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Exhibit B to Assessment Ordinance

**WAXAHACHIE PUBLIC IMPROVEMENT DISTRICT NO. 1
CITY OF WAXAHACHIE, TEXAS
SERVICE AND ASSESSMENT PLAN
PLATTED LOTS**

June 18, 2007

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SECTION I INTRODUCTION AND DEFINITIONS

A. Introduction

1. Chapter 372, Texas Local Government Code, as amended (the "Act"), governs the creation of public improvement districts in Texas. On April 16, 2007, pursuant to and in accordance with the petition, notice, and public hearing requirements of the Act and the other applicable laws of the State of Texas, the City Council of the City of Waxahachie, Ellis County, Texas (the "City") approved and adopted Resolution No. 1087 approving and authorizing the creation of Waxahachie Public Improvement District No. 1 (the "PID"). The purpose of the PID is to undertake public improvement projects that will confer a special benefit on property within the boundaries of the PID.

2. Prior to the levy by the City of any special assessments on property within the boundaries of the PID, the Act requires the preparation of a service plan for the PID covering a period of at least five years and defining the annual indebtedness and the projected costs for the improvement projects (which plan shall be reviewed and updated annually). The required service plan for the PID is contained in Section IV of this Service and Assessment Plan.

3. The Act requires that an assessment plan be included in the service plan for the PID. As part of the assessment plan, the Act requires that the City Council of the City shall apportion the costs of the improvement projects to be assessed against property in the PID. The apportionment shall be made on the basis of special benefits accruing to the property within the boundaries of the PID because of the improvement projects. The required assessment plan for the PID is contained in Section V of this Service and Assessment Plan.

4. The Act requires that after the total costs of the improvement projects are determined, the City Council of the City shall prepare a proposed assessment roll that states the assessment against each parcel of land in the PID, as determined by the method of assessment chosen by the City. The Assessment Roll for the PID is included as Exhibit C attached to this Service and Assessment Plan.

B. Definitions

Terms used in this Service and Assessment Plan shall have the following meanings:

"**Administrator**" means a person or entity that contracts with, or that is an employee, representative, or agent of, the City that performs the responsibilities provided for in this Service and Assessment Plan, in the Bond Indenture, or in any other agreement approved by the City Council and related to the administration of the PID.

"Annual Collection Costs" mean the following actual or anticipated costs related to the annual collection of outstanding Assessments (whether paid in full or in Annual Installments), including, but not limited to, the actual or anticipated costs of:

- (i) preparing this Service and Assessment Plan, each Annual Service Plan Update, and each Assessment Roll;
- (ii) computing, preparing, levying, collecting, and transmitting Assessments;
- (iii) remitting Assessments to the Trustee;
- (iv) the City, the Administrator, and the Trustee (and their respective legal counsel) in the discharge of their duties under this Service and Assessment Plan;
- (v) complying with arbitrage rebate requirements;
- (vi) complying with annual securities disclosure requirements; and
- (vii) the City, the Administrator, and the Trustee in any way related to computing, preparing, levying, collecting, and transmitting the Assessments (including, but not limited to, the administration of the PID, maintaining a record of installments, payments, reallocations, and/or cancellations of Assessments, repayment of Bonds, any associated legal expenses, reasonable costs of other consultants and advisors, and contingencies and reserves for all of the foregoing costs as deemed appropriate by the City Council).

"Annual Installment" means, with respect to each Parcel, each annual installment payment of the Assessment for the Parcel as shown on the Assessment Roll, which includes, without limitation, debt service and transaction costs related to any Bonds (other than costs payable from Bond proceeds), and Annual Collection Costs.

"Annual Service Plan Update" means the annual update to Section V of this Service and Assessment Plan as required by the Act.

"Assessed Property" means, collectively, all the Parcels (excluding Non-Benefited Property) described on the Assessment Roll attached as Exhibit C to this Service and Assessment Plan.

"Assessment" means, with respect to each Parcel, the assessment levied against the Parcel in accordance with the Assessment Ordinance and this Service and Assessment Plan.

"Assessment Ordinance" means the Assessment Ordinance approved by the City Council that approves this Service and Assessment Plan and levies and imposes the Assessments, as shown on the Assessment Roll, subject to reallocation, from time to time, as provided by this Service and Assessment Plan.

"Assessment Revenues" mean the revenues actually received by the City from Assessments including, but not limited to, revenues from Annual Installments, revenues that result from the payment, in full, of any Assessment, and including revenues from prepayments of Assessments as provided by this Service and Assessment Plan.

"Assessment Roll" means a list of and description of all Parcels and the Assessment and Annual Installment for each Parcel attached as *Exhibit C* to this Service and Assessment Plan, and including any updates thereto prepared from time to time including, but not limited to, updates prepared in connection with any issuance of Bonds or in connection with any Annual Service Plan Update.

"Bond Indenture" means any indenture, ordinance, or similar document setting forth the terms and other provisions relating to any series of Bonds, as modified, amended, or supplemented from time to time.

"Bonds" mean any bonds (including refunding bonds) or other debt secured by Assessment Revenues, whether in one or more series, issued by the City with respect to the PID.

"City" means the City of Waxahachie, Texas.

"City Council" means the duly elected governing body of the City.

"Collection Costs" mean the sum of Annual Collection Costs and Delinquent Collection Costs.

"Cost" mean actual or budgeted costs, as applicable, to acquire, design, construct, install, or improve District Improvements including, but not limited to, all costs paid or incurred in connection with the issuance, from time to time, of multiple series of Bonds, and including all costs otherwise paid or incurred in connection with the transaction that results in the issuance of Bonds (whether such costs are characterized as interest, costs of issuance, reserve fund, or other costs of the transaction).

"Delinquent Collection Costs" mean interest, penalties, and expenses incurred or imposed with respect to any delinquent installments of the Assessments in accordance with the Act.

"Developer" means either Waxahachie 287, LP or Ellis County CTR Development, Ltd, and their respective successors and assigns.

"District Improvements" mean the public improvement projects authorized by the Act that confer a special benefit on the Assessed Property and that are described in *Exhibit B* attached to this Service and Assessment Plan.

"Equivalent Units" mean, for each Parcel, (i) the number of residential dwelling units built or expected to be built within the Parcel for each "Lot Type" shown below multiplied times (ii) the equivalency factor shown below.

Lot Type	Equivalent Ratio
Lot Type 1 (single-family residential)	1.00 per dwelling
Lot Type 2 (single-family residential)	0.84 per dwelling unit
Lot Type 3 (single-family residential)	0.75 per dwelling unit

"Lot Type 1" means a single-family lot designated "SF-1" in the Planned Development Ordinance.

"Lot Type 2" means a single-family lot designated as "SF-2" in the Planned Development Ordinance.

"Lot Type 3" means a single-family lot designated as "SF-3" in the Planned Development Ordinance.

"Non-Benefited Property" means Parcels within the boundaries of the PID that have been determined by the City Council to receive no measurable special benefit from the District Improvements, including, but not limited to, Owner Association Property, Public Property, and right-of-way and easements for use by a public or private utility providers.

"Owner Association Property" means property within the boundaries of the PID that is owned by or offered for dedication to, whether in fee simple or through an exclusive use easement, a non-profit property owners' association established for the benefit of a group of homeowners or property owners within the PID.

"Parcel" means a parcel of land within the PID identified (i) by a tax map identification number assigned by the Ellis County Central Appraisal District for real property tax purposes, (ii) by lot and block number in a final subdivision plat recorded in the real property records of Ellis County, (iii) by metes and bounds description, or (iv) by any other means determined by the City.

"PID" means the Waxahachie Public Improvement District No. 1.

"Act" means Chapter 372, Texas Local Government Code, as amended.

"PID Property" means the property depicted and described on Exhibit A attached to this Service and Assessment Plan identifying the total property included within the boundaries of the PID.

"Planned Development Ordinance" means Ordinance No. 2302 adopted by the City Council of the City on April 18, 2005, which ordinance establishes the zoning that is applicable to the PID Property.

"Public Property" means property within the boundaries of the PID that is owned by or offered for dedication to the federal government, the State of Texas, a county, the City, a school district, a public utility provider, or any other political subdivision or public agency, whether in fee simple or through an easement.

"Service and Assessment Plan" means this Service and Assessment Plan prepared for the PID pursuant to the Act, as amended and updated from time to time.

"Trustee" means the fiscal agent or trustee as specified in any Bond Indenture, including a substitute fiscal agent or trustee.

