



AGENDA
City Council
Tuesday, January 26, 2021
1371 WEST FM 550 - McLENDON-CHISHOLM, TEXAS 75032 6:30 PM

Page

1. CALL TO ORDER
2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS
3. RULES OF DECORUM
4. CITIZEN COMMENTS
5. PRESENTATIONS
 - 5.1. Rockwall County COVID-19 Vaccination Update and Related Matters
6. CONSENT AGENDA

Items under the Consent Agenda are considered non-controversial or routine and will be adopted by one motion without separate discussion of items. Any item may be removed from the Consent Agenda and considered individually by request from any Council Member making such request prior to a motion and vote on the Consent Agenda.

 - 6.1. Action Regarding the Minutes of January 13, 2021 Regular City Council Meeting 4 - 10
[01.13.21 CC Meeting](#)
 - 6.2. Building Official Report December 2020 11 - 16
[Building Official Report December 2020](#)
 - 6.3. McLendon-Chisholm Fire Rescue Report December 2020 17 - 20
[December 2020 Calls by District](#)
[December 2020 Calls by Incident](#)
 - 6.4. Sheriff's Report December 2020 21 - 24
[Rockwall Co. Sheriff's Report Dec. 2020](#)
 - 6.5. CWD Report December 2020 25 - 28
[Community Waste Disposal Report December 2020](#)
 - 6.6. Budget Report December 2020 29 - 44
[Budget Report December 2020](#)
 - 6.7. Animal Control Report December 2020 45
[Animal Control Report December 2020](#)

7. ITEMS FOR CONSIDERATION

- 7.1. ACGM will provide a brief update regarding the McLendon-Chisholm Public Safety Building. (Requested by Sean Spyres)
- 7.2. Discussion and action regarding a Resolution determining the costs of improvement Area #3 improvements to be financed the by Sonoma Public Improvement District; approving a Preliminary Amended and Restated Service and Assessment Plan updated for Improvement Area #3, including a proposed Assessment Roll for Improvement Area #3 of Sonoma Public Improvement District; directing the filing of the proposed Assessment Roll with the City Secretary to make available for public inspection and calling for noticing a public hearing for February 9, 2021 to consider an Ordinance levying assessments on property located within Improvement Area #3 of the Sonoma Public Improvement District; directing city staff to publish and mail notice of said public hearing; approving a Preliminary Limited Offering Memorandum; and resolving other matters incident and related thereto and providing an effective date. (Requested by Palomba) 46 - 328
- [Sonoma PID IA#3 Resolution](#)
[Sonoma Public Improvement District Preliminary Amended Service and Assessment Plan](#)
[Sonoma PID \(2021 IA #3 Bonds\) -- PLOM](#)
- 7.3. Consider a resolution approving the order of a general election for the purpose of electing persons to the offices of City Council Member Place 1, City Council Member Place 3, and City Council Member Place 5. 329 - 334
- [Resolution Approving Order for General Election 2021 \(Spanish\)](#)
[Resolution Approving Order for General Election 2021\(English\)](#)
[Order of General Election \(English\)](#)
[Order of General Election \(Spanish\)](#)
- 7.4. Discussion and action regarding a Resolution selecting a nominee to fill a vacancy on the Rockwall County Central Appraisal District Board of Directors. (Requested by Palomba) 335 - 336
- [Resolution Providing for Submission of a Nominee to the RCAD Board](#)
[RCAD Vacancy Notice](#)
- 7.5. Discussion and consideration of appointment of Council Member Davis to serve as a member of the Rockwall County Emergency Services Corporation and EMS Board. (Requested by Council Member Kipphut)
- 7.6. Discussion and consideration of appointing Council Member Trudy Woessner as an additional liaison to the Economic Development Committee. (Requested by Council Member Woessner)

8. EXECUTIVE SESSION

- 8.1. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551.074(a)(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Administrator Annual and Fire Chief Annual Review.

8.2. Reconvene Regular Meeting

8.3. Executive Session Action

9. UPDATES, DISCUSSION AND DIRECTION TO STAFF

10. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

The City Council will have an opportunity to address items of community interest including: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the City of McLendon-Chisholm; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the City of McLendon-Chisholm that was attended or is scheduled to be attended by a member of the City Council or an official or employee of the City of McLendon-Chisholm; and announcements involving an imminent threat to the public health and safety of people in the City of McLendon-Chisholm that has arisen after posting the agenda.

11. ADJOURN

FOOTER

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session in order to seek confidential legal advice from the City Attorney on any agenda item herein.

I, Rochelle Green, do hereby certify that the above Notice of Meeting of the City Council of McLendon-Chisholm, Texas was posted on or before 6:00 p.m., January 22, 2021 on the outside bulletin board at City Hall, a place convenient and readily accessible to the public at all times.



