2,222,725 | \$0 | \$10,851,322 |
| Other funding sources – Private Improvements and Agricultural redemption reserve | \$0 | \$0 | \$6,080,223 | \$6,080,223 |
| Total Sources | \$8,628,598 | \$2,222,725 | \$6,080,223 | \$16,931,545 |
| Uses of Funds | | | | |
| Authorized Improvements - Phase #1 Improvements | | | | |
| See Table III-B for details | \$5,220,970 | \$0 | \$0 | \$5,220,970 |
| <i>Subtotal</i> | <i>\$5,220,970</i> | <i>\$0</i> | <i>\$0</i> | <i>\$5,220,970</i> |
| City Improvements | | | | |
| See Table III-A for details ¹ | 0 | \$0 | \$0 | \$0 |
| <i>Subtotal</i> | <i>\$746,268</i> | <i>\$607,934</i> | <i>\$0</i> | <i>\$1,354,202</i> |
| Other Major Improvements | | | | |
| See Table III-A for details ¹ | 0 | \$0 | \$0 | \$0 |
| <i>Subtotal</i> | <i>\$1,240,736</i> | <i>\$1,010,746</i> | <i>\$0</i> | <i>\$2,251,482</i> |
| Private Improvements | | | | |
| City debt issuance fee | \$0 | \$0 | \$241,800 | \$241,800 |
| NonBQ fee | \$0 | \$0 | \$162,857 | \$162,857 |
| Development Agreement fees and Developer issuance costs | \$173,779 | \$72,542 | \$0 | \$246,321 |
| Other private improvements | \$0 | \$0 | \$5,665,566 | \$5,547,709 |
| <i>Subtotal</i> | <i>\$173,779</i> | <i>\$72,542</i> | <i>\$6,070,223</i> | <i>\$6,316,544</i> |
| Costs of issuance | | | | |
| Capitalized interest | \$425,742 | \$171,469 | \$0 | \$597,211 |
| Reserve fund | \$348,456 | \$142,794 | \$0 | \$491,250 |
| Ag exemption foreclosure reserve | \$0 | \$0 | \$10,000 | \$10,000 |
| PID establishment/ operation and other costs of issuance | \$318,844 | \$156,442 | \$0 | \$475,286 |
| Underwriter's discount | \$153,802 | \$60,798 | \$0 | \$214,600 |
| <i>Subtotal</i> | <i>\$1,246,844</i> | <i>\$531,502</i> | <i>\$10,000</i> | <i>\$1,788,347</i> |
| Total Uses | \$8,628,598 | \$2,222,725 | \$6,080,223 | \$16,931,545 |

1 - The Major Improvements funded with Phase #1A Bonds include a portion of the Major Improvements related to Phase #1 shown in Table III-A. The balance of the Major Improvements related to Phase #1A are being funded with Phase #2 Major Improvement Bonds. Additional Major Improvements related to Phase #2 are anticipated to be funded with the future Phased PID Bonds.

As described in Sections V.I. and VI.A., the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of such Parcel's PID assessments. The total equivalent Phase #1A Bond par amount to be repaid with the TIRZ Annual Credit Amounts (the "TIRZ Credit Funded Portion") is projected to be \$1,850,912 as calculated based on the projected TIRZ Annual Credit Amounts anticipated to be used for offsetting the Annual Installments to be collected from the Phase #1 Assessed Property. The balance of the Phase #1A Bonds to be repaid with the net Annual Installments (the "Net Assessment Funded Portion") is calculated to be \$2,614,088 (i.e. \$4,465,000 - \$1,850,912 = \$2,614,088). Accordingly, the Phase #1A Bonds are allocated between the TIRZ Credit Funded Portion and the Net Assessment Funded Portion as shown in Table IV-B below. The detailed breakdown of the estimated Phase #1A Bond debt service amounts is in the schedule included in Appendix E.

Table IV-B
Estimated Sources and Uses
Phase #1 Bonds – TIRZ Credit Funded Portion

| | Phase #1A Bonds | | |
|-------------------------------|----------------------------|-------------------------------|--------------------|
| | TIRZ Credit Funded Portion | Net Assessment Funded Portion | Total |
| Sources of Funds | | | |
| Bond par amounts | \$1,850,912 | \$2,614,088 | \$4,465,000 |
| Total Sources | \$1,850,912 | \$2,614,088 | \$4,465,000 |
| Uses of Funds | | | |
| Authorized Improvements | \$1,328,286 | \$1,875,970 | \$3,204,256 |
| Subtotal | \$1,328,286 | \$1,875,970 | \$2,663,500 |
| Estimated bond issuance costs | \$522,626 | \$738,118 | \$1,260,744 |
| Subtotal | \$522,626 | \$738,118 | \$1,260,744 |
| Total Uses | \$1,850,912 | \$2,614,088 | \$4,465,000 |

As Phase #2 is developed, additional Phased PID Bonds may be issued to finance Authorized Improvements that will benefit the Phase #2 and such Phased PID Bonds will be secured by additional Assessments levied only on the Assessed Property within Phase #2. The Phased PID Bonds for the Phase #2 may also be issued in one or more series of Phased PID Bonds.

The City reserves the right to issue additional parity bonds secured by the Phase #1 Assessment Revenues to finance (or refinance) a portion of Phase #1 Improvements not paid with proceeds of the Phase #1A Bonds. The issuance of such additional bonds will be subject to the conditions and provisions set forth in with Section 13.2 and other applicable provisions in the Trust Indenture for the Phase #1A Bonds. The Phase #1A Bonds may also, subject to the approval of the City Council, be refunded pursuant to the refunding provisions of the Trust Indenture relating to the Phase #1 Bonds. If the debt service on the Phase #1A Bonds is reduced as the result of an economic refunding of those PID bonds, then there would be a corresponding reduction in both TIRZ Annual Credit Amounts and the Annual Installments (i.e., Annual Installments shall be

permanently reduced by the same amount the TIRZ Annual Credit Amounts are reduced) which will result in a permanent reduction in the Assessments.

The annual projected costs and annual projected indebtedness is shown by Table IV-C. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table IV-C
Annual Projected Costs and Annual Projected Indebtedness

| Year | Annual Projected Cost | Annual Projected Indebtedness (Phase #1A Bonds, PID Reimbursement Agreement and Phase #2 Major Improvement Bonds) | Sources other than Phase #1A Bonds, PID Reimbursement Agreement and Phase #2 Major Improvement Bonds |
|--------------|------------------------------|--|---|
| 2017 | \$10,851,322 | \$7,486,000 | \$3,365,322 |
| 2018 | \$0 | \$0 | \$0 |
| 2019 | \$0 | \$0 | \$0 |
| 2020 | \$0 | \$0 | \$0 |
| 2021 | \$0 | \$0 | \$0 |
| Total | \$10,851,322 | \$7,486,000 | \$3,365,322 |

The annual projected costs shown in Table IV-C are the annual expenditures relating to the Phase #1 Improvements shown in Table III-B, the costs associated with creating the PID and costs of issuing the Phase #1A Bonds and Phase #2 Major Improvement Bonds, including reserves shown in Table IV-A, and costs related to the PID Reimbursement Agreement. The difference between the annual projected cost and the annual projected indebtedness, and between the annual projected indebtedness and the principal amount of the bonds each represent an amount funded by the Developer, which may be reimbursed with future bond proceeds to the extent available. As the Phase #2 is developed, in association with issuing Phased PID Bonds, this Table IV-C will be updated to identify the Authorized Improvements to be financed by each new series of the Phased PID Bonds and the projected indebtedness resulting from each additional series of the Phased PID Bonds.

Section V ASSESSMENT PLAN

A. Introduction

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost 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 and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The proposed bond issuance program anticipates a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Phase #1A Bonds, subsequent financings may be issued over the upcoming years as the subsequent phase(s) of the development are gradually constructed.

The purpose of this anticipated gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The Phased PID Bonds to be issued are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Phased PID Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

Additionally, phased issuance of debt will maintain a prudent value to lien (“VtL”) ratio within the financing program. In order to maintain a prudent VtL, the initial issuance of Bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt burden at the VtL chosen for the development. In that case, the Developer will need to fund the additional infrastructure costs with cash at closing. This cash investment by the Developer for certain Authorized Improvements may be reimbursed by a subsequent parity lien bond financing and /or a reimbursement agreement, such as the PID Reimbursement Agreement. For example, the Phase #1A Bonds to be issued to finance a portion of the Phase #1 Improvements may, subject to the initial bond issuance requirements in the Development Agreement and approval by the City Council, be followed by a second parity lien issuance of Phased PID Bonds (the Phase #1B Bonds) to finance Actual Costs of Phase #1 Improvements not financed by the Phase #1A Bonds.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Phase #1 Improvements shall be allocated as described below:

1. The Authorized Improvement Costs shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels

similarly benefited.

2. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken into consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home process provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the Authorized Improvements.
3. The Assessed Property is classified into different Lot Types as described in Appendix D based on the type and size of proposed development on each Parcel.
4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.
5. The Phase #1 Improvement costs less the Homeowner Association Special Assessment Allocation are allocated to each Parcel within the Phase #1 Assessed Property based on the total Equivalent Units estimated for each Parcel.

At this time it is impossible to determine with absolute certainty the amount of special benefit each Parcel within Phase #2 will receive from the Authorized Improvements that will benefit each individual phase and that are to be financed with Phased PID Bonds. Therefore, at this time only Parcels within Phase #1 will only be assessed for the special benefits conferred upon the Parcel because of the Phase #1 Improvements.

In connection with the issuance of Phased PID Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within Phase #2 receives from the specific Authorized Improvements funded with those Phased PID Bonds or reimbursement agreement, as applicable, issued with respect to Phase #2. Prior to assessing Parcels located within Phase #2 in connection with issuance of Phased PID Bonds or reimbursement agreement, as applicable, each owner of the Parcels to be assessed must acknowledge that the Authorized Improvements to be financed confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs of such Authorized Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the Phase #1 Assessed Property and Phase #2 Assessed Property as a result of the Phase #1 Improvements and the Major Improvements, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Phase #1 Assessed Property and Phase #2 Assessed Property, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit within Phase #1 of the Phase #1 Improvements to Phase #1 Assessed Property in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Phase #1 Assessed Property similarly benefited and reallocates the special benefit within Phase #2 of the Phase #2 Major Improvements to Phase #2 Assessed Property in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Phase #2 Assessed Property similarly benefited. 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 Developer

and all future owners and developers of the Assessed Property.

As Phase #2 is developed or in connection with the issuance of Phased PID Bonds, this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for Phase #2.

B. Special Benefit

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID shown in Table IV-A are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of these improvements being constructed on the Assessed Property or in close proximity to the Assessed Property and the specific purpose of these Authorized Improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use is defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition.*) The Authorized Improvements are required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve; (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; and (ii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment

Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be beneficial to the City and the PID. As a result, the Authorized Improvements result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be beneficial; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Assessment Methodology

The Actual Costs may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The Actual Costs may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

1. Assessment Methodology for Phase #1

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Improvements shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phase #1. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the Actual Costs of the Phase #1 Improvements provided by the Developer working with the City's engineers, as set forth in Table III-B, the City Council has determined that the benefit to Phase #1 Assessed Property resulting from the Phase #1 Improvements is at least equal to the Assessments levied on the Phase #1 property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Lot Type based on the ratio of the Equivalent Unit applicable to each Lot Type at the time residential Lots are platted to the total Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council. The result of this approach is that each final residential Lot within a recorded subdivision plat with similar values will have the same Assessment, with larger, more valuable Lots having a proportionately larger share of the Assessments than smaller, less valuable Lots. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Allocation of Assessments to Lot Types in Phase #1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #1 Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$5,721,000. As shown in Appendix D, there are a total of 205 residential units representing a total of 182.00 estimated Equivalent Units for the residential development in Phase #1, resulting in an Assessment per Equivalent Unit of \$31,434.07.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$31,434.07 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is \$31,434.07 (i.e. $\$31,434.07 \times 1.00$). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is \$26,195.05 (i.e. $\$31,434.07 \times 0.83$). Table V-1 sets forth the Assessment per dwelling unit for each of the two Lot Types in Phase #1.

Table V-1
Assessment per Unit - Phase #1

| Type | Planned No. of Units | Assessment per Equivalent Unit | Equivalent Unit Factor ¹ | Assessment per Unit | Total Assessments |
|------------|----------------------------|--------------------------------------|---|-------------------------------|----------------------|
| Lot Type 1 | 67 | \$31,434.07 | 1.00 | \$31,434.07 per dwelling unit | \$2,106,082 |
| Lot Type 2 | 138 | \$31,434.07 | 0.83 | \$26,195.05 per dwelling unit | \$3,614,918 |
| Total | 205 | | | | \$5,721,000 |

1 – See Appendix D for the calculation of the Equivalent Unit Factors

The projected leverage calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-2 below.

Table V-2
Projected Leverage – Phase #1

| Lot Type | Planned No. of Units | Estimated Land Value per unit | Estimated Finished Lot Value per unit | Projected Home Value per unit | Assessment per Unit¹ | Leverage (Land Value) | Leverage (Lot Value) | Leverage (Home Value) |
|-----------------|-----------------------------|--------------------------------------|--|--------------------------------------|--|------------------------------|-----------------------------|------------------------------|
| Lot Type 1 | 67 | \$25,000 | \$72,000 | \$375,000 | \$31,434 | 0.80 | 2.29 | 11.93 |
| Lot Type 2 | 138 | \$20,000 | \$60,000 | \$312,500 | \$26,195 | 0.76 | 2.29 | 11.93 |
| Total | 205 | | | | | | | |

1 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-3 below.

Table V-3
Estimated Tax Rate Equivalent per unit – Phase #1

| Lot Type | Planned No. of Units | Estimated Land Value per unit | Estimated Finished Lot Value per unit | Projected Home Value per unit | Projected Maximum Annual Installment per unit | Tax Rate Equivalent (per \$100 Land Value) | Tax Rate Equivalent (per \$100 Lot Value) | Tax Rate Equivalent (per \$100 Home Value) |
|-----------------|-----------------------------|--------------------------------------|--|--------------------------------------|--|---|--|---|
| Lot Type 1 | 67 | \$25,000 | \$72,000 | \$375,000 | \$2,599 | \$10.40 | \$3.61 | \$0.69 |
| Lot Type 2 | 138 | \$20,000 | \$60,000 | \$312,500 | \$2,166 | \$10.83 | \$3.61 | \$0.69 |
| Total | 205 | | | | | | | |

The Assessment and Annual Installments for each Parcel or Lot located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

Appendix D shows the detailed calculation of the Assessment per Equivalent Unit and the Assessment for each Lot Type.

2. *Assessment Methodology for Phase #2*

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #2 Major Improvements shall be allocated to the Phase #2 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phase #2. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the Actual Costs of the Phase #2 Major Improvements provided by the Developer

working with the City's engineers, as set forth in Table III-A, the City Council has determined that the benefit to Phase #2 Assessed Property resulting from the Phase #2 Major Improvements is at least equal to the Assessments levied on the Phase #2 property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Lot Type based on the ratio of the Equivalent Unit applicable to each Lot Type at the time residential Lots are platted to the total Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council. The result of this approach is that each final residential Lot within a recorded subdivision plat with similar values will have the same Assessment, with larger, more valuable Lots having a proportionately larger share of the Assessments than smaller, less valuable Lots. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Allocation of Assessments to Lot Types in Phase #2

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #2 Major Improvement Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #2, is \$5,725,000. As shown in Appendix D, there are a total of 167 residential units representing a total of 145.83 estimated Equivalent Units for the residential development in Phase #2, resulting in an Assessment per Equivalent Unit of \$12,102.86.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$12,102.86 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is \$12,102.86 (i.e. $\$12,102.86 \times 1.00$). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is \$10,085.71 (i.e. $\$12,102.86 \times 0.83$). Table V-4 sets forth the Assessment per dwelling unit for each of the two Lot Types in Phase #1.

Table V-4
Assessment per Unit - Phase #2

| Type | Planned No. of Units | Assessment per Equivalent Unit | Equivalent Unit Factor ¹ | Assessment per Unit | Total Assessments |
|------------|----------------------------|--------------------------------------|---|-------------------------------|----------------------|
| Lot Type 1 | 40 | \$12,102.86 | 1.00 | \$12,102.86 per dwelling unit | \$484,114 |
| Lot Type 2 | 127 | \$12,102.86 | 0.83 | \$10,085.71 per dwelling unit | \$1,280,886 |
| Total | 167 | | | | \$1,765,000 |

1 – See Appendix D for the calculation of the Equivalent Unit Factors

The projected leverage calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-5 below.

Table V-2
Projected Leverage – Phase #2

| Lot Type | Planned No. of Units | Estimated Land Value per unit | Estimated Finished Lot Value per unit | Projected Home Value per unit | Assessment per Unit¹ | Leverage (Land Value) | Leverage (Lot Value) | Leverage (Home Value) |
|-----------------|-----------------------------|--------------------------------------|--|--------------------------------------|--|------------------------------|-----------------------------|------------------------------|
| Lot Type 1 | 40 | \$25,000 | \$78,000 | \$375,000 | \$12,103 | 2.07 | 6.44 | 30.98 |
| Lot Type 2 | 127 | \$20,000 | \$65,000 | \$312,500 | \$10,086 | 1.98 | 6.44 | 30.98 |
| Total | 167 | | | | | | | |

1 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-6 below.