SECTION II PROPERTY INCLUDED WITHIN THE PID

The PID Property is depicted and described by metes and bounds on Exhibit A attached to this Service and Assessment Plan. The PID Property consists of approximately 1,965 acres of land located within the corporate limits of the City, Ellis County, Texas. The PID Property is zoned as a planned development zoning district in accordance with the Planned Development Ordinance. The projected residential and commercial development at build out of the PID Property is shown in Table II-A below for each of the six Lot Types that will be developed. The PID Property includes approximately 227 acres of land that is platted (which platted land is covered by this Service and Assessment Plan and is referred to herein as the Assessed Property) and approximately 1,739 acres of land that is undeveloped (which undeveloped land is covered by a separate Assessment Ordinance and a separate Service and Assessment Plan).

TABLE II-A

LOT TYPE	PROJECTED DEVELOPMENT AT BUILD OUT
Lot Type 1 - Single-Family	684 units
Lot Type 2 - Single-Family	2,546 units
Lot Type 3 - Single-Family	1,369 units
Lot Type 4 - Duplex	200 units
Lot Type 5 - Multi-Family	749 units
Lot Type 6 - Commercial	169 acres

SECTION III DISTRICT IMPROVEMENTS

The Act provides that if the governing body of a municipality determines that it promotes the interests of the municipality, the governing body may undertake public improvement projects authorized by the Act that confer a special benefit on a definable part of the municipality. The City Council has determined that the "District Improvements" described on Exhibit B to this Service and Assessment Plan are authorized by the Act, promote the interests of the City, and confer a special benefit on the Assessed Property. The individual line items described on Exhibit B may be updated with each update of this Service and Assessment Plan. Individual line items may be adjusted upward or downward, however, the total cost of all line items cannot exceed the total shown on Exhibit B.

SECTION IV SERVICE PLAN

The Act requires a service plan covering a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the improvement projects undertaken within the public improvement district. The projected Cost for the District Improvements is estimated to be \$3,559,307. An estimate of how the Cost will be undertaken is set forth in Table IV-A. An estimate of how indebtedness to pay for the District Improvements will be undertaken is set forth in Table IV-B. Table IV-C and Table IV-D set forth, respectively, the anticipated sources and uses of Bond proceeds. Tables IV-A through D will be updated as part of each Annual Service Plan Update and upon the issuance of Bonds.

TABLE IV-A

YEAR-WHICH COST INCURRED	PROJECTED COST OF IMPROVEMENTS
Year 1	\$ 3,559,307
Year 2	\$ 0
Year 3	\$ 0
Year 4	\$ 0
Year 5	\$ 0

Table IV-B

YEAR INDEBTEDNESS UNDERTAKEN	PROJECTED INDEBTEDNESS
Year 1	\$ 3,559,307
Year 2	\$ 0
Year 3	\$ 0
Year 4	\$ 0
Year 5	\$ 0

TABLE IV - C

SOURCES OF FUNDS	TOTAL
TOTAL SOURCES OF FUNDS	\$ 3,559,307

TABLE IV - D

USES OF FUNDS	TOTAL
Debt Service Reserve Funds	\$248,552
Capitalized Interest	\$309,362
Bond Counsel	\$45,990
Underwriters Counsel	\$35,566
Developers Financial Advisor	\$26,675
City Financial Advisor	\$26,675
Underwriters Fee	\$71,132
Interest from Dev. Fund	\$(30,865)
Developer's Counsel	\$7,154
Assessment Consultant	\$7,154
Other Administrative Costs	\$8,892
SUB-TOTAL	\$756,287
PAR AMOUNT OF BONDS	\$3,559,307
DEPOSIT TO PROJECT FUND	\$2,803,020

SECTION V ASSESSMENT PLAN

A. Introduction

The Act requires the governing body of a municipality to apportion the cost of improvement projects to be assessed against property in a public improvement district on the basis of special benefits conferred upon the property because of the projects. The Act provides that the cost of improvement projects 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 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. This Section V of this Service and Assessment Plan describes the special benefit received by each Parcel of the Assessed Property as a result of the District Improvements, provides the basis and justification for the determination that this special benefit exceeds the costs of the Assessments, and establishes the methodology by which the City Council allocates the special benefit of the District Improvements to Parcels in a manner that results in equal shares of the Cost of the District Improvements being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodology 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 PID Property.

B. Special Benefit

The Assessed Property will receive a direct and special benefit from the District Improvements, and this benefit will be equal to or greater than the cost of the Assessments. The District Improvements are provided specifically for the benefit of the Assessed Property. The District Improvements (more particularly described in line-item format on Exhibit B to this Service and Assessment Plan) include the following categories of public improvement projects authorized by the Act: (i) streets (including paving, landscaping, sidewalks, street lights, and screening walls), recreational facilities, entry features, parks, hike and bike trails, open space improvements, common area improvements, pond improvements, water improvements, wastewater improvements, and storm water improvements; (ii) engineering, contract administration, and contingencies associated with the foregoing; and (iii) various issuance and transaction costs related to the issuance of one or more series of Bonds.

The owners of the Assessed Property have acknowledged that the District Improvements confer a special benefit on the Assessed Property and have consented to the imposition of the Assessments to pay for the District Improvements. The owners are acting in their interest in consenting to this imposition because the special benefit conferred upon the Assessed Property by the District Improvements exceeds the amount of the Assessments.

The owners of the Assessed Property have represented: (i) that, based on their evaluation of the potential development of the Assessed Property, the highest and best use is the use described in this Service and Assessment Plan and otherwise required by the Planned Development Ordinance; and (ii) that it is in the interest of the owners of the Assessed Property to maximize the value of such property. Use of the Assessed Property as described in this Service and Assessment Plan and as required by the Planned Development Ordinance will require that District Improvements be acquired, constructed, installed, and improved. Funding the cost of the District Improvements through the PID is determined to be the most beneficial means of doing

so. In summary, the Assessments result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessments based on the evidence, information, and testimony provided to the City Council.

C. Assessment Methodology

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

2. For purposes of this Service and Assessment Plan, the City Council has determined that the Cost of the District Improvements shall be allocated to the Assessed Property on the basis of the relative value of Parcels after undertaking the District Improvements and that such method of allocation will result in the imposition of equal shares of the Cost on Parcels similarly situated. In determining the relative value of Parcels, the City Council has taken into consideration (i) the type of residential development (i.e., single-family, duplex, or multi-family); (ii) single-family lot size; (iii) current and projected land values; (iv) current and projected home prices; (v) current and projected market demands for single-family residential development within the City and within the region; and (vi) the high-quality, master-planned community development standards created by the Planned Development Ordinance. In determining the relative value of Parcels, the City Council has also taken into consideration independent studies supporting the conclusion that larger residential lots with full municipal services (including police, fire, and other emergency services), with access to concrete streets with curb and gutter storm drainage facilities, and with municipal water and wastewater service will be developed with larger, more expensive homes; and that such larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption.

3. Having taken into consideration the matters described above, the City Council has determined that allocating the Cost of the District Improvements among Parcels based on value after undertaking the District Improvements is best accomplished (and most easily illustrated) by creating a hierarchy of benefited Parcels based on the "Lot Types" defined in Section I.B of this Service and Assessment Plan. This hierarchy of value (from Lot Type 1 representing the highest value to Lot Type 3 representing the lowest value) is set forth in Table V-A below. This table illustrates that the City Council has determined: (i) that a Lot Type 1 dwelling unit receives the greatest benefit from the District Improvements, which benefit is given an "Equivalent Unit" value of 1.0 per dwelling unit; (ii) that a Lot Type 2 dwelling unit receives a smaller benefit; namely, 84% of the benefit received by a Type 1 Lot dwelling unit (hence the Equivalent Unit value of 0.84 per dwelling unit); and (iii) that a Lot Type 3 dwelling unit receives an even smaller benefit; namely, 75% of the benefit received by a Type 1 dwelling unit (hence the Equivalent Unit value of 0.75 per dwelling unit).

TABLE V-A

LOT TYPE	EQUIVALENT UNIT VALUE	TOTAL NUMBER OF DWELLING UNITS	TOTAL EQUIVALENT UNITS FOR PURPOSES OF CALCULATING ASSESSMENTS
Lot Type 1 (single-family residential)	1.00 per dwelling	171 dwelling units	171
Lot Type 2 (single-family residential)	0.84 per dwelling unit	163 dwelling units	137
Lot Type 3 (single-family residential)	0.75 per dwelling unit	209 dwelling units	157

TOTAL EQUIVALENT UNITS = 465

AUTHORIZED IMPROVEMENT COST PER EQUIVALENT UNIT = \$7,660

4. The Cost of the District Improvements is allocated among 465 Equivalent Units resulting in a cost per Equivalent Unit of \$7,660. The Assessment per dwelling unit is calculated as the product of (i) \$7,660 multiplied times (ii) the applicable Equivalent Unit value for each Lot Type. Table V-B sets forth the Assessment per dwelling unit.