CITY COUNCIL MEETING
City of McLendon-Chisholm, Texas
Meeting Minutes
January 13, 2021

The City Council of the City of McLendon-Chisholm convened in Regular Session on Wednesday, January 13, 2021, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

ATTENDING:	Lorna Kipphut Trudy Woessner William Dahl Brian Davis	Mayor Pro Tem Council Member Council Member Council Member
ABSENT:	Keith Short Nathan Hodges	Mayor Council Member
Staff Present:	Lisa Palomba Jim Simmons Shelly Green Michael Halla	City Administrator Fire Chief City Secretary City Attorney

1. CALL TO ORDER

Mayor Pro Tem Kipphut called the meeting to order at 6:30 p.m.

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS

Mayor Pro Tem Kipphut delivered the invocation and led the pledge of allegiance to the U.S. and Texas Flags.

3. RULES OF DECORUM

Mayor Pro Tem Kipphut announced the Rules of Decorum are in place and are to be observed throughout the meeting.

4. CITIZEN COMMENTS

None

5. CONSENT AGENDA

- 5.1. Action Regarding the Minutes of December 9, 2021 City Council Meeting
- 5.2. Building Official Report November 2020

- 5.3. McLendon-Chisholm Fire Rescue Report November 2020
- 5.4. Sheriff's Report November 2020
- 5.5. CWD Report November 2020
- 5.6. Budget Report November 2020
- 5.7. Animal Control Report November 2020

MOTION: APPROVE THE CONSENT AGENDA AS PRESENTED

MADE BY: Council Member Dahl
SECONDED BY: Council Member Woessner
APPROVAL: Unanimous

6. ITEMS FOR DISCUSSION

- 6.1. Fire Station construction update presented by AGCM.

Sean Spyres, representing AGCM, presented an update to the Council including an updated budget.

- 6.2. Presentation by Rockwall County EMS Representative Mitch Ownby regarding history and operations associated with Rockwall County EMS followed by discussion with Council.

Mitch Ownby presented a history of the Rockwall County EMS and plans for moving forward.

Mayor Pro Tem Kipphut presented information regarding Rockwall County EMS.

Council held a brief discussion and ask questions of Mr. Ownby.

- 6.3. Presentation, discussion and consideration of an agreement with My Computer Guy for Information Technology Services.

City Administrator Palomba presented her staff report:

Background of Issue:

My Computer Guy is the City's current IT provider. The City was recently notified that the current managed care plan for technology services requires an update as the existing NAS (network storage) does not support the software updates that enable Office 365 backups or longer retention with more storage space. The new backup solution allows for new hardware maintained by My Computer Guy to be

replaced every three years with no hardware cost to the client with renewed agreements.

Financial Impact:

The proposed plan is an additional \$75 per month for the 9 months remaining in the fiscal year or \$675 over the current plan cost. This would require a minor budget amendment which could be presented mid-year with any other budget clean up items.

Recommendation:

Consider approval of the proposed managed care plan for IT services.

Bill and Shelia Hair, My Computer Guy representatives, were present to go over the managed plan summary and answer any questions from the Council.

MOTION: APPROVE THE MANAGED CARE FOR IT SERVICES AS PRESENTED BY MY COMPUTER GUY

MADE BY: Council Member Dahl
SECONDED BY: Council Member Davis
APPROVAL: Unanimous

- 6.4. Discussion and action regarding a Resolution amending the Regular City Council Meeting dates.

City Administrator Palomba explained she placed this on the agenda. Council recently made a change adopting a resolution moving the council dates from the second and fourth Tuesdays to the second and fourth Wednesdays to accommodate the Mayor's duty schedule. Upon further review, the Mayor is actually requesting that we change it back for now to Tuesdays, and that should remain the same until the end of March. When we get to April, he's going to want to go to Wednesdays. There have been no calls objecting to this.

So, we don't have to keep doing a resolution, I got with Mr. Halla and we actually wrote one that said that you could have the meetings on the second and fourth Tuesday or Wednesday. We would need to give people a heads up as far in advance as we can if we're going to make this switch. The resolution would give you the ability to go back and forth as necessary.

Mayor Pro Tem Kipphut ask if the Mayor had confirmed he can make the second and fourth Tuesday until March 31st? City Administrator replied yes, and he really wants to be here.

Mayor Pro Tem Kipphut polled the Council to see if they were available for this change. They confirmed they would be available.

MOTION: APPROVE A RESOLUTION ESTABLISHING DATES AND TIMES FOR REGULAR CITY COUNCIL MEETINGS AND PROVIDING FOR HOLIDAYS AND SPECIAL MEETINGS.

MADE BY: Council Member Dahl
SECONDED BY: Council Member Davis

Mayor Pro Tem Kipphut stressed that this needs to be posted on the website.

APPROVED: Unanimous

- 6.5. Discussion and action regarding establishing topics for a Special Meeting Work Session to be held on January 30, 2021.

City Administrator Palomba presented her staff report on this item:

A Special City Council Work Session is scheduled for Saturday, January 30, 2021 from 9 a.m. to approximately 2 p.m. The following topics have been submitted for discussion:

- Outdoor weather warning sirens including possible locations, costs and related matters
- Current and proposed development activity and related matters
- Public safety including staffing, operations, capital equipment and related matters
- Population growth and related matters
- Community events
- City utilities
- City financial conditions and financial planning.