Table V-6
Estimated Tax Rate Equivalent per unit – Phase #2

| Lot Type | Planned No. of Units | Estimated Land Value per unit | Estimated Finished Lot Value per unit | Projected Home Value per unit | Projected Maximum Annual Installment per unit | Tax Rate Equivalent (per \$100 Land Value) | Tax Rate Equivalent (per \$100 Lot Value) | Tax Rate Equivalent (per \$100 Home Value) |
|-----------------|-----------------------------|--------------------------------------|--|--------------------------------------|--|---|--|---|
| Lot Type 1 | 40 | \$25,000 | \$78,000 | \$375,000 | \$1,247 | \$4.99 | \$1.60 | \$0.33 |
| Lot Type 2 | 127 | \$20,000 | \$65,000 | \$312,500 | \$1,039 | \$5.20 | \$1.60 | \$0.33 |
| Total | 167 | | | | | | | |

The Assessment and Annual Installments for each Parcel or Lot located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

Appendix D shows the detailed calculation of the Assessment per Equivalent Unit and the Assessment for each Lot Type.

When Phase #2 is developed or Phased PID Bonds for Phase #2 are to be issued, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within Phase #2.

D. Assessments

The Assessments for Phase #1 will be levied on each Parcel according to the Phase #1 Assessment Roll, attached hereto as Appendix E. The Annual Installments for the Phase #1 Bonds will be collected at the time and in the amounts shown on the Phase #1 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

E. Administrative Expenses

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses 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. Prepayment Reserve

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with up to 0.20% of the interest rate component of the Annual Installments allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which Bonds are prepaid and up to 0.30% of the interest rate component of the Annual Installments allocated to fund a delinquency reserve account as described below. The prepayment reserve shall be funded until it reaches 1.50% of the outstanding Bonds as stipulated in the Bond documents. Once the prepayment reserve is funded in full, any additional interest collected shall be allocated to fund delinquent payments as described in Section V.H. below.

G. AG Exemption Foreclosure Reserve

A reserve in the amount of \$10,000 (the “Ag Exemption Foreclosure Reserve”) shall be established and fully funded by the Developer at the time of levying the Assessments on the Assessed Property. Such amount shall be used for the payment of costs of foreclosure proceedings, if any, related to the changes in the agricultural exemption status of the Assessed Property.

H. Delinquency Reserve

The City has allocated up to 0.30% of the additional interest rate component of the Annual Installments to offset any possible delinquent payments. This additional reserve shall be funded up to 4% of the outstanding Bonds, but in no event will the annual collection, together with the prepayment reserve, total more than 0.50% of the outstanding Bonds. Once the delinquency reserve is funded in full, the City may allocate up to 0.50% of the additional interest rate component of the Annual Installments to pay for Administrative Expenses, improvement costs, any other use that benefits the Assessed Property or reduce the Assessments, as determined by the City Council.

I. TIRZ Annual Credit Amount

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of such Parcel’s PID assessments (the “TIRZ Annual Credit Amount”). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to the Parcel then on deposit in the TIRZ No. 7 tax increment fund. The TIRZ Annual Credit Amount applicable to each Parcel shall be calculated as described under Section VI.A. of this Service and Assessment Plan.

Section VI

TERMS OF THE ASSESSMENTS

A. Amount of Assessments and Annual Installments for Parcels Located Within Phase #1

The Assessments, and Annual Installments thereof, for each Parcel of Phase #1 Assessed Property is shown on the Phase #1 Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #1A Bonds, (ii) principal and interest required by the PID Reimbursement Agreement, (iii) to fund the prepayment reserve described in Section V, (iv) delinquency reserve described in Section V, and (v) to cover Administrative Expenses of Phase #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis.

As described in Section V.I., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2016 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2017). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The Equivalent Units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

B. Amount of Assessments and Annual Installments for Parcels Located Within Phase #2

The Assessments, and Annual Installments thereof, for each Parcel of Phase #2 Assessed Property is shown on the Phase #2 Assessment Roll, attached as Appendix F, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #2 Major Improvement Bonds, (ii) to fund the prepayment reserve described in Section V, (iii) delinquency reserve described in Section V, and (iv) to cover Administrative Expenses of Phase #2. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis.

As described in Section V.I., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2016 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2017). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The Equivalent Units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information

available to the Administrator at the time of such calculations.

As Phase #2 is developed, this Service and Assessment Plan will be amended to determine the additional Assessment and additional Annual Installments for each Assessed Property, if any, located within Phase #2 (e.g., Appendix F will be updated). The Assessments shall not exceed the benefit received by the Assessed Property.

C. Reallocation of Assessments

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

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

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated Equivalent Units to be built on each new subdivided Parcel
- D = the sum of the estimated Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels.

The total Assessment initially allocated to the Phase #1 Assessed Property and Phase #2 does not include any allocation of Assessments to the HOA Property. Once a Homeowner Association is created in the PID and Parcel(s) that are owned by the Homeowner's Association appear on the Collin Central Appraisal District ("Collin CAD") records, 1% of the initial total Assessment allocated to the Phase #1 Assessed Property and the Phase #2 Assessed Property shall be reallocated to such HOA Property.

Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an

Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

D. Mandatory Prepayment of Assessments

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.

2. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the Act.

E. Reduction of Assessments

1. If after all Authorized Improvements to be funded with a series of Bonds have been completed and Actual Costs for such Authorized Improvements are less than the Authorized Improvement Costs used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If after all Authorized Improvements to be funded with a series of Bonds have been completed and a portion of the Bonds have been redeemed using the TIRZ Annual Credit Amounts or other funds available to the City, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the remaining outstanding amount(s) of the Bonds after such redemptions. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds.

3. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Administrative Expenses, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on Equivalent Units, if determined by the City Council to be the most fair and practical means of

reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Collection Costs. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the Bonds is equal to the outstanding principal amount of the Bonds.

F. Payment of Assessments

1. Payment in Full

- (a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of such Bonds.
- (b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.
- (c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.
- (d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Prepayment Reserve and Delinquency Reserve. Payment of the Annual Installments shall commence with tax bills mailed after the levy of the Assessments.

Each Assessment shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds and (ii) 8.99 percent per annum. The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on interest rates of 5.75% and 6.125% for the Term 2032 and Term 2046 Phase #1 Bonds, respectively, (and an additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve) and an interest rate of 5.5% for the PID Reimbursement Agreement. Furthermore, the Annual

Installments may not exceed the amounts shown on the Assessment Rolls. The Phase #1 Assessment Roll, shown as Appendix E, will be updated with the actual interest rates on the Phase #1A Bonds. The Phase #2 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel based on interest rate of 6.125% for the Phase #2 Bonds (and an additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve). Furthermore, the Annual Installments for the Phase #2 Major Improvements may not exceed the amounts shown on the Assessment Roll. The Phase #2 Major Improvements Assessment Roll, shown as Appendix F, has been updated with the actual interest rates on the Phase #2 Major Improvement Bonds

The Annual Installments shall be reduced to equal the actual costs of repaying the obligations and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The City reserves and shall have the right and option to refund the Bonds in accordance with Section 372.027 of the PID Act, Chapter 1207 of the Texas Government Code or any other applicable authority provided by the laws of the State of Texas. In the event of such refunding, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installments so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

G. Collection of Annual Installments

No less frequently than annually, the Administrator shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, including capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, and including any existing deposits to a prepayment reserve. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the Act.

Any sale of Assessed Property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Section VII THE ASSESSMENT ROLL

A. Phase #1 Assessment Roll

Phase #1 Assessed Property will be assessed for the special benefits conferred upon such property as a result of the Phase #1 Improvements. Table IV-A summarizes the \$8,628,598 in special benefit received by Phase #1 Assessed Property from the Phase #1 Improvements, costs associated with the PID formation, and costs related to the issuance of the Phase #1A Bonds. The total amount of Phase #1A Bonds and PID Reimbursement Agreement is \$5,721,000 which is less than the benefit received by Phase #1 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #1 is \$5,721,000 plus annual Administrative Expenses, the additional interest for Prepayment Reserve and Delinquency Reserve and Delinquent Collection Costs, if any. The Assessment for each Parcel of Assessed Property within Phase #1 is calculated based on the allocation methodologies described in Section V.C. of this Service and Assessment Plan. The Phase #1 Assessment Roll is attached hereto as Appendix E.