TABLE V-B

LOT TYPE	EQUIVALENT UNIT VALUE	ASSESSMENT PER DWELLING UNIT AND PER ACRE
Lot Type 1	1.0 per dwelling unit	\$7,660 per dwelling unit
Lot Type 2	0.84 per dwelling unit	\$6,434 per dwelling unit
Lot Type 3	0.75 per dwelling unit	\$5,745 per dwelling unit

5. It has been represented to the City Council by the owners of the Assessed Property that the District Improvements for the Assessed Property will be completed in accordance with the Planned Development Ordinance and the City's Subdivision Ordinance, as amended. When the City has determined that the District Improvements have been completed in accordance with the Planned Development Ordinance and the City's Subdivision Ordinance or when financial security (including, but not limited to, proceeds from the issuance of Bonds) to complete the

District Improvements in accordance with the Planned Development Ordinance and Subdivision Ordinance has been provided in a manner approved by the City; then the Assessed Property shall be deemed to have received a special benefit from the District Improvements. When the Assessed Property is deemed to have received a special benefit from District Improvements, the City shall collect Assessments and Annual Installments to pay for such District Improvements and shall issue Bonds for such purpose.

SECTION VI DETERMINATION OF ASSESSMENT

A. Amount of Assessments

The total Assessments for all Assessed Property shall not exceed the total Cost of the District Improvements. The Assessment for each Parcel shall be as shown on the Assessment Roll, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the Act.

B. Reduction of Assessments

If after all District Improvements have been completed the actual Cost of the District Improvements is less than the Cost used to calculate the Assessments, then the Assessment for each Parcel shall be reduced by an equal percentage such that the sum of the resulting reduced Assessments for all Parcels equals the actual reduced Cost of the District Improvements (but never less than an amount equal to the principal amount of outstanding Bonds). To the extent permitted by law and as provided by any Bond Indenture, the trustee under the Bond Indenture shall (with the consent of the City Council) refund the amount of such reduction to any owner of a Parcel who has already paid in full the Assessment for such owner's Parcel.

C. Payment of Assessments

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Payment shall include interest through the date of payment to the extent such interest is not included in any Annual Installment paid or to be paid. If payment in full will result in a redemption of Bonds, the payment amount shall be reduced by the amount, if any, of reserve funds applied to the redemption under the Bond Indenture.

(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 an Assessment, the City shall deposit the payment in accordance with the applicable Bond 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.

2. Payment in Annual Installments

The Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the Act authorizes the City to collect interest and collection costs on the outstanding Assessment. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments, including interest and Annual Collection Costs, beginning on the date the City determines that a phase of development of the PID Property has received a special benefit from District Improvements completed or to be completed in connection with such phase of development as provided by Section V.C.5 of this Service and Assessment Plan. Each Assessment shall bear interest at one-half of one percent above than the actual interest rate paid on the public debt used to finance the District Improvements. The Assessment Roll sets forth for each year the Annual Installment for each Parcel.

D. 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. Annual Collection Costs 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 Bond Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose. 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 Assessments shall have lien priority as specified in the Act.

SECTION VII ASSESSMENT ROLL

A. Each Parcel has been evaluated by the City Council (based on the Planned Development Ordinance, developable area, proposed Owner Association Property and Public Property, the District Improvements, best and highest use of land, and other development factors deemed relevant by the City Council) to determine the Lot Type that is anticipated to be developed within such Parcel. The Assessment for each Parcel is then determined based on the last column of Table V-B of this Service and Assessment Plan, all of which Assessments are set forth on the Assessment Roll attached as Exhibit C to this Service and Assessment Plan. The Assessment Roll shall be updated upon the issuance of each series Bonds, upon the preparation of each Annual Service Plan Update, and to reflect, for each Parcel, prepayments and reductions authorized by this Service and Assessment Plan.

B. The Administrator shall prepare, and the City Council shall review and approve, updates (no less frequently than annually) to the Assessment Roll to reflect the following matters, together with any other changes helpful to the Administrator and permitted by the Act: (i) the identification of each Parcel (including, if available, the tax parcel identification number for each Parcel); (ii) the Assessment for each Parcel, including any adjustments authorized by this Service and Assessment Plan or in the Act; (iii) the Annual Installment for the Parcel for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.C of this Service and Assessment Plan.

SECTION VIII MISCELLANEOUS PROVISIONS

A. Administrative Review

An owner of a Parcel claiming that an error has been made in calculating the Assessment Roll (including the Annual Installment) shall (prior to pursuing any other remedy) give written notice describing the alleged error to the City within thirty (30) days after the owner receives the purportedly erroneous calculation. If an owner fails to give such notice, such owner shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installment) and to have waived any objections to the calculation. The Administrator shall promptly review all notices alleging calculation errors and decide whether an error has been made. Any overpayment of a prior Annual Installment shall be credited against future Annual Installments, and no cash refunds shall be made except for the final year during which the Annual Installment is collected. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council for determination. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the Act.

B. Termination of Assessments

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

C. Amendments

Supplemental Assessments may be made by the City Council in accordance with the Act to correct omissions or mistakes relating to the total Cost of the District Improvements. The City Council reserves the right to amend this Service and Assessment Plan without notice under the Act and without notice to owners of Parcels: (i) to correct minor mistakes and clerical errors; (ii) to clarify minor ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Collection Costs, and other charges imposed by this Service and Assessment Plan. The City Council further reserves the right to amend this Service and Assessment Plan (after notice and public hearing as required by the Act) to conform this Service and Assessment Plan to

the requirements of the Act, including requirements arising from interpretations of the Act by the Attorney General of the State of Texas.

D. Interpretations and Determinations

The City Council shall make all interpretations and determinations related to the application of this Service and Assessment Plan, which determinations and interpretations are governmental actions involving legislative discretion. Ministerial and administrative acts may be delegated pursuant to the this Service and Assessment Plan and the Bond Indenture.

E. Severability

If any provision of this Service and Assessment Plan is held to be unenforceable by final judgment of any court having jurisdiction, such unenforceable provision shall be deleted and severed from this Service and Assessment Plan, and this Service and Assessment Plan, and all remaining provisions, shall remain in full force and effect and be interpreted to give effect to the intent of the parties as evidenced by this Service and Assessment Plan as a whole. To the extent required to give maximum effect to the intent of the parties, the remaining provisions of this Service and Assessment Plan shall be reformed or rewritten. All provisions of this Service and Assessment Plan are deemed to be severable.