Staff requests any additional items for discussion or other related requests regarding the work session be presented at this time so that staff has adequate time to prepare materials for the meeting.

- 6.6. Discussion and action regarding setting a date and an alternate date for an upcoming Special Joint City Council and Planning and Zoning Commission Meeting.

City Administrator Palomba stated that two development groups have expressed interest in meeting with the City Council and the Planning & Zoning Commission in a Work Session to discuss development opportunities. Staff suggests setting a date and an alternate date for the joint meeting. They are looking for some guidance before they spend a lot of money preparing a proposal that may not go anywhere.

City Attorney Halla expressed his feeling that he is opposed to this type of meeting and would not recommend holding one.

City Administrator Palomba suggested they may need to take a different approach. Perhaps they should have a workshop without the developers there and talk about lot sizes. She feels like they should give the developers something to work with. City Attorney Halla agreed with this approach.

Mayor Pro Tem Kipphut suggested they add it to the upcoming workshop, maybe the first hour, and include P&Z in that workshop. It could be done at the beginning or the end.

7. UPDATES, DISCUSSION AND DIRECTION TO STAFF

Council Member Woessner – no discussion or direction to staff

Council Member Dahl – no discussion or direction to staff

Council Member Davis – no discussion or direction to staff

Mayor Pro Tem Kipphut – ask for an update on the status of RFPs for the comp plan. City Administrator Palomba responded it has been advertised and it is on the website. Submittals are due February 1st. It is done in two parts. The first part is where we ask for qualifications; you look at the firms; and then we narrow down those firms and the ones you're interested in we will request proposals from. If all goes well, you should be able to award the contract at the second meeting in February. The deadline for the completion of the comp plan is September 30th.

She reported that she did go ahead and email lane regarding the white striping on 205 because that hasn't been finished yet. She didn't hear back from him yet.

8. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

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No Reports or Announcements

12. ADJOURN

There being no further business to discuss, Mayor Pro Tem Kipphut adjourned the meeting at 7:15 p.m.

APPROVED:

Lorna Kipphut, Mayor Pro Tem

ATTEST:

Rochelle Green, City Secretary

North East Texas Inspections

638 Chisholm Ranch Dr. Rockwall, Texas 75032, 972-998-3415

There were 17 new single family residential home permits issued in December, 2020. The attached addendum reflects the home address, valuation, square footage and name of the Builder.

There were 6 new accessory projects permitted including single trades, swimming pools, outdoor living, shop buildings and other accessory endeavors that are also attached.

Thank you for choosing North East Texas Inspections for your Building Services provider.

Permits to date: 224

December 2020

David Ellis, Building Official

December 2020 New SFR	Valuation	Square ft.	Fee	Builder
2017 corleone	350794	3001	\$ 875.00	highland
1730 puglia	\$ 349,510.00	4993	\$ 1,025.00	castlerock
1192 livorno dr.	\$ 327,148.00	4822	\$ 1,025.00	altura
1199 livorno	\$240,464	3405	\$ 875.00	altura
1205 livorno	\$ 260,665.00	3190	\$ 875.00	altura
1211 livorno dr	\$ 325,615.00	4757	\$ 1,025.00	altura
1729 amarone dr	\$ 294,700.00	4210	\$ 1,025.00	castlerock
1742 amarone	\$ 261,030.00	3729	\$ 1,025.00	castlerock
1624 salvatore	\$ 467,990.00	4623	\$ 1,025.00	castlerock
1713 puglia	\$ 292,600.00	4180	\$ 1,025.00	castlerock
1417 via toscana	\$ 298,487.00	4581	\$ 1,025.00	altura
1204 livorno	\$ 315,469.00	4581	\$ 1,025.00	altura
1198 livorno	\$ 273,409.00	3712	\$ 1,025.00	altura
1830 abruzzo	\$ 409,542.00	3136	\$ 875.00	highland
1749 amarone	\$ 320,530.00	4579	\$ 1,025.00	castlerock
1210 amarone	\$ 360,470.00	3190	\$ 875.00	altura
1814 abruzzo	\$ 333,690.00	3254	\$ 875.00	castlerock
			\$ 16,525.00	

Accessory permits December 2020	Project	Valuation	Fee
1407 barrolo	pool	\$ 50,000.00	\$375.00
304 pioneer ct	pool cabana	\$20,000.00	\$225.00
1472 corrara	solar	\$32,000.00	\$150.00
1413 artesia	pool	\$65,000.00	\$375.00
1815 Bertino	patio	\$19,000.00	\$150.00
1324 somerest	pool	\$110,000.00	\$375.00
			\$1,650.00