B. Phase #2 Assessment Roll

Phase #2 Assessed Property will be assessed for the special benefits conferred upon such property as a result of the Phase #2 Major Improvements. Table IV-A summarizes the \$2,222,725 in special benefit received by Phase #2 Assessed Property from the Phase #2 share of the Major Improvements, costs associated with the PID formation, and costs related to the issuance of the Phase #2 Major Improvement Bonds. The total amount of Phase #2 Major Improvement Bonds is \$1,765,000 which is less than the benefit received by Phase #2 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #2 is \$1,765,000 plus annual Administrative Expenses, the additional interest for Prepayment Reserve and Delinquency Reserve and Delinquent Collection Costs, if any. The Assessment for each Parcel of Assessed Property within Phase #2 is calculated based on the allocation methodologies described in Section V.C. of this Service and Assessment Plan. The Phase #2 Assessment Roll is attached hereto as Appendix F.

As Phase #2 is developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within the Phase (e.g., Appendix F will be updated).

C. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phase #1 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Phase #1 Assessed Property, including any adjustments authorized by this Service and Assessment Plan and in the PID Act; (iii) the Annual Installment for the Phase #1 Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Phase #1 Assessment, if any, as provided by Section VI.F. of this Service and Assessment Plan. The Assessment Roll shall be updated, which update may be done in the next Annual Service Plan Update, to reflect the issuance of additional Phase #1 Bonds, if any, and any Phased PID Bonds for Phase #2, and any obligations owed pursuant to a reimbursement agreement.

Section VIII MISCELLANEOUS PROVISIONS

A. Administrative Review

The City may elect to designate a third party to serve as Administrator. The City shall notify Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. Termination of Assessments

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments, Prepayment Costs and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination".

C. Amendments

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

To the extent permitted by the PID Act, the City Council reserves the right to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of

Parcels:

(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan, and (iv) as may be required by the Attorney General of Texas in connection with the issuance of any series of Bonds.

D. Administration and Interpretation of Provisions

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act, and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture; such interpretations and determinations shall be conclusive.

E. Severability

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Parcel or 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 Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

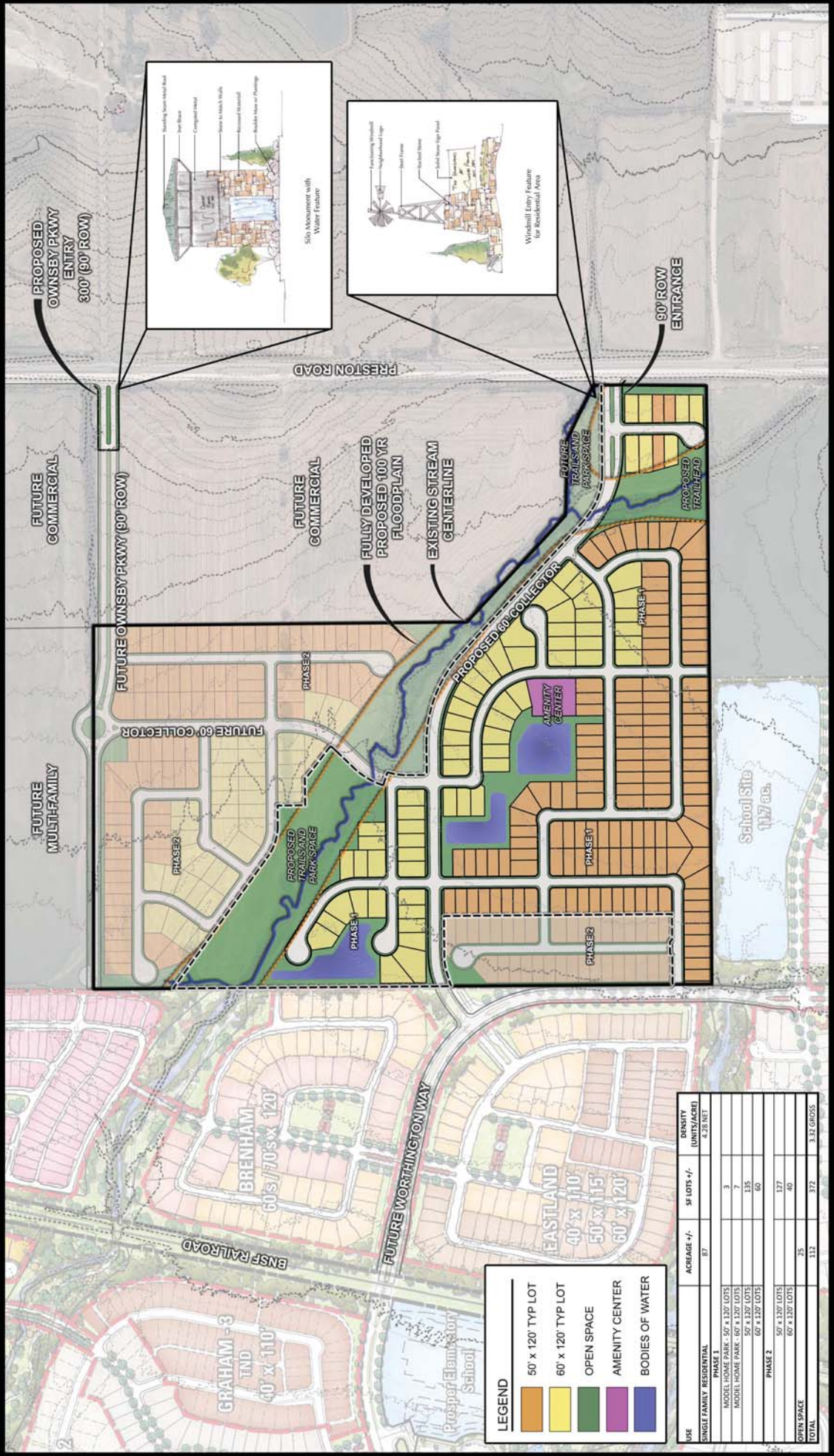
If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

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Appendix A

THE PID MAP





THE HOMESTEAD AT OWNBSY FARMS

JULY 2015



Appendix B
AUTHORIZED IMPROVEMENT COSTS

Ownsby Farms PID

Estimated Authorized Improvement Costs - All Phases

(For information and future reference purposes only)