Exhibit A to Service and Assessment PlanDEPICTION OF THE PID PROPERTY

WAXAHACHIE PUBLIC IMPROVEMENT DISTRICT NO. 1

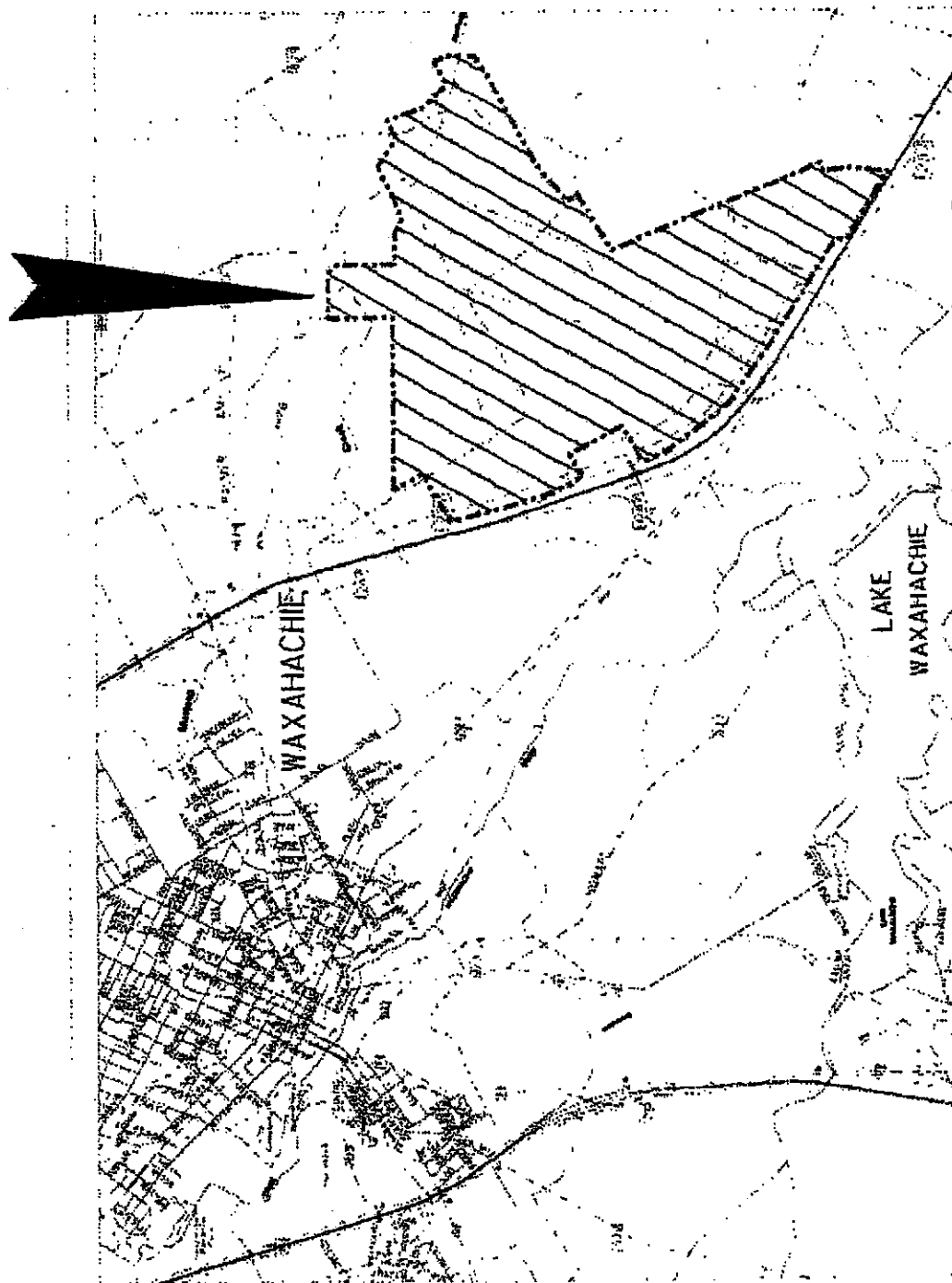
**PROJECT
LOCATION**

Exhibit A to Service and Assessment Plan (Continued)METES AND BOUNDS DESCRIPTION OF THE PID PROPERTY

WAXAHACHIE PUBLIC IMPROVEMENT DISTRICT NO. 1

1965.303 ACRES

BEING A 1965.303 ACRE TRACT OF LAND SITUATED IN THE C. BEDWELL SURVEY, ABSTRACT NO. 94, R.M. BERRY SURVEY, ABSTRACT NO. 96, R.M. BERRY SURVEY, ABSTRACT NO. 97, G. CARPENTER SURVEY, ABSTRACT NO. 190, W.C. COLEMAN SURVEY, ABSTRACT NO. 204, B. COLLIER SURVEY, ABSTRACT NO. 216, S.M. DURRITT SURVEY, ABSTRACT NO. 272, G. GARCIA SURVEY, ABSTRACT NO. 418, T. HAVENS SURVEY, ABSTRACT NO. 492, J. JOHNSON SURVEY, ABSTRACT NO. 557, W.H. JAMES SURVEY, ABSTRACT NO. 562, MCKINNEY & WILLIAMS SURVEY, ABSTRACT NO. 750 AND M. RAFFERTY SURVEY, ABSTRACT NO. 898, CITY OF WAXAHACHIE, ELLIS COUNTY, TEXAS, AND BEING ALL OF A CALLED 956.759 ACRE TRACT OF LAND, CONVEYED TO ENNIS AUCTION COMPANY, INC. BY DEED RECORDED IN VOLUME 1047, PAGE 533, DEED RECORDS, ELLIS COUNTY, TEXAS, BEING ALL OF A CALLED 166.081 ACRE TRACT OF LAND, CONVEYED TO ENNIS AUCTION COMPANY, INC. BY DEED RECORDED IN VOLUME 1047, PAGE 525, DEED RECORDS, ELLIS COUNTY, TEXAS, BEING ALL OF A CALLED 96.170 ACRE TRACT OF LAND, CONVEYED TO ENNIS AUCTION COMPANY, INC. BY DEED RECORDED IN VOLUME 1043, PAGE 371, DEED RECORDS, ELLIS COUNTY, TEXAS, BEING ALL OF A CALLED 87.450 ACRE TRACT OF LAND, CONVEYED TO GREG LOFTIS BY DEED RECORDED IN VOLUME 1061, PAGE 145, DEED RECORDS, ELLIS COUNTY, TEXAS, BEING PART OF A TRACT OF LAND, CONVEYED TO ELLIS COUNTY LIVESTOCK, INC. BY DEED RECORDED IN VOLUME 758, PAGE 207, DEED RECORDS, ELLIS COUNTY, TEXAS, BEING ALL OF A CALLED 75.616 ACRE TRACT OF LAND, CONVEYED TO GREG LOFTIS BY DEED RECORDED IN VOLUME 1061, PAGE 145, DEED RECORDS, ELLIS COUNTY, TEXAS, BEING ALL OF A CALLED 120.358 ACRE TRACT OF LAND, CONVEYED TO ENNIS AUCTION COMPANY, INC. BY DEED RECORDED IN VOLUME 1047, PAGE 525, DEED RECORDS, ELLIS COUNTY, TEXAS, BEING ALL OF A CALLED 196.971 ACRE TRACT OF LAND, CONVEYED TO ELLIS COUNTY CTR DEVELOPMENT, LTD. BY DEED RECORDED IN VOLUME 1985, PAGE 1495, DEED RECORDS, ELLIS COUNTY, TEXAS, BEING PART OF A CALLED 208.763 ACRE TRACT OF LAND, CONVEYED TO ENNIS AUCTION COMPANY, INC. BY DEED RECORDED IN VOLUME 1047, PAGE 525, DEED RECORDS, ELLIS COUNTY, TEXAS. SAID 1965.303 ACRE TRACT, HAVING A BEARING BASIS OF GRID NORTH, STATE PLANE COORDINATES, TEXAS NORTH CENTRAL ZONE, NAD 83 DATUM (CORS), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF AFORESAID 956.759 ACRE TRACT;

THENCE NORTH 88 DEGREES 56 MINUTES 16 SECONDS EAST, ALONG A NORTH LINE OF AFORESAID 956.759 ACRE TRACT, A DISTANCE OF 4630.85 FEET TO A POINT FOR CORNER;

THENCE NORTH 01 DEGREES 35 MINUTES 54 SECONDS WEST, ALONG A WEST LINE OF AFORESAID 956.759 ACRE TRACT, A DISTANCE OF 1762.77 FEET TO A POINT FOR CORNER;

THENCE NORTH 89 DEGREES 19 MINUTES 47 SECONDS EAST, ALONG A NORTH LINE OF AFORESAID 956.759 ACRE TRACT, A DISTANCE OF 1193.70 FEET TO A POINT FOR CORNER;

THENCE SOUTH 40 DEGREES 28 MINUTES 00 SECONDS EAST, ALONG A EAST LINE OF AFORESAID 956.759 ACRE TRACT, A DISTANCE OF 329.15 FEET TO A POINT FOR CORNER;

THENCE SOUTH 01 DEGREES 03 MINUTES 50 SECONDS EAST, ALONG A EAST LINE OF AFORESAID 956.759 ACRE TRACT, A DISTANCE OF 1561.46 FEET TO A POINT FOR CORNER;

THENCE ALONG A NORTH LINE OF AFORESAID 956.759 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

NORTH 88 DEGREES 52 MINUTES 47 SECONDS EAST, A DISTANCE OF 849.09 FEET TO A POINT FOR CORNER;

SOUTH 60 DEGREES 17 MINUTES 43 SECONDS EAST, A DISTANCE OF 435.54 FEET TO A POINT FOR CORNER;

NORTH 62 DEGREES 17 MINUTES 11 SECONDS EAST, A DISTANCE OF 1518.41 FEET TO A POINT FOR CORNER;

SOUTH 57 DEGREES 39 MINUTES 13 SECONDS EAST, A DISTANCE OF 894.53 FEET TO A POINT FOR CORNER;