December 2020 Onsite inspections actual

811 fm 1139	frame mep
1324 arezzo	plmbg rough
1914 sicilia	elect. Meter
114 windsor	final co
628 stampede run	pool electric
1705 puglia	flatwork
1919 sicilia	flatwork
1604 vista crt	frame mep
1518 corrara	elect. Meter
1176 lucca	deck and bond
1122 oxford	plmbg rough
1706 amarone	plmbg rough
1818 abruzzo	final co
1822 abruzzo	frame mep
1115 cambridge	plmbg rough
1351 arezzo	flatwork
1910 galenda	pool final
628 stampede run	pool final
1351 arezzo	gas meter
1710 pieneze	frame mep
1252 livorno	pool final
1110 oxford ct.	belly steel
1288 somerset	pool final
1378 arezzo	electric meter
1518 vista crt.	foundation
860 frontier trail	plmbg rough
1351 arezzo	electric meter
1351 arezzo	gas meter
1638 salvatore	t-pole
1915 sicilia	frame mep
1754 amalfi	pool deck
1115 cambridge	plmbg rough
1710 pieneze	frame mep
1122 oxford	plmbg rough
1613 san donato	flatwork
1915 sicilia	frame mep
1750 amarone	t-pole
1638 salvatore	plmbg rough
1617 san donato	t-pole
1754 amalfi	pool electric
1378 arezzo	pool electric
1706 amarone	plmbg rough
1822 abruzzo	frame mep
1324 arezzo	plmbg rough
1606 salvatore	t-pole
1638 salvatore	t-pole

1613 san donato	plmbg rough
1941 recioto	plmbg rough
1818 abruzzo	final co
1729 pieneze	final co
1073 kingsbridge	pool final
1252 livorno	pool final
1378 arezzo	pool final
1216 livorno	pool electric
628 stampede run	pool final
1750 amarone	t-pole
1706 amarone	flatwork
5 fireside	bldg final
1714 budino	frame mep
1378 arezzo	pool final
1706 amarone	flatwork
2013 corleone	frame mep
1656 salvatore	frame mep
287 pheasant hill	pool belly steel
628 stampede run	pool final
1714 amarone	frame mep
2013 corleone	frame mep
1656 salvatore	frame mep
1606 salvatore	plmbg rough
104 lavender	final co
1706 amarone	flatwork
1490 siena	gas meter
1490 siena	electric meter
1518 vista crt.	frame mep
811 fm 1139	frame emp
287 pheasant hill	belly steel
1706 amarone	flatwork
1710 puglia	final co
1490 siena	gas meter
1490 siena	electric meter
1518 vista crt.	frame mep
1702 pieneze	final co
1651 salvatore	final co
104 lavender	final co
860 frontier trail	plmbg rough
1837 bellagio	final co
1714 amarone	frame mep
1656 salvatore	frame mep
1629 san donato	frame mep
1156 livorno	final co
304 pioneer	plmbg rough
1754 amalfi	pool final
1702 pieneze	final co

287 pheasant hill	belly steel
1714 amarone	frame mep
1606 salvatore	plmbg rough
1288 somerset	pool final
1653 san donato	flatwork
1705 pienze	flatwork
1706 voltera	frame mep
1625 san donato	final co
1701 pieneze	final co
1929 recioto	final co
1822 bellagio	final co
1533 via toscana	deck steel
1629 san donato	frame mep
1649 san donato	frame mep
1715 cima	flatwork
1713 budino	flatwork
1802 bellagio	frame mep
2017 corleone	t-pole
1802 bellagio	frame mep
1750 amarone	plmbg rough
1490 siena	final co
1518 corrara	final co
1617 san donato	plmbg rough
1725 pieneze	final co
1288 somerset	pool final
1705 san donato	plmbg rough
1835 bertino	plmbg rough
1625 san donato	frame mep
1629 san donato	frame mep
1725 pieneze	final co
2021 corleone	electric meter
2021 corleone	gas meter
1627 salvatore	gas meter
1627 salvatore	electric meter
1324 somerset	frame mep
287 pheasant hill	belly steel
12 winter hawk	water heater
1750 amarone	flatwork
1733 amarone	flatwork
1629 san donato	frame mep
1835 bertino	t-pole
1705 san donato	t-pole
1219 lucca	electric meter
1219 lucca	gas meter
1200 Lucca	frame mep
1163 Livorno	frame mep
1625 san donato	frame mep

Alarm Date between 2020-12-01 and 2020-12-31

Total Calls by District

District	2020-12-01	Total
County Mutual Aid	4	4
County District	21	21
City Limit District	29	29
Out of County Aid	3	3
Total	57	57