| Description | Phase Direct Costs - PID | City Major Improvement Costs | Other Major Improvement Costs | Total PID Major Improvement Costs | Private Costs | Total Estimated Costs |
|--|-----------------------------|------------------------------------|-------------------------------------|--|--------------------|-----------------------------|
| Owensby Parkway (Turnlane) - Phase 1 Offsite | \$0 | \$81,367 | \$0 | \$81,367 | \$0 | \$81,367 |
| Owensby Parkway (90' ROW) - Phase 1 Offsite | \$0 | \$284,069 | \$0 | \$284,069 | \$0 | \$284,069 |
| Owensby Parkway (90' ROW) - Phase 2 Onsite | \$0 | \$188,408 | \$0 | \$188,408 | \$0 | \$188,408 |
| Owensby Parkway (90' ROW) - Phase 2 Offsite | \$0 | \$74,418 | \$74,417 | \$148,835 | \$0 | \$148,835 |
| Owensby Parkway (Roundabout) - Phase 2 Onsite | \$0 | \$104,232 | \$104,232 | \$208,464 | \$0 | \$208,464 |
| Owensby Parkway (60' ROW) - Phase 2 Onsite | \$0 | \$1,092,359 | \$0 | \$1,092,359 | \$0 | \$1,092,359 |
| John Campbell Trail (Turnlane) - Phase 1 Offsite | \$72,073 | \$0 | \$0 | \$0 | \$0 | \$72,073 |
| John Campbell Trail - Phase 1 Onsite | \$0 | \$311,532 | \$1,609,580 | \$1,921,112 | \$0 | \$1,921,112 |
| Josephine Blvd - Phase 1 Onsite | \$0 | \$10,218 | \$52,858 | \$63,076 | \$0 | \$63,076 |
| Josephine Blvd - Phase 2 Onsite | \$0 | \$144,432 | \$746,232 | \$890,664 | \$0 | \$890,664 |
| Paving - Phase 1 Onsite | \$3,224,014 | \$0 | \$0 | \$0 | \$0 | \$3,224,014 |
| Paving - Phase 2 Onsite | \$2,206,826 | \$0 | \$0 | \$0 | \$0 | \$2,206,826 |
| Paving Drainage Easements | \$72,239 | \$80,187 | \$90,556 | \$170,743 | \$0 | \$242,982 |
| Paving Drainage Soft Costs | \$990,525 | \$412,388 | \$465,716 | \$878,104 | \$0 | \$1,868,629 |
| Paving Drainage Contingency | \$220,683 | \$229,104 | \$258,731 | \$487,835 | \$0 | \$708,518 |
| 12" Sanitary Sewer - Phase 1 Offsite | \$0 | \$245,477 | \$0 | \$245,477 | \$0 | \$245,477 |
| 12" Sanitary Sewer - Phase 1 Onsite | \$0 | \$57,512 | \$2,723 | \$60,235 | \$0 | \$60,235 |
| 8" Sanitary Sewer - Phase 1 Onsite | \$573,299 | \$0 | \$0 | \$0 | \$0 | \$573,299 |
| 8" Sanitary Sewer - Phase 2 Onsite | \$312,894 | \$0 | \$0 | \$0 | \$0 | \$312,894 |
| 18" Water - Phase 1 Onsite | \$0 | \$39,927 | \$46,704 | \$86,631 | \$0 | \$86,631 |
| 18" Water - Phase 2 Onsite | \$0 | \$53,190 | \$62,216 | \$115,406 | \$0 | \$115,406 |
| 12" Water - Phase 2 Offsite | \$0 | \$7,388 | \$0 | \$7,388 | \$0 | \$7,388 |
| 12" Water - Phase 2 Onsite | \$0 | \$7,583 | \$19,425 | \$27,008 | \$0 | \$27,008 |
| 8" Water - Phase 1 Onsite | \$453,216 | \$0 | \$0 | \$0 | \$0 | \$453,216 |
| 8" Water - Phase 2 Onsite | \$324,976 | \$0 | \$0 | \$0 | \$0 | \$324,976 |
| Water Sewer Easement Costs | \$22,325 | \$14,388 | \$4,587 | \$18,975 | \$0 | \$41,300 |
| Water Sewer Soft Costs | \$299,590 | \$73,994 | \$23,592 | \$97,586 | \$0 | \$397,176 |
| Water Sewer Contingency | \$63,787 | \$41,108 | \$13,107 | \$54,215 | \$0 | \$118,002 |
| SE Sector Sewer Cost Share | \$108,051 | \$0 | \$0 | \$0 | \$0 | \$108,051 |
| Light Farms Oversizing Cost Share | \$110,250 | \$0 | \$0 | \$0 | \$0 | \$110,250 |
| Bond Issuance Savings (Park Donation) | \$0 | \$0 | \$0 | \$0 | \$241,800 | \$241,800 |
| Flood Study | \$0 | \$0 | \$0 | \$0 | \$35,000 | \$35,000 |
| SWPPP | \$0 | \$0 | \$0 | \$0 | \$9,000 | \$9,000 |
| Final Platting Fee | \$0 | \$0 | \$0 | \$0 | \$5,880 | \$5,880 |
| Engineering Review | \$0 | \$0 | \$0 | \$0 | \$15,000 | \$15,000 |
| Waters of the US Assessment | \$0 | \$0 | \$0 | \$0 | \$4,000 | \$4,000 |
| Geotechnical Testing | \$0 | \$0 | \$0 | \$0 | \$191,360 | \$191,360 |
| Common Area Landscape/Hardscape | \$0 | \$0 | \$0 | \$0 | \$2,500,000 | \$2,500,000 |
| Amenity Costs | \$0 | \$0 | \$0 | \$0 | \$1,800,000 | \$1,800,000 |
| BQ Fees | \$0 | \$0 | \$0 | \$0 | \$45,000 | \$45,000 |
| Thoroughfare and Park Fees | \$0 | \$0 | \$0 | \$0 | \$1,105,326 | \$1,105,326 |
| Total | \$9,054,748 | \$3,553,281 | \$3,574,675 | \$7,127,956 | \$5,952,366 | \$22,135,070 |

Owensby Farms PID
Estimated Authorized Improvement Costs - Phase #1

| Description | Phase Direct Costs - PID | City Major Improvement Costs | Other Major Improvement Costs | Total PID Major Improvement Costs | Private Costs | Total Estimated Costs |
|--|-----------------------------|------------------------------------|-------------------------------------|--|--------------------|-----------------------------|
| Owensby Parkway (Turnlane) - Phase 1 Offsite | \$0 | \$81,367 | \$0 | \$81,367 | \$0 | \$81,367 |
| Owensby Parkway (90' ROW) - Phase 1 Offsite | \$0 | \$284,069 | \$0 | \$284,069 | \$0 | \$284,069 |
| Owensby Parkway (90' ROW) - Phase 2 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Owensby Parkway (90' ROW) - Phase 2 Offsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Owensby Parkway (Roundabout) - Phase 2 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Owensby Parkway (60' ROW) - Phase 2 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| John Campbell Trail (Turnlane) - Phase 1 Offsite | \$72,073 | \$0 | \$0 | \$0 | \$0 | \$72,073 |
| John Campbell Trail - Phase 1 Onsite | \$0 | \$311,220 | \$1,609,892 | \$1,921,112 | \$0 | \$1,921,112 |
| Josephine Blvd - Phase 1 Onsite | \$0 | \$10,218 | \$52,858 | \$63,076 | \$0 | \$63,076 |
| Josephine Blvd - Phase 2 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Paving - Phase 1 Onsite | \$3,224,014 | \$0 | \$0 | \$0 | \$0 | \$3,224,014 |
| Paving - Phase 2 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Paving Drainage Easements | \$0 | \$24,041 | \$58,202 | \$82,243 | \$0 | \$82,243 |
| Paving Drainage Soft Costs | \$593,296 | \$123,637 | \$299,295 | \$422,932 | \$0 | \$1,016,228 |
| Paving Drainage Contingency | \$0 | \$68,687 | \$166,275 | \$234,962 | \$0 | \$234,962 |
| 12" Sanitary Sewer - Phase 1 Offsite | \$0 | \$245,477 | \$0 | \$245,477 | \$0 | \$245,477 |
| 12" Sanitary Sewer - Phase 1 Onsite | \$0 | \$57,524 | \$2,711 | \$60,235 | \$0 | \$60,235 |
| 8" Sanitary Sewer - Phase 1 Onsite | \$573,299 | \$0 | \$0 | \$0 | \$0 | \$573,299 |
| 8" Sanitary Sewer - Phase 2 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 18" Water - Phase 1 Onsite | \$0 | \$39,937 | \$46,694 | \$86,631 | \$0 | \$86,631 |
| 18" Water - Phase 2 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 12" Water - Phase 2 Offsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 12" Water - Phase 2 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 8" Water - Phase 1 Onsite | \$453,216 | \$0 | \$0 | \$0 | \$0 | \$453,216 |
| 8" Water - Phase 2 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Water Sewer Easement Costs | \$0 | \$12,003 | \$1,729 | \$13,732 | \$0 | \$13,732 |
| Water Sewer Soft Costs | \$184,773 | \$61,729 | \$8,893 | \$70,622 | \$0 | \$255,394 |
| Water Sewer Contingency | \$0 | \$34,294 | \$4,941 | \$39,234 | \$0 | \$39,234 |
| SE Sector Sewer Cost Share | \$59,544 | \$0 | \$0 | \$0 | \$0 | \$59,544 |
| Light Farms Oversizing Cost Share | \$60,756 | \$0 | \$0 | \$0 | \$0 | \$60,756 |
| Bond Issuance Savings (Park Donation) | \$0 | \$0 | \$0 | \$0 | \$241,800 | \$241,800 |
| Flood Study | \$0 | \$0 | \$0 | \$0 | \$35,000 | \$35,000 |
| SWPPP | \$0 | \$0 | \$0 | \$0 | \$9,000 | \$9,000 |
| Final Platting Fee | \$0 | \$0 | \$0 | \$0 | \$5,880 | \$5,880 |
| Engineering Review | \$0 | \$0 | \$0 | \$0 | \$15,000 | \$15,000 |
| Waters of the US Assessment | \$0 | \$0 | \$0 | \$0 | \$4,000 | \$4,000 |
| Geotechnical Testing | \$0 | \$0 | \$0 | \$0 | \$191,360 | \$191,360 |
| Common Area Landscape/Hardscape | \$0 | \$0 | \$0 | \$0 | \$2,500,000 | \$2,500,000 |
| Amenity Costs | \$0 | \$0 | \$0 | \$0 | \$1,800,000 | \$1,800,000 |
| BQ Fees | \$0 | \$0 | \$0 | \$0 | \$45,000 | \$45,000 |
| Thoroughfare and Park Fees | \$0 | \$0 | \$0 | \$0 | \$1,105,326 | \$1,105,326 |
| Total | \$5,220,970 | \$1,354,202 | \$2,251,490 | \$3,605,692 | \$5,952,366 | \$14,779,029 |