NORTH 59 DEGREES 31 MINUTES 44 SECONDS EAST, A DISTANCE OF 525.22 FEET TO A POINT FOR CORNER;

THENCE ALONG A EAST LINE OF AFORESAID 956.759 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

SOUTH 20 DEGREES 32 MINUTES 39 SECONDS EAST, A DISTANCE OF 1124.36 FEET TO A POINT FOR CORNER;

SOUTH 49 DEGREES 42 MINUTES 53 SECONDS EAST, A DISTANCE OF 815.43 FEET TO A POINT FOR CORNER;

NORTH 59 DEGREES 01 MINUTES 39 SECONDS EAST, A DISTANCE OF 656.24 FEET TO A POINT FOR CORNER;

SOUTH 31 DEGREES 41 MINUTES 03 SECONDS EAST, A DISTANCE OF 330.87 FEET TO A POINT FOR CORNER;

SOUTH 01 DEGREES 17 MINUTES 41 SECONDS EAST, A DISTANCE OF 449.93 FEET TO A POINT FOR CORNER;

SOUTH 00 DEGREES 34 MINUTES 53 SECONDS EAST, A DISTANCE OF 329.11 FEET TO THE EAST CORNER OF AFORESAID 956.759 ACRE TRACT;

THENCE ALONG THE SOUTH LINE OF AFORESAID 956.759 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

SOUTH 60 DEGREES 05 MINUTES 45 SECONDS WEST, A DISTANCE OF 1996.26 FEET TO A POINT FOR CORNER;

SOUTH 59 DEGREES 59 MINUTES 15 SECONDS WEST, A DISTANCE OF 1287.20 FEET TO A POINT FOR CORNER;

SOUTH 49 DEGREES 31 MINUTES 18 SECONDS WEST, A DISTANCE OF 1288.90 FEET TO A POINT FOR CORNER;

SOUTH 47 DEGREES 40 MINUTES 43 SECONDS EAST, A DISTANCE OF 313.75 FEET TO A POINT FOR CORNER;

SOUTH 59 DEGREES 09 MINUTES 11 SECONDS WEST, A DISTANCE OF 46.40 FEET TO A POINT FOR CORNER;

SOUTH 58 DEGREES 58 MINUTES 21 SECONDS WEST, A DISTANCE OF 1721.09 FEET TO THE NORTH CORNER OF AFORESAID 96.170 ACRE TRACT;

THENCE SOUTH 24 DEGREES 19 MINUTES 22 SECONDS EAST, ALONG THE EAST LINE OF AFORESAID 96.170 ACRE TRACT, A DISTANCE OF 1752.77 FEET TO THE

EAST CORNER OF SAID 96.170 ACRE TRACT AND THE NORTH CORNER OF AFORESAID 87.450 ACRE TRACT;

THENCE SOUTH 22 DEGREES 39 MINUTES 36 SECONDS EAST, ALONG THE EAST LINE OF AFORESAID 87.450 ACRE TRACT, A DISTANCE OF 1583.45 FEET TO THE EAST CORNER OF SAID 87.450 ACRE TRACT AND THE NORTH CORNER OF AFORESAID ELLIS COUNTY LIVESTOCK, INC. TRACT;

THENCE ALONG THE EAST LINE OF AFORESAID ELLIS COUNTY LIVESTOCK, INC. TRACT THE FOLLOWING COURSES AND DISTANCES:

SOUTH 22 DEGREES 43 MINUTES 40 SECONDS EAST, A DISTANCE OF 663.62 FEET TO A POINT FOR CORNER;

SOUTH 23 DEGREES 51 MINUTES 01 SECONDS EAST, A DISTANCE OF 1918.49 FEET TO A POINT FOR CORNER;

THENCE SOUTH 74 DEGREES 23 MINUTES 36 SECONDS WEST, OVER AND ACROSS AFORESAID ELLIS COUNTY LIVESTOCK, INC TRACT, A DISTANCE OF 247.58 FEET TO THE EAST CORNER OF AFORESAID 75.616 ACRE TRACT;

THENCE ALONG THE EAST LINE OF AFORESAID 75.616 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

SOUTH 08 DEGREES 01 MINUTES 17 SECONDS EAST, A DISTANCE OF 689.60 FEET TO A POINT FOR CORNER;

SOUTH 04 DEGREES 24 MINUTES 42 SECONDS WEST, A DISTANCE OF 1047.76 FEET TO THE SOUTHEAST CORNER OF AFORESAID 75.616 ACRE TRACT AND BEING ON THE NORTHEAST RIGHT-OF-WAY OF U.S. HIGHWAY 287 (A VARIABLE WIDTH RIGHT-OF-WAY;

THENCE ALONG THE NORTHEAST RIGHT-OF-WAY LINE OF AFORESAID U.S. HIGHWAY 287 AND THE COMMON SOUTHWEST LINES OF AFORESAID 75.616 ACRE TRACT, 87.450 ACRE TRACT, 120.358 ACRE TRACT, AND 196.971 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

NORTH 58 DEGREES 23 MINUTES 26 SECONDS WEST, A DISTANCE OF 15.24 FEET TO A POINT FOR CORNER;

NORTH 61 DEGREES 15 MINUTES 11 SECONDS WEST, A DISTANCE OF 400.50 FEET TO A POINT FOR CORNER;

NORTH 58 DEGREES 23 MINUTES 26 SECONDS WEST, A DISTANCE OF 1698.10 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 26 MINUTES 16 SECONDS WEST, A DISTANCE OF 279.09 FEET TO A POINT FOR CORNER;

NORTH 58 DEGREES 25 MINUTES 41 SECONDS WEST, A DISTANCE OF 756.93 FEET TO A POINT FOR CORNER;

NORTH 44 DEGREES 19 MINUTES 42 SECONDS WEST, A DISTANCE OF 103.19 FEET TO A POINT FOR CORNER;

NORTH 58 DEGREES 23 MINUTES 09 SECONDS WEST, A DISTANCE OF 300.13 FEET TO A POINT FOR CORNER;

NORTH 72 DEGREES 35 MINUTES 27 SECONDS WEST, A DISTANCE OF 102.79 FEET TO A POINT FOR CORNER;

NORTH 58 DEGREES 24 MINUTES 44 SECONDS WEST, A DISTANCE OF 1398.16 FEET TO A POINT FOR CORNER;

NORTH 39 DEGREES 48 MINUTES 54 SECONDS WEST, A DISTANCE OF 106.71 FEET TO A POINT FOR CORNER;

NORTH 58 DEGREES 17 MINUTES 27 SECONDS WEST, A DISTANCE OF 299.32 FEET TO A POINT FOR CORNER;

NORTH 77 DEGREES 09 MINUTES 31 SECONDS WEST, A DISTANCE OF 106.27 FEET TO A POINT FOR CORNER;

NORTH 58 DEGREES 29 MINUTES 18 SECONDS WEST, A DISTANCE OF 751.60 FEET TO A POINT FOR CORNER;

NORTH 58 DEGREES 15 MINUTES 31 SECONDS WEST, A DISTANCE OF 548.42 FEET TO A POINT FOR CORNER;

NORTH 39 DEGREES 03 MINUTES 02 SECONDS WEST, A DISTANCE OF 105.15 FEET TO A POINT FOR CORNER;

NORTH 58 DEGREES 31 MINUTES 08 SECONDS WEST, A DISTANCE OF 199.27 FEET TO A POINT FOR CORNER;

NORTH 77 DEGREES 21 MINUTES 47 SECONDS WEST, A DISTANCE OF 106.45 FEET TO A POINT FOR CORNER;

NORTH 48 DEGREES 44 MINUTES 14 SECONDS WEST, A DISTANCE OF 482.75 FEET TO A POINT FOR CORNER;

NORTH 38 DEGREES 38 MINUTES 24 SECONDS WEST, A DISTANCE OF 1846.63 FEET TO A POINT FOR CORNER;

NORTH 27 DEGREES 01 MINUTES 24 SECONDS WEST, A DISTANCE OF 551.72 FEET TO A POINT FOR CORNER;

NORTH 15 DEGREES 20 MINUTES 42 SECONDS WEST, A DISTANCE OF 146.48 FEET TO THE WEST CORNER OF AFORESAID 196.971 ACRE TRACT;

THENCE NORTH 58 DEGREES 50 MINUTES 18 SECONDS EAST, ALONG THE NORTHWEST LINE OF AFORESAID 196.971 ACRE TRACT, A DISTANCE OF 1110.80 FEET TO THE SOUTH CORNER OF AFORESAID 208.763 ACRE TRACT;