Incident Date between 2020-12-01 and 2021-12-31

Incident Date	Incident Number	NFIRS Number	Incident Type Code	Incident Type	District	Status
12/4/2020	2020-00458	0000469	321	EMS call, excluding vehicle accident with injury	County District	1
12/3/2020	2020-00458-2	0000468	611	Dispatched & canceled en route	County Mutual Aid	1
12/4/2020	2020-00459	0000470	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/5/2020	2020-00460	0000471	324	Motor vehicle accident with no injuries.	County District	1
12/5/2020	2020-00461	0000472	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/7/2020	2020-00462	0000473	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/7/2020	2020-00463	0000474	743	Smoke detector activation, no fire - unintentional	County District	1
12/8/2020	2020-00464	0000475	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/10/2020	2020-00465	0000476	622	No incident found on arrival at dispatch address	Out of County Aid	1
12/10/2020	2020-00466	0000477	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/11/2020	2020-00467	0000478	444	Power line down	City Limit District	1
12/12/2020	2020-00468	0000479	324	Motor vehicle accident with no injuries.	City Limit District	1
12/12/2020	2020-00469	0000480	611	Dispatched & canceled en route	City Limit District	1
12/13/2020	2020-00470	0000481	561	Unauthorized burning	County District	1
12/13/2020	2020-00471	0000482	324	Motor vehicle accident with no injuries.	County District	1
12/15/2020	2020-00472	0000483	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/15/2020	2020-00473	0000484	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/17/2020	2020-00474	0000485	321	EMS call, excluding vehicle accident with injury	County District	1
12/17/2020	2020-00475	0000486	561	Unauthorized burning	City Limit District	1
12/17/2020	2020-00476	0000488	321	EMS call, excluding vehicle accident with injury	County District	1
12/17/2020	2020-00477	0000487	321	EMS call, excluding vehicle accident with injury	County District	1
12/18/2020	2020-00478	0000489	651	Smoke scare, odor of smoke	County District	1

12/18/2020	2020-00479	0000490	143	Grass fire	City Limit District	1
12/18/2020	2020-00480	0000491	321	EMS call, excluding vehicle accident with injury	County District	1
12/18/2020	2020-00481	0000492	631	Authorized controlled burning	County District	1
12/18/2020	2020-00482	0000493	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/19/2020	2020-00483	0000494	142	Brush or brush-and-grass mixture fire	County District	1
12/19/2020	2020-00484	0000495	151	Outside rubbish, trash or waste fire	County District	1
12/20/2020	2020-00485	0000496	321	EMS call, excluding vehicle accident with injury	County District	1
12/21/2020	2020-00486	0000497	321	EMS call, excluding vehicle accident with injury	County District	1
12/21/2020	2020-00487	0000498	143	Grass fire	County Mutual Aid	1
12/21/2020	2020-00488	0000499	143	Grass fire	City Limit District	1
12/22/2020	2020-00489	0000500	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/22/2020	2020-00490	0000501	111	Building fire	County Mutual Aid	1
12/23/2020	2020-00491	0000502	118	Trash or rubbish fire, contained	County District	1
12/23/2020	2020-00492	0000503	510	Person in distress, other	City Limit District	1
12/24/2020	2020-00494	0000504	733	Smoke detector activation due to malfunction	City Limit District	1
12/25/2020	2020-00495	0000505	321	EMS call, excluding vehicle accident with injury	County District	1
12/25/2020	2020-00496	0000506	322	Motor vehicle accident with injuries	City Limit District	1
12/25/2020	2020-00497	0000508	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/25/2020	2020-00497-2	0000507	743	Smoke detector activation, no fire - unintentional	City Limit District	1
12/25/2020	2020-00498	0000509	321	EMS call, excluding vehicle accident with injury	City Limit District	1
12/26/2020	2020-00499	0000510	143	Grass fire	Out of County Aid	1
12/26/2020	2020-00500	0000511	142	Brush or brush-and-grass mixture fire	Out of County Aid	1
12/26/2020	2020-00501	0000512	143	Grass fire	City Limit District	1
12/26/2020	2020-00502	0000514	100	Fire, other	City Limit District	1
12/26/2020	2020-00503	0000515	321	EMS call, excluding vehicle accident with injury	City Limit District	1

12/26/2020	2020-00504	0000516	324	Motor vehicle accident with no injuries.	City Limit District	1
12/27/2020	2020-00505	0000517	321	EMS call, excluding vehicle accident with injury	County District	1
12/27/2020	2020-00506	0000518	311	Medical assist, assist EMS crew	City Limit District	1
12/27/2020	2020-00507	0000519	611	Dispatched & canceled en route	County Mutual Aid	1
12/28/2020	2020-00508	0000520	322	Motor vehicle accident with injuries	City Limit District	1
12/28/2020	2020-00509	0000521	321	EMS call, excluding vehicle accident with injury	County District	1
12/28/2020	2020-00510	0000522	322	Motor vehicle accident with injuries	City Limit District	1
12/29/2020	2020-00511	0000523	321	EMS call, excluding vehicle accident with injury	County District	1
12/29/2020	2020-00512	0000524	321	EMS call, excluding vehicle accident with injury	County District	1
12/30/2020	2020-00515	0000525	553	Public service	City Limit District	1
1/1/2021	2021-00001	0000001	321	EMS call, excluding vehicle accident with injury	County District	1
1/2/2021	2021-00006	0000002	321	EMS call, excluding vehicle accident with injury	City Limit District	1

ROCKWALL COUNTY SHERIFF
972 TL TOWNSEND ROCKWALL , TX 75087

CC.IncDate Between '12/01/2020' And '12/31/2020' AND CC.District = '41' AND
IsNull(CC.Jurisdiction, 'Default') = 'Default'