Owensby Farms PID

Estimated Authorized Improvement Costs - Phase #2

(For information and future reference purposes only)

| Description | Phase Direct Costs - PID (for illustration only) | City Major Improvement Costs | Other Major Improvement Costs | Total PID Major Improvement Costs | Private Costs | Total Estimated Costs |
|--|--|------------------------------------|-------------------------------------|--|---------------|-----------------------------|
| Owensby Parkway (Turnlane) - Phase 1 Offsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Owensby Parkway (90' ROW) - Phase 1 Offsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Owensby Parkway (90' ROW) - Phase 2 Onsite | \$0 | \$188,408 | \$0 | \$188,408 | \$0 | \$188,408 |
| Owensby Parkway (90' ROW) - Phase 2 Offsite | \$0 | \$74,418 | \$74,417 | \$148,835 | \$0 | \$148,835 |
| Owensby Parkway (Roundabout) - Phase 2 Onsite | \$0 | \$104,232 | \$104,232 | \$208,464 | \$0 | \$208,464 |
| Owensby Parkway (60' ROW) - Phase 2 Onsite | \$0 | \$1,092,359 | \$0 | \$1,092,359 | \$0 | \$1,092,359 |
| John Campbell Trail (Turnlane) - Phase 1 Offsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| John Campbell Trail - Phase 1 Onsite | \$0 | \$312 | -\$312 | \$0 | \$0 | \$0 |
| Josephine Blvd - Phase 1 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Josephine Blvd - Phase 2 Onsite | \$0 | \$144,432 | \$746,232 | \$890,664 | \$0 | \$890,664 |
| Paving - Phase 1 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Paving - Phase 2 Onsite | \$2,206,826 | \$0 | \$0 | \$0 | \$0 | \$2,206,826 |
| Paving Drainage Easements | \$72,239 | \$56,146 | \$32,354 | \$88,500 | \$0 | \$160,739 |
| Paving Drainage Soft Costs | \$397,229 | \$288,751 | \$166,421 | \$455,172 | \$0 | \$852,401 |
| Paving Drainage Contingency | \$220,683 | \$160,417 | \$92,456 | \$252,873 | \$0 | \$473,556 |
| 12" Sanitary Sewer - Phase 1 Offsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 12" Sanitary Sewer - Phase 1 Onsite | \$0 | -\$12 | \$12 | \$0 | \$0 | \$0 |
| 8" Sanitary Sewer - Phase 1 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 8" Sanitary Sewer - Phase 2 Onsite | \$312,894 | \$0 | \$0 | \$0 | \$0 | \$312,894 |
| 18" Water - Phase 1 Onsite | \$0 | -\$10 | \$10 | \$0 | \$0 | \$0 |
| 18" Water - Phase 2 Onsite | \$0 | \$53,190 | \$62,216 | \$115,406 | \$0 | \$115,406 |
| 12" Water - Phase 2 Offsite | \$0 | \$7,388 | \$0 | \$7,388 | \$0 | \$7,388 |
| 12" Water - Phase 2 Onsite | \$0 | \$7,583 | \$19,425 | \$27,008 | \$0 | \$27,008 |
| 8" Water - Phase 1 Onsite | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 8" Water - Phase 2 Onsite | \$324,976 | \$0 | \$0 | \$0 | \$0 | \$324,976 |
| Water Sewer Easement Costs | \$22,325 | \$2,385 | \$2,858 | \$5,243 | \$0 | \$27,568 |
| Water Sewer Soft Costs | \$114,817 | \$12,265 | \$14,699 | \$26,964 | \$0 | \$141,781 |
| Water Sewer Contingency | \$63,787 | \$6,814 | \$8,166 | \$14,980 | \$0 | \$78,767 |
| SE Sector Sewer Cost Share | \$48,507 | \$0 | \$0 | \$0 | \$0 | \$48,507 |
| Light Farms Oversizing Cost Share | \$49,494 | \$0 | \$0 | \$0 | \$0 | \$49,494 |
| Bond Issuance Savings (Park Donation) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Flood Study | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SWPPP | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Final Platting Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Engineering Review | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Waters of the US Assessment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Geotechnical Testing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Common Area Landscape/Hardscape | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amenity Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| BQ Fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Thoroughfare and Park Fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$3,833,778 | \$2,199,079 | \$1,323,185 | \$3,522,264 | \$0 | \$7,356,041 |

Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

Appendix D

LOT TYPES AND EQUIVALENT UNITS

Appendix D Lot Types and Equivalent Units

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of two Lot Types. The following table shows the proposed residential Lot Types within the PID.

**Table D-1
Proposed Development within the PID**

| Lot Type | Description | Proposed Development |
|---------------------------|--------------------|-----------------------------|
| <u>Residential</u> | | |
| Lot Type 1 | 60 Ft Lots | 107 units |
| Lot Type 2 | 50 Ft Lots | 265 units |
| <i>Total</i> | | 372 units |

Table D-2 below shows the proposed residential Lot Types within Phase #1.

**Table D-2
Proposed Development – Phase #1**

| Type | Description | Proposed Development |
|---------------------------|--------------------|-----------------------------|
| <u>Residential</u> | | |
| Lot Type 1 | 60 Ft Lots | 67 units |
| Lot Type 2 | 50 Ft Lots | 138 units |
| <i>Total</i> | | 205 units |

Table D-3 below shows the proposed residential Lot Types within Phase #2.

**Table D-3
Proposed Development – Phase #2**

| Type | Description | Proposed Development |
|---------------------------|--------------------|-----------------------------|
| <u>Residential</u> | | |
| Lot Type 1 | 60 Ft Lots | 40 units |
| Lot Type 2 | 50 Ft Lots | 127 units |
| <i>Total</i> | | 167 units |

As explained under Section V-C, for purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Improvements to be financed with the Phases #1A Bonds and the PID Reimbursement Agreement shall be allocated to the

Phases #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units and the Actual Costs of the Phase #2 share of the Major Improvements to be financed with the Phases #2A Bonds and the PID Reimbursement Agreement shall be allocated to the Phases #2 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Phases #1 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 60 Ft, 50 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (60 Ft Lots) representing the highest value to Lot Type 2 (50 Ft Lot) representing the lowest value for residential lots are set forth in Table D-4 below. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (60 Ft Lots) to 1.0.

Table D-4
Equivalent Unit Factors

| Lot Type | Estimated Average Unit Value | Equivalent Unit Factor |
|------------------------|---|-----------------------------------|
| Lot Type 1 (60 Ft Lot) | \$375,000 | 1.00 per dwelling unit |
| Lot Type 2 (50 Ft Lot) | \$312,500 | 0.83 per dwelling unit |

The total estimated Equivalent Units for Phase #1 are shown in Table D-5 below as calculated based on the Equivalent Unit factors shown above, estimated Lot Types and number of units estimated to be built within Phase #1.

Table D-5
Estimated Equivalent Units - Phase #1

| Lot Type | Planned No. of units | Equivalent Unit Factor | Total Equivalent Units |
|-------------------------------|---------------------------------|-----------------------------------|---------------------------------------|
| Lot Type 1 (60 Ft Lot) | 67 | 1.00 | 67.00 |
| Lot Type 2 (50 Ft Lot) | 138 | 0.83 | 115.00 |
| Total Equivalent Units | 205 | | 182.00 |

The total estimated Equivalent Units for Phase #2 are shown in Table D-6 below as calculated based on the Equivalent Unit factors shown above, estimated Lot Types and number of units estimated to be built within Phase #2.