THENCE NORTH 30 DEGREES 04 MINUTES 07 SECONDS WEST, ALONG A SOUTHWEST LINE OF AFORESAID 208.763 ACRE TRACT, A DISTANCE OF 1529.85 FEET TO THE INSIDE ELL CORNER OF SAID 208.763 ACRE TRACT;

THENCE SOUTH 59 DEGREES 54 MINUTES 53 SECONDS WEST, A DISTANCE OF 640.88 FEET TO A WEST CORNER OF AFORESAID 208.763 ACRE TRACT AND ON THE EAST LINE OF AFORESAID U.S. HIGHWAY 287;

THENCE ALONG THE WEST LINE OF AFORESAID 208.763 ACRE TRACT AND THE COMMON EAST RIGHT-OF-WAY OF AFORESAID U.S. HIGHWAY 287 THE FOLLOWING COURSES AND DISTANCES:

NORTH 26 DEGREES 36 MINUTES 51 SECONDS WEST, A DISTANCE OF 71.48 FEET TO A POINT FOR CORNER;

NORTH 81 DEGREES 47 MINUTES 50 SECONDS WEST, A DISTANCE OF 69.97 FEET TO A POINT FOR CORNER;

NORTH 30 DEGREES 00 MINUTES 58 SECONDS WEST, A DISTANCE OF 694.24 FEET TO A POINT FOR CORNER;

NORTH 23 DEGREES 12 MINUTES 25 SECONDS WEST, A DISTANCE OF 390.34 FEET TO A POINT FOR CORNER;

NORTH 15 DEGREES 50 MINUTES 53 SECONDS WEST, A DISTANCE OF 1000.41 FEET TO A POINT FOR CORNER;

NORTH 17 DEGREES 40 MINUTES 00 SECONDS WEST, A DISTANCE OF 499.95 FEET TO A POINT FOR CORNER;

NORTH 15 DEGREES 19 MINUTES 41 SECONDS WEST, A DISTANCE OF 929.05 FEET TO THE WEST CORNER OF AFORESAID 208.763 ACRE TRACT;

THENCE NORTH 59 DEGREES 24 MINUTES 03 SECONDS EAST, ALONG THE NORTHWEST LINE OF AFORESAID 208.763 ACRE TRACT A DISTANCE OF 1476.25 FEET TO THE NORTH CORNER OF SAID 208.763 ACRE TRACT AND BEING ON A SOUTHWEST LINE OF AFORESAID 956.759 ACRE TRACT;

THENCE NORTH 31 DEGREES 24 MINUTES 42 SECONDS WEST, ALONG A SOUTHWEST LINE OF AFORESAID 956.759 ACRE TRACT, A DISTANCE OF 902.95 FEET TO THE POINT OF BEGINNING, AND CONTAINING 1965.303 ACRES OF LAND, MORE OR LESS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC 663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Exhibit B to Service and Assessment PlanDISTRICT IMPROVEMENTS

PUBLIC IMPROVEMENT PROJECTS	COST
Thoroughfare Paving	
Median Landscaping	
6' Concrete Sidewalk	
Landscape Buffer	
Thin Screening Wall	
Engineering / Survey	
Contingency	
Recreational Facilities	\$700,000
Main Entry	\$250,000
Secondary Entry	\$100,000
Public Neighborhood Park	\$100,000
Pocket Park	\$100,000
Hike & Bike Trail	\$52,500
Open Space Improvements	\$75,000
Pond Improvements	\$100,000
6' Concrete Sidewalk (Collectors)	\$184,800
Landscape Buffer (Collectors)	\$211,200
Thin Screening Wall (Collectors)	\$277,500
Engineering / Survey	\$196,339
Contingency	\$97,362
Water	\$32,020
Sewer	\$53,298
Drainage	\$61,380
Roads	\$60,050
Public Right of Way	\$5,115
Related Appurtenances	\$1,535
Street Lighting	\$3,582
Storm Water Control Improvements	\$12,378
Common Area Fencing, Landscaping	\$13,197
Common Area Improvements	\$5,831
Other Park Items	\$2,148
Other Recreational Facilities	\$5,729
Other Trail Improvements	\$4,194
Engineering	\$2,864
Contract Administration	\$35,805
Master Common Utility Improvements	\$24,654
Contingencies	\$34,539
SUB-TOTAL	\$2,803,020

Debt Service Reserve Fund	\$248,552
Capitalized Interest	\$309,362
Bond Counsel	\$45,990
Underwriters Counsel	\$35,566
Developers Financial Advisor	\$26,675
City Financial Advisor	\$26,675
Underwriters Fee	\$71,132
Interest from Dev. Fund	\$(30,865)
Developer's Counsel	\$7,154
Assessment Consultant	\$7,154
Other Administrative Costs	\$8,892
SUB-TOTAL	\$756,287
PAR AMOUNT OF BONDS	\$3,559,307
DEPOSIT TO PROJECT FUND	\$2,803,020

Exhibit C to Service and Assessment Plan

ASSESSMENT ROLL

PARCEL DESCRIPTIONS	LOT TYPE	ASSESSMENT PER LOT/PARCEL
Block K, Lots 1-6, 8-44 Block L, Lots 1-19 Block M, Lots 1-17 Block N, Lots 1-13 Block O, Lots 1-10 Block P, Lots 1-10 Block Q, Lots 1-8** Block Q, Lots 9-15 Block R, Lots 1-13** Block S, Lots 1-4, 6-15** Block S, Lots 16-22 Block T, Lots 19-28**	Type 1 - (SF 1) (171 total lots)	\$7,660
Block G, Lots 1-11, 31-51 Block G, Lots 13-30 Block H, Lots 1-28 Block I, Lots 1-17* Block J, Lots 1-11* Block J, Lots 12-24 Block T, Lots 1-18 Block V, Lots 1-8 Block W, Lots 1-18	Type 2 - (SF 2) (163 total lots)	\$6,434
Block A, Lots 1-29 Block B, Lots 1-18 Block C, Lots 1-11 Block D, Lots 1, 2, 4-30, 81-107* Block D, Lots 31-56, 58-80 Block E, Lots 1, 26* Block E, Lots 2-25 Block F, Lots 1-14* Block X, Lots 1-6*	Type 3 - (SF 3) (209 total lots)	\$5,745

*As shown on final plat of Saddle Brook Estates, Phase 1A, formerly platted as Villages of Mustang Creek Tract 1, prepared by Carter & Burgess, Inc., File No. 01-7744, dated April 2007, as recorded in Cabinet A, Slide 401-402, P.R.E.C.T., Ellis County, Texas, May 21, 2007.

**As shown on final plat of Saddle Brook Estates, Phase 1B, formerly platted as Villages of Mustang Creek Tract 1, prepared by Carter & Burgess, Inc., File No. 01-7745, dated April 2007, as recorded in Cabinet A, Slide 398, P.R.E.C.T., Ellis County, Texas, May 21, 2007.

All other lots are as shown on preliminary plat of Villages of Mustang Creek Tract 1, prepared by Carter & Burgess, Inc., File No. 01-7760, dated January 2006.

Annual Installments Per Lot/Parcel – All Lot Type 1 (S/F 1) Lots/Parcels
Assessment per Lot/Parcel = \$7,660

<u>Year</u>	<u>Principal and Interest</u>	<u>Collection Costs</u>	<u>Total</u>
1	\$473.36	\$11.01	\$484.37
2	\$480.46	\$11.18	\$491.64
3	\$487.67	\$11.34	\$499.01
4	\$494.98	\$11.51	\$506.50
5	\$502.41	\$11.69	\$514.09
6	\$509.94	\$11.86	\$521.80
7	\$517.59	\$12.04	\$529.63
8	\$525.36	\$12.22	\$537.58
9	\$533.24	\$12.40	\$545.64
10	\$541.24	\$12.59	\$553.82
11	\$549.35	\$12.78	\$562.13
12	\$557.59	\$12.97	\$570.56
13	\$565.96	\$13.16	\$579.12
14	\$574.45	\$13.36	\$587.81
15	\$583.06	\$13.56	\$596.63
16	\$591.81	\$13.77	\$605.57
17	\$600.69	\$13.97	\$614.66
18	\$609.70	\$14.18	\$623.88
19	\$618.84	\$14.39	\$633.24
20	\$628.13	\$14.61	\$642.74
21	\$637.55	\$14.83	\$652.38
22	\$647.11	\$15.05	\$662.16
23	\$656.82	\$15.28	\$672.09
24	\$666.67	\$15.51	\$682.18
25	\$676.67	\$15.74	\$692.41
26	\$686.82	\$15.97	\$702.79
27	\$697.12	\$16.21	\$713.34
28	\$707.58	\$16.46	\$724.04
29	\$718.19	\$16.70	\$734.90
30	\$728.97	\$16.96	\$745.92
Total	\$17,769.31	\$413.30	\$18,182.61