CFS History Search
Public Report

CFS #	Create When	Location	CallType Disposition
2020-038078	12/31/2020 11:46:57 PM	[REDACTED]	ALARM ASSIGNMENT COMPLETE
2020-038074	12/31/2020 11:12:50 PM	[REDACTED]	SHOTS FIRED RSO REPORT TAKEN
2020-038058	12/31/2020 7:11:48 PM	[REDACTED]	ALARM UTL
2020-038047	12/31/2020 3:08:10 PM	[REDACTED]	DISTURBANCE NO REPORT
2020-038038	12/31/2020 10:32:25 AM	[REDACTED]	MEET COMPLAINANT ASSIGNMENT COMPLETE
2020-038012	12/30/2020 9:02:24 PM	[REDACTED]	WELFARE CHECK ASSIGNMENT COMPLETE
2020-038011	12/30/2020 7:37:39 PM	[REDACTED]	SUSPICIOUS PERSON/VEHICLE ASSIGNMENT COMPLETE
2020-037993	12/30/2020 11:43:14 AM	[REDACTED]	TRAFFIC HAZARD ASSIGNMENT COMPLETE
2020-037970	12/29/2020 11:06:42 PM	[REDACTED]	ALARM ASSIGNMENT COMPLETE
2020-037886	12/29/2020 3:52:32 AM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-037877	12/29/2020 2:23:49 AM	[REDACTED]	LIFT ASSIST ASSIGNMENT COMPLETE
2020-037863	12/29/2020 1:08:34 AM	[REDACTED]	SUSPICIOUS ACTIVITY UTL
2020-037832	12/28/2020 3:13:12 PM	[REDACTED]	ALARM FALSE ALARM
2020-037819	12/28/2020 12:02:43 PM	[REDACTED]	ACCIDENT MAJOR RSO REPORT TAKEN
2020-037746	12/27/2020 9:10:55 AM	[REDACTED]	CITY ORDINANCE VIOLATION ASSIGNMENT COMPLETE
2020-037744	12/27/2020 8:16:32 AM	[REDACTED]	ALARM ASSIGNMENT COMPLETE
2020-037727	12/26/2020 8:23:29 PM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-037717	12/26/2020 3:33:22 PM	[REDACTED]	FIRE GRASS ASSIGNMENT COMPLETE
2020-037714	12/26/2020 2:48:42 PM	[REDACTED]	FIRE GRASS ASSIGNMENT COMPLETE
2020-037697	12/26/2020 5:37:55 AM	[REDACTED]	NARCOTICS RSO REPORT TAKEN
2020-037680	12/25/2020 11:03:57 PM	[REDACTED]	RECKLESS DRIVER ASSIGNMENT COMPLETE
2020-037666	12/25/2020 4:28:48 PM	[REDACTED]	ASSIGNMENT COMPLETE

CFS #	Create When	Location	CallType Disposition
2020-037662	12/25/2020 2:13:12 PM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-037655	12/25/2020 11:44:06 AM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-037654	12/25/2020 11:04:35 AM	[REDACTED]	ALARM RESIDENTIAL FIRE FALSE ALARM
2020-037651	12/25/2020 9:24:40 AM	[REDACTED]	LIFT ASSIST ASSIGNMENT COMPLETE
2020-037536	12/23/2020 10:42:55 PM	[REDACTED]	MISCELLANEOUS ASSIGNMENT COMPLETE
2020-037530	12/23/2020 9:58:41 PM	[REDACTED]	TRAFFIC HAZARD ASSIGNMENT COMPLETE
2020-037528	12/23/2020 9:52:56 PM	[REDACTED]	ACCIDENT HIT & RUN RSO REPORT TAKEN
2020-037497	12/23/2020 12:52:42 PM	[REDACTED]	FIRE STRUCTURE ASSIGNMENT COMPLETE
2020-037450	12/22/2020 10:36:02 PM	[REDACTED]	WELFARE CHECK ASSIGNMENT COMPLETE
2020-037436	12/22/2020 6:14:53 PM	[REDACTED]	SUSPICIOUS PERSON/VEHICLE UTL
2020-037377	12/22/2020 6:27:37 AM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-037317	12/21/2020 4:02:41 PM	[REDACTED]	FIRE GRASS ASSIGNMENT COMPLETE
2020-037292	12/21/2020 10:32:26 AM	[REDACTED]	ANIMAL LOOSE LIVESTOCK ASSIGNMENT COMPLETE
2020-037200	12/20/2020 3:38:53 AM	[REDACTED]	SUSPICIOUS PERSON/VEHICLE UTL
2020-037104	12/19/2020 12:20:07 AM	[REDACTED]	MEET COMPLAINANT ASSIGNMENT COMPLETE
2020-037086	12/18/2020 9:29:26 PM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-037072	12/18/2020 7:04:26 PM	[REDACTED]	RECKLESS DRIVER UTL
2020-037039	12/18/2020 10:24:51 AM	[REDACTED]	FIRE GRASS ASSIGNMENT COMPLETE
2020-037037	12/18/2020 10:10:59 AM	[REDACTED]	ALARM ASSIGNMENT COMPLETE
2020-037009	12/17/2020 11:43:51 PM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-036972	12/17/2020 4:34:33 PM	[REDACTED]	MEET COMPLAINANT ASSIGNMENT COMPLETE
2020-036962	12/17/2020 3:56:28 PM	[REDACTED]	HARASSMENT/THREAT ASSIGNMENT COMPLETE
2020-036787	12/15/2020 7:03:24 PM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-036761	12/15/2020 1:19:36 PM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-036706	12/14/2020 9:36:36 PM	[REDACTED]	ALARM FALSE ALARM
2020-036658	12/14/2020 9:06:57 AM	[REDACTED]	RECKLESS DRIVER ASSIGNMENT COMPLETE
2020-036606	12/13/2020 5:22:15 PM	[REDACTED]	ALARM FALSE ALARM