Table D-6
Estimated Equivalent Units - Phase #1

| Lot Type | Planned No. of units | Equivalent Unit Factor | Total Equivalent Units |
|-------------------------------|---------------------------------|-----------------------------------|---------------------------------------|
| Lot Type 1 (60 Ft Lot) | 40 | 1.00 | 40.00 |
| Lot Type 2 (50 Ft Lot) | 127 | 0.83 | 105.83 |
| Total Equivalent Units | 167 | | 145.83 |

Appendix E

ASSESSMENT ROLL – Phase #1 Assessed Property

Appendix E
Phase #1 Assessment Roll

| | |
|-------------------------------|-------------|
| Parcel | All Parcels |
| Assessment | \$5,721,000 |
| Total Equivalent Units | 182.00 |

| Year | Principal and Interest¹ | Principal and Interest² | Administrative Expenses³ | Total Annual Installment⁴ |
|--------------|---|---|--|---|
| 2017 | \$170,408 | \$69,080 | \$30,000 | \$269,488 |
| 2018 | \$290,744 | \$69,080 | \$30,600 | \$390,424 |
| 2019 | \$350,744 | \$89,080 | \$31,212 | \$471,036 |
| 2020 | \$351,994 | \$87,980 | \$31,836 | \$471,810 |
| 2021 | \$352,931 | \$86,880 | \$32,473 | \$472,284 |
| 2022 | \$348,556 | \$90,780 | \$33,122 | \$472,459 |
| 2023 | \$349,181 | \$89,405 | \$33,785 | \$472,371 |
| 2024 | \$349,494 | \$88,030 | \$34,461 | \$471,984 |
| 2025 | \$349,494 | \$86,655 | \$35,150 | \$471,299 |
| 2026 | \$349,181 | \$90,280 | \$35,853 | \$475,314 |
| 2027 | \$346,421 | \$88,630 | \$36,570 | \$471,621 |
| 2028 | \$348,456 | \$86,980 | \$37,301 | \$472,737 |
| 2029 | \$346,556 | \$90,330 | \$38,047 | \$474,934 |
| 2030 | \$344,369 | \$88,405 | \$38,808 | \$471,582 |
| 2031 | \$341,894 | \$91,480 | \$39,584 | \$472,958 |
| 2032 | \$344,131 | \$89,280 | \$40,376 | \$473,787 |
| 2033 | \$340,794 | \$87,080 | \$41,184 | \$469,057 |
| 2034 | \$341,606 | \$89,880 | \$42,007 | \$473,494 |
| 2035 | \$341,806 | \$87,405 | \$42,847 | \$472,059 |
| 2036 | \$341,394 | \$89,930 | \$43,704 | \$475,028 |
| 2037 | \$340,369 | \$87,180 | \$44,578 | \$472,127 |
| 2038 | \$338,731 | \$89,430 | \$45,470 | \$473,631 |
| 2039 | \$336,481 | \$91,405 | \$46,379 | \$474,266 |
| 2040 | \$333,619 | \$88,105 | \$47,307 | \$469,031 |
| 2041 | \$335,144 | \$89,805 | \$48,253 | \$473,202 |
| 2042 | \$335,750 | \$91,230 | \$49,218 | \$476,198 |
| 2043 | \$335,438 | \$87,380 | \$50,203 | \$473,020 |
| 2044 | \$334,206 | \$88,530 | \$51,207 | \$473,943 |
| 2045 | \$332,056 | \$89,405 | \$52,231 | \$473,692 |
| 2046 | \$328,988 | \$96,005 | \$53,275 | \$478,268 |
| Total | 10,050,936 | \$2,635,125 | \$1,217,042 | \$13,903,103 |

1 - The principal and interest amounts are updated based on final bond pricing.

The interest amount includes additional interest amount to be collected for prepayment and delinquency reserves.

2 - The principal and interest amounts are estimated for the PID Reimbursement Agreement amount of \$1,256,000. The interest amounts shown are calculated based on an interest rate of 5.5% .

3 - The estimated district administration and assessment collection costs shown will be updated each year in the Annual Service Plan Updates.

4 - The Annual Installments shown do not include any capitalized interest or TIRZ Annual Credit Amount.

Appendix E
Phase #1 Assessment Roll

| | |
|-------------------------|----------------------|
| Lot Type | Lot Type 1 (60' Lot) |
| Assessment | \$31,434 |
| Equivalent Units | 1.00 |

| Year | Principal and Interest ¹ | Principal and Interest² | Administrative Expenses³ | Total Annual Installment⁴ |
|--------------|--|---|--|---|
| 2017 | \$936 | \$380 | \$165 | \$1,481 |
| 2018 | \$1,597 | \$380 | \$168 | \$2,145 |
| 2019 | \$1,927 | \$489 | \$171 | \$2,588 |
| 2020 | \$1,934 | \$483 | \$175 | \$2,592 |
| 2021 | \$1,939 | \$477 | \$178 | \$2,595 |
| 2022 | \$1,915 | \$499 | \$182 | \$2,596 |
| 2023 | \$1,919 | \$491 | \$186 | \$2,595 |
| 2024 | \$1,920 | \$484 | \$189 | \$2,593 |
| 2025 | \$1,920 | \$476 | \$193 | \$2,590 |
| 2026 | \$1,919 | \$496 | \$197 | \$2,612 |
| 2027 | \$1,903 | \$487 | \$201 | \$2,591 |
| 2028 | \$1,915 | \$478 | \$205 | \$2,597 |
| 2029 | \$1,904 | \$496 | \$209 | \$2,610 |
| 2030 | \$1,892 | \$486 | \$213 | \$2,591 |
| 2031 | \$1,879 | \$503 | \$217 | \$2,599 |
| 2032 | \$1,891 | \$491 | \$222 | \$2,603 |
| 2033 | \$1,872 | \$478 | \$226 | \$2,577 |
| 2034 | \$1,877 | \$494 | \$231 | \$2,602 |
| 2035 | \$1,878 | \$480 | \$235 | \$2,594 |
| 2036 | \$1,876 | \$494 | \$240 | \$2,610 |
| 2037 | \$1,870 | \$479 | \$245 | \$2,594 |
| 2038 | \$1,861 | \$491 | \$250 | \$2,602 |
| 2039 | \$1,849 | \$502 | \$255 | \$2,606 |
| 2040 | \$1,833 | \$484 | \$260 | \$2,577 |
| 2041 | \$1,841 | \$493 | \$265 | \$2,600 |
| 2042 | \$1,845 | \$501 | \$270 | \$2,616 |
| 2043 | \$1,843 | \$480 | \$276 | \$2,599 |
| 2044 | \$1,836 | \$486 | \$281 | \$2,604 |
| 2045 | \$1,824 | \$491 | \$287 | \$2,603 |
| 2046 | \$1,808 | \$528 | \$293 | \$2,628 |
| Total | \$55,225 | \$14,479 | \$6,687 | \$76,391 |

1 - The principal and interest amounts are updated based on final bond pricing.

The interest amount includes additional interest amount to be collected for prepayment and delinquency reserves.

2 - The principal and interest amounts are estimated for the PID Reimbursement Agreement amount of \$1,256,000. The interest amounts shown are calculated based on an interest rate of 5.5% .

3 - The estimated district administration and assessment collection costs shown will be updated each year in the Annual Service Plan Updates.

4 - The Annual Installments shown do not include any capitalized interest or TIRZ Annual Credit Amount.

Appendix E
Phase #1 Assessment Roll

Lot Type
Assessment
Equivalent Units

Lot Type 2 (50' Lot)
\$26,195
0.83

| Year | Principal and Interest ¹ | Principal and Interest² | Administrative Expenses³ | Total Annual Installment⁴ |
|--------------|--|---|--|---|
| 2017 | \$780 | \$316 | \$137 | \$1,234 |
| 2018 | \$1,331 | \$316 | \$140 | \$1,788 |
| 2019 | \$1,606 | \$408 | \$143 | \$2,157 |
| 2020 | \$1,612 | \$403 | \$146 | \$2,160 |
| 2021 | \$1,616 | \$398 | \$149 | \$2,162 |
| 2022 | \$1,596 | \$416 | \$152 | \$2,163 |
| 2023 | \$1,599 | \$409 | \$155 | \$2,163 |
| 2024 | \$1,600 | \$403 | \$158 | \$2,161 |
| 2025 | \$1,600 | \$397 | \$161 | \$2,158 |
| 2026 | \$1,599 | \$413 | \$164 | \$2,176 |
| 2027 | \$1,586 | \$406 | \$167 | \$2,159 |
| 2028 | \$1,595 | \$398 | \$171 | \$2,165 |
| 2029 | \$1,587 | \$414 | \$174 | \$2,175 |
| 2030 | \$1,577 | \$405 | \$178 | \$2,159 |
| 2031 | \$1,565 | \$419 | \$181 | \$2,166 |
| 2032 | \$1,576 | \$409 | \$185 | \$2,169 |
| 2033 | \$1,560 | \$399 | \$189 | \$2,148 |
| 2034 | \$1,564 | \$412 | \$192 | \$2,168 |
| 2035 | \$1,565 | \$400 | \$196 | \$2,161 |
| 2036 | \$1,563 | \$412 | \$200 | \$2,175 |
| 2037 | \$1,558 | \$399 | \$204 | \$2,162 |
| 2038 | \$1,551 | \$409 | \$208 | \$2,169 |
| 2039 | \$1,541 | \$419 | \$212 | \$2,172 |
| 2040 | \$1,528 | \$403 | \$217 | \$2,148 |
| 2041 | \$1,535 | \$411 | \$221 | \$2,167 |
| 2042 | \$1,537 | \$418 | \$225 | \$2,180 |
| 2043 | \$1,536 | \$400 | \$230 | \$2,166 |
| 2044 | \$1,530 | \$405 | \$234 | \$2,170 |
| 2045 | \$1,520 | \$409 | \$239 | \$2,169 |
| 2046 | \$1,506 | \$440 | \$244 | \$2,190 |
| Total | 46,021 | \$12,066 | \$5,573 | \$63,659 |

1 - The principal and interest amounts are updated based on final bond pricing.