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Annual Installments Per Lot/Parcel – All Lot Type 2 (S/F 2) Lots/Parcels
Assessment per Lot/Parcel = \$6,434

<u>Year</u>	<u>Principal and Interest</u>	<u>Collection Costs</u>	<u>Total</u>
1	\$397.62	\$9.25	\$406.87
2	\$403.58	\$9.39	\$412.97
3	\$409.64	\$9.53	\$419.17
4	\$415.78	\$9.67	\$425.46
5	\$422.02	\$9.82	\$431.84
6	\$428.35	\$9.96	\$438.31
7	\$434.77	\$10.11	\$444.89
8	\$441.30	\$10.27	\$451.56
9	\$447.92	\$10.42	\$458.34
10	\$454.63	\$10.58	\$465.21
11	\$461.45	\$10.74	\$472.19
12	\$468.38	\$10.90	\$479.27
13	\$475.40	\$11.06	\$486.46
14	\$482.53	\$11.23	\$493.76
15	\$489.77	\$11.39	\$501.16
16	\$497.12	\$11.56	\$508.68
17	\$504.57	\$11.74	\$516.31
18	\$512.14	\$11.91	\$524.06
19	\$519.82	\$12.09	\$531.92
20	\$527.62	\$12.27	\$539.90
21	\$535.54	\$12.46	\$547.99
22	\$543.57	\$12.65	\$556.21
23	\$551.72	\$12.83	\$564.56
24	\$560.00	\$13.03	\$573.03
25	\$568.40	\$13.22	\$581.62
26	\$576.92	\$13.42	\$590.35
27	\$585.58	\$13.62	\$599.20
28	\$594.36	\$13.83	\$608.19
29	\$603.28	\$14.03	\$617.31
30	\$612.33	\$14.24	\$626.57
Total	\$14,926.13	\$347.23	\$15,273.36

Annual Installments Per Lot/Parcel – All Lot Type 3 (S/F 3) Lots/Parcels
Assessment per Lot/Parcel = \$5,745

<u>Year</u>	<u>Principal and Interest</u>	<u>Collection Costs</u>	<u>Total</u>
1	\$355.02	\$8.26	\$363.28
2	\$360.35	\$8.38	\$368.73
3	\$365.75	\$8.51	\$374.26
4	\$371.24	\$8.64	\$379.87
5	\$376.81	\$8.77	\$385.57
6	\$382.46	\$8.90	\$391.36
7	\$388.19	\$9.03	\$397.23
8	\$394.02	\$9.17	\$403.18
9	\$399.93	\$9.30	\$409.23
10	\$405.93	\$9.44	\$415.37
11	\$412.02	\$9.59	\$421.60
12	\$418.20	\$9.73	\$427.93
13	\$424.47	\$9.88	\$434.34
14	\$430.84	\$10.02	\$440.86
15	\$437.30	\$10.17	\$447.47
16	\$443.86	\$10.33	\$454.18
17	\$450.52	\$10.48	\$461.00
18	\$457.27	\$10.64	\$467.91
19	\$464.13	\$10.80	\$474.93
20	\$471.09	\$10.96	\$482.05
21	\$478.16	\$11.13	\$489.29
22	\$485.33	\$11.29	\$496.62
23	\$492.61	\$11.46	\$504.07
24	\$500.00	\$11.63	\$511.64
25	\$507.50	\$11.81	\$519.31
26	\$515.11	\$11.98	\$527.10
27	\$522.84	\$12.16	\$535.01
28	\$530.68	\$12.35	\$543.03
29	\$538.64	\$12.53	\$551.18
30	\$546.72	\$12.72	\$559.44
Total	\$13,326.98	\$310.07	\$13,637.05

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Aggregate Annual Installments – All Lots/Parcels

Total Assessments = \$3,559,307

<u>Year</u>	<u>Principal and Interest</u>	<u>Collection Costs</u>	<u>Total</u>
1	\$219,955.80	\$5,116.80	\$225,072.60
2	\$223,255.14	\$5,193.55	\$228,448.69
3	\$226,603.96	\$5,271.46	\$231,875.42
4	\$230,003.02	\$5,350.53	\$235,353.55
5	\$233,453.07	\$5,430.79	\$238,883.85
6	\$236,954.86	\$5,512.25	\$242,467.11
7	\$240,509.19	\$5,594.93	\$246,104.12
8	\$244,116.83	\$5,678.85	\$249,795.68
9	\$247,778.58	\$5,764.04	\$253,542.62
10	\$251,495.26	\$5,850.50	\$257,345.75
11	\$255,267.69	\$5,938.26	\$261,205.94
12	\$259,096.70	\$6,027.33	\$265,124.03
13	\$262,983.15	\$6,117.74	\$269,100.89
14	\$266,927.90	\$6,209.51	\$273,137.40
15	\$270,931.82	\$6,302.65	\$277,234.46
16	\$274,995.79	\$6,397.19	\$281,392.98
17	\$279,120.73	\$6,493.15	\$285,613.88
18	\$283,307.54	\$6,590.54	\$289,898.08
19	\$287,557.16	\$6,689.40	\$294,246.56
20	\$291,870.51	\$6,789.74	\$298,660.25
21	\$296,248.57	\$6,891.59	\$303,140.16
22	\$300,692.30	\$6,994.96	\$307,687.26
23	\$305,202.68	\$7,099.89	\$312,302.57
24	\$309,780.72	\$7,206.38	\$316,987.11
25	\$314,427.43	\$7,314.48	\$321,741.91
26	\$319,143.85	\$7,424.20	\$326,568.04
27	\$323,931.00	\$7,535.56	\$331,466.56
28	\$328,789.97	\$7,648.59	\$336,438.56
29	\$333,721.82	\$7,763.32	\$341,485.14
30	\$338,727.65	\$7,879.77	\$346,607.42
Total	\$8,256,850.69	\$192,077.92	\$8,448,928.62

Exhibit C to Assessment Ordinance**THE SALE, PLEDGE OR TRANSFER OF RIGHTS GRANTED IN THIS
AGREEMENT WITHOUT STRICT COMPLIANCE WITH THE TERMS
HEREOF SHALL BE INEFFECTIVE****DISTRICT IMPROVEMENTS PAYMENT AGREEMENT**

This District Improvements Payment Agreement (the "Agreement") is executed between the City of Waxahachie, Texas (the "City") and ^{287 Waxahachie L.P.}~~Ellis County CTR~~ ("Developer").

RECITALS

WHEREAS, on April 16, 2007, the City Council of the City (the "City Council") approved and adopted Resolution No. 1087 which authorized and created the Waxahachie Public Improvement District No. 1 (the "District") covering the property more particularly described in such Resolution (the "Property");

WHEREAS, on June 18, 2007, the City Council approved and adopted Ordinance No. 2413 (the "Assessment Ordinance") which, among other things: (i) separately approved a "Service and Assessment Plan", as updated from time to time; (ii) levied special assessments against property within the District (the "Assessments") to pay for the cost of public improvement projects to be undertaken for the special benefit of land within the District; (iii) separately approved an "Assessment Roll", as updated from time to time (including, for each "Parcel" identified on the Assessment Roll, the amount of the Assessment and the corresponding "Annual Installment" if the Assessment is paid in installments);

WHEREAS, Exhibit B to the Service and Assessment Plan identifies public improvement projects to be "undertaken" (including, but not limited to, the acquisition, construction, installation, and improvement of such public improvement projects) for the special benefit of land within the District (the "District Improvements");

WHEREAS, Developer is the owner or developer of land located within the Property ("Developer's Land") and intends to undertake District Improvements that will confer a special benefit on Developer's Land;

WHEREAS, the Assessment Ordinance approves this Agreement and authorizes and directs the execution of this Agreement to set forth the obligations of the City to pay for the cost of District Improvements; and

WHEREAS, this Agreement was approved by the City Council on June, 18, 2007.