CFS #	Create When	Location	CallType Disposition
2020-036559	12/12/2020 7:17:33 PM	[REDACTED]	ANIMAL LOOSE LIVESTOCK ASSIGNMENT COMPLETE
2020-036530	12/12/2020 11:19:09 AM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-036528	12/12/2020 11:12:44 AM	[REDACTED]	ACCIDENT MAJOR ACCIDENT REPORT
2020-036526	12/12/2020 9:54:40 AM	[REDACTED]	ABANDONED VEHICLE ASSIGNMENT COMPLETE
2020-036480	12/11/2020 6:01:52 PM	[REDACTED]	ALARM FALSE ALARM
2020-036479	12/11/2020 5:57:23 PM	[REDACTED]	CRIMINAL TRESPASS ASSIGNMENT COMPLETE
2020-036474	12/11/2020 5:31:24 PM	[REDACTED]	CRIMINAL TRESPASS ASSIGNMENT COMPLETE
2020-036473	12/11/2020 4:11:20 PM	[REDACTED]	MEET COMPLAINANT ASSIGNMENT COMPLETE
2020-036457	12/11/2020 12:45:35 PM	[REDACTED]	FIRE ASSIGNMENT COMPLETE
2020-036377	12/10/2020 1:19:35 PM	[REDACTED]	MUTUAL AID UTL
2020-036367	12/10/2020 10:09:04 AM	[REDACTED]	MEET COMPLAINANT RSO REPORT TAKEN
2020-036319	12/9/2020 9:57:01 PM	[REDACTED]	MEET COMPLAINANT ASSIGNMENT COMPLETE
2020-036235	12/8/2020 5:08:39 PM	[REDACTED]	DISTURBANCE NOISE UTL
2020-036201	12/8/2020 12:15:45 PM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-036193	12/8/2020 11:20:34 AM	[REDACTED]	ALARM FALSE ALARM
2020-036138	12/7/2020 6:00:59 PM	[REDACTED]	ALARM RESIDENTIAL FIRE FALSE ALARM
2020-036111	12/7/2020 2:02:08 PM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-036030	12/6/2020 4:56:25 PM	[REDACTED]	SUICIDE ATTEMPT/THREAT RSO REPORT TAKEN
2020-035998	12/6/2020 9:38:59 AM	[REDACTED]	MEET COMPLAINANT ASSIGNMENT COMPLETE
2020-035955	12/5/2020 7:03:39 PM	[REDACTED]	LIFT ASSIST ASSIGNMENT COMPLETE
2020-035913	12/5/2020 11:41:21 AM	[REDACTED]	ACCIDENT MAJOR ACCIDENT REPORT
2020-035906	12/5/2020 10:32:01 AM	[REDACTED]	MEET COMPLAINANT ASSIGNMENT COMPLETE
2020-035864	12/4/2020 9:18:10 PM	[REDACTED]	RECKLESS DRIVER UTL
2020-035853	12/4/2020 6:45:00 PM	[REDACTED]	MEDICAL CALL ASSIGNMENT COMPLETE
2020-035835	12/4/2020 4:15:53 PM	[REDACTED]	DISTURBANCE NOISE ASSIGNMENT COMPLETE
2020-035825	12/4/2020 2:49:46 PM	[REDACTED]	EXTRA PATROL ASSIGNMENT COMPLETE
2020-035820	12/4/2020 1:49:49 PM	[REDACTED]	NARCOTICS UTL

CFS #	Create When	Location	CallType Disposition
2020-035747	12/3/2020 8:26:25 PM	[REDACTED]	ALARM ASSIGNMENT COMPLETE
2020-035746	12/3/2020 8:23:36 PM	[REDACTED]	SUSPICIOUS ACTIVITY ASSIGNMENT COMPLETE
2020-035696	12/3/2020 9:16:06 AM	[REDACTED]	ANIMAL LOOSE LIVESTOCK ASSIGNMENT COMPLETE
2020-035545	12/1/2020 11:24:56 AM	[REDACTED]	MEET COMPLAINANT ASSIGNMENT COMPLETE
2020-035540	12/1/2020 11:07:47 AM	[REDACTED]	MEET COMPLAINANT NO OFFENSE
2020-035533	12/1/2020 9:55:09 AM	[REDACTED]	DISTURBANCE NOISE NO OFFENSE
2020-035523	12/1/2020 6:47:17 AM	[REDACTED]	ALARM FALSE ALARM
2020-035507	12/1/2020 12:42:04 AM	[REDACTED]	ALARM ASSIGNMENT COMPLETE