The interest amount includes additional interest amount to be collected for prepayment and delinquency reserves.

2 - The principal and interest amounts are estimated for the PID Reimbursement Agreement amount of \$1,256,000. The interest amounts shown are calculated based on an interest rate of 5.5% .

3 - The estimated district administration and assessment collection costs shown will be updated each year in the Annual Service Plan Updates.

4 - The Annual Installments shown do not include any capitalized interest or TIRZ Annual Credit Amount.

Appendix F

ASSESSMENT ROLL – Phase #2 Assessed Property

Appendix F
Phase #2 Major Improvements Assessment Roll

| | |
|-------------------------------|-------------|
| Parcel | All Parcels |
| Assessment | \$1,765,000 |
| Total Equivalent Units | 145.83 |

| Year | Principal and Interest ¹ | Administrative Expenses² | Total Annual Installment³ |
|--------------|--|--|---|
| 2017 | \$68,535 | \$30,000 | \$98,535 |
| 2018 | \$116,931 | \$30,600 | \$147,531 |
| 2019 | \$116,931 | \$31,212 | \$148,143 |
| 2020 | \$116,931 | \$31,836 | \$148,768 |
| 2021 | \$146,931 | \$32,473 | \$179,404 |
| 2022 | \$144,944 | \$33,122 | \$178,066 |
| 2023 | \$147,956 | \$33,785 | \$181,741 |
| 2024 | \$145,638 | \$34,461 | \$180,098 |
| 2025 | \$143,319 | \$35,150 | \$178,469 |
| 2026 | \$146,000 | \$35,853 | \$181,853 |
| 2027 | \$148,350 | \$36,570 | \$184,920 |
| 2028 | \$150,369 | \$37,301 | \$187,670 |
| 2029 | \$147,056 | \$38,047 | \$185,104 |
| 2030 | \$148,744 | \$38,808 | \$187,552 |
| 2031 | \$145,100 | \$39,584 | \$184,684 |
| 2032 | \$146,456 | \$40,376 | \$186,832 |
| 2033 | \$147,481 | \$41,184 | \$188,665 |
| 2034 | \$143,175 | \$42,007 | \$185,182 |
| 2035 | \$143,869 | \$42,847 | \$186,716 |
| 2036 | \$144,231 | \$43,704 | \$187,936 |
| 2037 | \$139,263 | \$44,578 | \$183,841 |
| 2038 | \$139,294 | \$45,470 | \$184,764 |
| 2039 | \$138,994 | \$46,379 | \$185,373 |
| 2040 | \$138,363 | \$47,307 | \$185,669 |
| 2041 | \$137,400 | \$48,253 | \$185,653 |
| 2042 | \$136,106 | \$49,218 | \$185,324 |
| 2043 | \$129,481 | \$50,203 | \$179,684 |
| 2044 | \$132,856 | \$51,207 | \$184,063 |
| 2045 | \$130,569 | \$52,231 | \$182,799 |
| 2046 | \$127,950 | \$53,275 | \$181,225 |
| Total | 4,109,222 | \$1,217,042 | \$5,326,265 |

1 - The principal and interest amounts are based on final bond pricing.

The interest amount includes additional interest amount to be collected for prepayment and delinquency reserves.

2 - The estimated district administration and assessment collection costs shown will be updated each year in the Annual Service Plan Updates

3 - The Annual Installments shown do not include any capitalized interest or TIRZ Annual Credit Amount.

Appendix E
Phase #2 Major Improvements Assessment Roll

| | |
|-------------------------|----------------------|
| Lot Type | Lot Type 1 (60' Lot) |
| Assessment | \$12,103 |
| Equivalent Units | 1.00 |

| Year | Principal and Interest ¹ | Administrative Expenses ² | Total Annual Installment ³ |
|--------------|--|---|--|
| 2017 | \$470 | \$206 | \$676 |
| 2018 | \$802 | \$210 | \$1,012 |
| 2019 | \$802 | \$214 | \$1,016 |
| 2020 | \$802 | \$218 | \$1,020 |
| 2021 | \$1,008 | \$223 | \$1,230 |
| 2022 | \$994 | \$227 | \$1,221 |
| 2023 | \$1,015 | \$232 | \$1,246 |
| 2024 | \$999 | \$236 | \$1,235 |
| 2025 | \$983 | \$241 | \$1,224 |
| 2026 | \$1,001 | \$246 | \$1,247 |
| 2027 | \$1,017 | \$251 | \$1,268 |
| 2028 | \$1,031 | \$256 | \$1,287 |
| 2029 | \$1,008 | \$261 | \$1,269 |
| 2030 | \$1,020 | \$266 | \$1,286 |
| 2031 | \$995 | \$271 | \$1,266 |
| 2032 | \$1,004 | \$277 | \$1,281 |
| 2033 | \$1,011 | \$282 | \$1,294 |
| 2034 | \$982 | \$288 | \$1,270 |
| 2035 | \$987 | \$294 | \$1,280 |
| 2036 | \$989 | \$300 | \$1,289 |
| 2037 | \$955 | \$306 | \$1,261 |
| 2038 | \$955 | \$312 | \$1,267 |
| 2039 | \$953 | \$318 | \$1,271 |
| 2040 | \$949 | \$324 | \$1,273 |
| 2041 | \$942 | \$331 | \$1,273 |
| 2042 | \$933 | \$337 | \$1,271 |
| 2043 | \$888 | \$344 | \$1,232 |
| 2044 | \$911 | \$351 | \$1,262 |
| 2045 | \$895 | \$358 | \$1,253 |
| 2046 | \$877 | \$365 | \$1,243 |
| Total | \$28,178 | \$8,345 | \$36,523 |

1 - The principal and interest amounts are based on final bond pricing.

The interest amount includes additional interest amount to be collected for prepayment and delinquency reserves.

2 - The estimated district administration and assessment collection costs shown will be updated each year in the Annual Service Plan Updates

3 - The Annual Installments shown do not include any capitalized interest or TIRZ Annual Credit Amount.

Appendix E
Phase #2 Major Improvements Assessment Roll

| | |
|-------------------------|----------------------|
| Lot Type | Lot Type 2 (50' Lot) |
| Assessment | \$10,086 |
| Equivalent Units | 0.83 |

| Year | Principal and Interest ¹ | Administrative Expenses² | Total Annual Installment³ |
|--------------|--|--|---|
| 2017 | \$392 | \$171 | \$563 |
| 2018 | \$668 | \$175 | \$843 |
| 2019 | \$668 | \$178 | \$847 |
| 2020 | \$668 | \$182 | \$850 |
| 2021 | \$840 | \$186 | \$1,025 |
| 2022 | \$828 | \$189 | \$1,018 |
| 2023 | \$845 | \$193 | \$1,039 |
| 2024 | \$832 | \$197 | \$1,029 |
| 2025 | \$819 | \$201 | \$1,020 |
| 2026 | \$834 | \$205 | \$1,039 |
| 2027 | \$848 | \$209 | \$1,057 |
| 2028 | \$859 | \$213 | \$1,072 |
| 2029 | \$840 | \$217 | \$1,058 |
| 2030 | \$850 | \$222 | \$1,072 |
| 2031 | \$829 | \$226 | \$1,055 |
| 2032 | \$837 | \$231 | \$1,068 |
| 2033 | \$843 | \$235 | \$1,078 |
| 2034 | \$818 | \$240 | \$1,058 |
| 2035 | \$822 | \$245 | \$1,067 |
| 2036 | \$824 | \$250 | \$1,074 |
| 2037 | \$796 | \$255 | \$1,051 |
| 2038 | \$796 | \$260 | \$1,056 |
| 2039 | \$794 | \$265 | \$1,059 |
| 2040 | \$791 | \$270 | \$1,061 |
| 2041 | \$785 | \$276 | \$1,061 |
| 2042 | \$778 | \$281 | \$1,059 |
| 2043 | \$740 | \$287 | \$1,027 |
| 2044 | \$759 | \$293 | \$1,052 |
| 2045 | \$746 | \$298 | \$1,045 |
| 2046 | \$731 | \$304 | \$1,036 |
| Total | 23,481 | \$6,955 | \$30,436 |

1 - The principal and interest amounts are based on final bond pricing.

The interest amount includes additional interest amount to be collected for prepayment and delinquency reserves.

2 - The estimated district administration and assessment collection costs shown will be updated each year in the Annual Service Plan Updates

3 - The Annual Installments shown do not include any capitalized interest or TIRZ Annual Credit Amount.