NOW THEREFORE, FOR AND IN CONSIDERATION OF DEVELOPER UNDERTAKING DISTRICT IMPROVEMENTS, THE MUTUAL OBLIGATIONS OF THE CITY AND DEVELOPER SET FORTH IN THIS AGREEMENT, AND OTHER GOOD AND VALUABLE CONSIDERATION THE RECEIPT OF WHICH IS ACKNOWLEDGED, THE CITY AND DEVELOPER AGREE AS FOLLOWS:

1. Recitals. The Recitals set forth above are true and correct and form the basis upon which the City and Developer have negotiated and entered into this Agreement.
2. Phased Development of Developer's Land. The City and Developer acknowledge that Developer's Land will be developed in multiple phases, and that the phased development of Developer's Land will be accompanied by the phased undertaking of District Improvements that are required by the City to be completed in accordance with the Planned Development Ordinance (the zoning ordinance applicable to Developer's Land, as defined in the Service and Assessment Plan and as amended) and the City's Subdivision Ordinance, as amended. When, for each phase of development of Developer's Land, the City determines that either: (i) District Improvements have been completed for such phase of development in accordance with the requirements of the Planned Development Ordinance and the City's Subdivision Ordinance; or (ii) financial security (including, but not limited to, proceeds from the issuance of Bonds, as hereinafter defined) to complete District Improvements in accordance with the requirements of the Planned Development Ordinance and Subdivision Ordinance has been provided in a manner approved by the City; then such phase of development of Developer's Land shall be deemed to have received a special benefit from the District Improvements completed or to be completed in connection with such phase of development. When a phase of development of Developer's Land is deemed to have received a special benefit from District Improvements completed or to be completed in connection such phase, the City shall issue Bonds as set forth below and shall collect Assessments and Annual Installments to pay such Bonds.
3. Collection of Assessments and Annual Installments. Assessments and Annual Installments shall be collected and administered as set forth in: (i) the Assessment Ordinance; (ii) the Service and Assessment Plan; (iii) this Agreement; and (iii) any bond indenture or other ordinance, resolution, document, or agreement approved by the City Council in connection with the issuance of any series of Bonds.
4. Issuance of Bonds. The City shall issue a series of bonds in accordance with Chapter 372, Texas Local Government Code (the "Act") payable solely from Assessments (the "Bonds") to finance District Improvements benefiting each phase of development of Developer's Land when such phase of development is benefited by District Improvements as described above; provided, however, the issuance of any series of Bonds prior to completing the District Improvements for a phase of development of Developer's Land (i.e., the issuance of Bonds the proceeds from which will be used as financial security to complete the District Improvements) will be at the sole discretion of the City.

5. Payment for District Improvements. The City shall pay the cost of District Improvements from the proceeds of one or more series of Bonds to be issued by the City (or by any corporation or entity created by the City with the authority to issue Bonds) in accordance with Section 4 of this Agreement.
6. Temporary Notes. If Developer undertakes to complete or fund the completion of District Improvements prior to the issuance of any series of Bonds, the City shall (upon written request of Developer) evidence its obligation to pay for such District Improvements by executing one or more temporary notes in favor of Developer in the form attached to this Agreement as Exhibit A, which temporary notes are payable only from the issuance of Bonds and not from any other funds of the City.
7. Assignment. Developer shall have the right to collaterally assign all or any portion of its right to receive monies under this Agreement to any lender providing monies for the District Improvements being undertaken by Developer upon written notice to (but without requiring the approval of) the City. Otherwise, Developer may not pledge, transfer, or assign this Agreement or any benefits hereunder without the prior written consent of the City which may be withheld for any reason.

Executed to be effective June 18, 2007.

ELLIS COUNTY CTR DEVELOPMENT, LTD.

a Texas limited partnership

By: Pars Investments, Inc, a Texas corporation
Its GENERAL PARTNER

By: Mehrdad Moayedi
Mehrdad Moayedi, President
Date: _____

287 WAXAHACHIE, L.P.

a Texas limited partnership

By: LENNAR TEXAS HOLDING COMPANY, a
Texas corporation

By: Jack Dawson
Jack Dawson,
Its GENERAL PARTNER

By: CENTAMTAR TERRAS, L.L.C.,
A Texas limited liability company,

By: Mehrdad Moayedi
Mehrdad Moayedi, Sole Member and Sole Manager
Its GENERAL PARTNER

CITY OF WAXAHACHIE, TEXAS

Paul Stevens

Paul Stevens, City Manager

Exhibit A to Payment AgreementTEMPORARY NOTE

THIS NOTE IS NEITHER A NEGOTIABLE INSTRUMENT NOR A
PUBLIC SECURITY¹

MATURITY DATE: _____, 20__

FOR VALUE RECEIVED, the City of Waxahachie (the "City"), in the County of
Ellis, State of Texas, subject to the terms, conditions, and requirements set forth below,
hereby promises to pay to:

or its permitted assigns (collectively, "Payee"), on or before the Maturity Date stated
above, the principal sum of _____
No/100^{ths} Dollars (\$_____), or so much thereof as shall have been certified to have
been advanced and remain outstanding hereunder (such outstanding amount, from
time to time is herein referred to as the "Principal Amount"), together with interest
accrued on the unpaid principal balance of each advance from day-to-day remaining,

¹ THIS TEMPORARY NOTE IS NOT A NEGOTIABLE INSTRUMENT AND IS NOT A PUBLIC SECURITY UNDER TEXAS
LAW. DEFENSES AGAINST PAYMENT OF THIS TEMPORARY NOTE, INCLUDING RIGHTS OF OFFSET, MAY BE
ASSERTED BY THE CITY FOR ANY DEFAULT BY PAYEE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION,
OR IMPROVEMENT OF IMPROVEMENT PROJECTS WITHIN WAXAHACHIE PUBLIC IMPROVEMENT DISTRICT NO 1.
THIS TEMPORARY NOTE HAS NOT BEEN REVIEWED OR RATED BY ANY NATIONAL, LOCAL, OR STATE BOND
RATING AGENCY.

computed from the date of such advance until the Maturity Date at a rate per annum equal to seven percent (7%). This Note shall not bear interest after the Maturity Date. Each amount of expenditure for work performed on improvements certified by the City Manager of the City, and as reflected on the attached Schedule of Advances, shall be considered an advance hereunder that has been certified. Interest shall accrue and be payable on the Principal Amount from the date of each advance at the rate of seven percent (7%) per annum simple interest until the earlier of the Maturity Date or payment by the City.

The Principal Amount is due and payable on the Maturity Date, including any interest thereon, solely from the proceeds of bonds payable solely from assessments levied by the City in accordance with the provisions of Ordinance No. 2413, adopted by the City on June 18, 2007 (the "Assessment Ordinance"). This Note does not otherwise create a debt or other obligation of the City payable from any source of revenues, taxes, or income of the City, other than as described herein.

This Temporary Note is issued by the City for the purpose of recording and securing the City's obligation to pay Payee, in accordance with the provisions of the Assessment Ordinance and the District Improvements Payment Agreement entered into between the City and Payee, for the costs and expenses paid or incurred by or on behalf of Payee in undertaking (including, but not limited to, acquiring, constructing, installing, and improving) "District Improvements" authorized by the Assessment

Ordinance (which District Improvements are more particularly described by the Service and Assessment Plan attached as Exhibit B to the Assessment Ordinance).

This Temporary Note may be redeemed prior to its scheduled maturity, at the option of the City, on any date on or after the tenth (10th) day after City provides Payee written notice of redemption, for a price equal to the principal amount hereof plus unpaid accrued interest hereon to the date fixed for redemption, without premium. Prepayments shall be applied first against unpaid interest and then to the unpaid Principal Amount.

This Temporary Note may not be pledged, transferred or assigned by Payee without the prior written consent of the City, which may be withheld for any reason; provided however, that upon written notice to the City, Payee may collaterally assign its right to receive payment from this Temporary Note to any party that advances money to Payee for purposes of funding the improvements reflected on the attached Schedule of Advances.

The issuance of this Temporary Note is duly authorized by law, and all acts, conditions and things required to be done precedent to and in the issuance of this Temporary Note have been properly done and performed and have happened in regular and due time, form and manner, as required by law.

IN WITNESS WHEREOF, the City has caused this Temporary Note to be
executed by the Mayor of the City and attested by the City Secretary of the City on and
as of June, 18 2007.

Nancy Ross

Nancy Ross, City Secretary,
City of Waxahachie, Texas

Joe Jenkins

Joe Jenkins, Mayor
City of Waxahachie, Texas