Total: 84



Community Waste Disposal Monthly Report to the City of McLendon-Chisholm

Jason Roemer *Municipal Coordinator*





Municipal Recycling Program



Single Stream Recycling

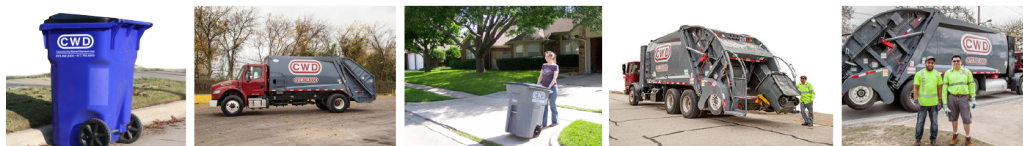
Participation in the Residential Curbside Recycling Program continues to demonstrate that residents of the City of McLendon-Chisholm are dedicated to the preservation of the Texas environment for future generations.

The chart below details the statistics of the CWD Residential Curbside Recycling Program.

	Dec-2020	Nov-2020	Oct-2020	Sep-2020	Aug-2020	Jul-2020	Jun-2020	May-2020	Apr-2020	Mar-2020	Feb-2020	Jan-2020
Homes	965	965	965	965	965	965	965	965	965	965	965	969
Resi Recy Tonnage	57.81	38.47	20.45	29.78	26.58	51.32	26.34	53.81	50.33	25.31	9.75	21.72
Pounds / Home / Month	119.81	79.73	42.38	61.72	55.09	106.36	54.59	111.52	104.31	52.46	20.21	44.83



Municipal Service Inquiries



Residential Solid Waste Services

The Solid Waste Industry has a standard service inquiry ratio of 1.0 inquiries per 1,000 service opportunities.

	Dec-2020	Nov-2020	Oct-2020	Sep-2020	Aug-2020	Jul-2020	Jun-2020	May-2020	Apr-2020	Mar-2020	Feb-2020	Jan-2020
Service Opportunities	8,356	8,356	8,356	8,356	8,356	8,356	8,356	8,356	8,356	8,356	8,356	8,391
Service Inquiries	6	8	12	3	35	15	15	4	12	14	20	11
Per 1,000 Service Opps	0.72	0.96	1.44	0.36	4.19	1.80	1.80	0.48	1.44	1.68	2.39	1.31



Customer Service Inquiries - Detail



Good Service is Good Business

CWD's Customer Service Community is available to provide solutions via phone or online. Our efficient team is here to support the City of McLendon-Chisholm and we continually strive for top-notch performance to ensure residents receive the most value out of their waste and recycling services.

City Account Grievances for the Period of 12/01/2020 - 12/31/2020

Date	Account	Address	Service Type	Service Code
12/10/2020	108255-1064	BARRY WATERS		
				Total : 1
12/26/2020	108255-052	DENA SHALABI	RESI-BULK	RESI R/L BULK
				Total RESI-BULK: 1
12/01/2020	108255-596	SADLER ROY & CARROLL	RESI-RECYCLE	SERVICE RCYCART
				Total RESI-RECYCLE: 1
12/12/2020	108255-237	CARGILE DONALD	RESI-TRASH	SERVICE TRASH CART
12/19/2020	108255-133	GREG DOUGLAS	RESI-TRASH	SERVICE TRASH CART
12/24/2020	108255-1095	ROBERT HORTON	RESI-TRASH	SERVICE TRASH CART
				Total RESI-TRASH: 3
				Total Inquiries: 6

City of McLendon Chisholm
Operating Fund Financial Summary
For the three months ended December 31, 2020

	Current Period Revenue and Expenses				Prior Period Revenue and Expenses			
	Dec 2020 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	Dec 2019 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
Revenue								
302 · Franchise Income	\$ 19,700	\$ 25,262	13%	\$ 195,000	\$ 19,101	\$ 27,044	14%	\$ 187,000
303 · Development Income	3,170	5,285	35%	15,000	190	190	1%	15,000
304 · Building Permit Income	117,365	269,999	39%	696,127	101,491	203,834	62%	330,000
305 Municipal Court Income		-	- %	500	-	-	0%	1,800
306 · Interest Income	819	2,691	11%	25,000	1,612	5,039	- %	18,500
307 · Sign Permit Income		-	- %	-	-	-	- %	100
308 · Septic Fees	200	1,950	18%	11,000	1,550	3,675	47%	7,800
309 Food Enforcement		-	0%	1,200	-	300	24%	1,250
310 · Sales Tax Revenue	35,669	125,133	37%	341,608	24,976	67,182	33%	205,750
311 · PID Admin Expense Reimbursement		-	- %	-	-	-	- %	-
313 · Donations		(250)	-50%	500	-	636	106%	600
314 · Copies Public Inf. Income		-	- %	100	-	-	- %	130
317 · Ad Valorem Tax	370,641	414,788	75%	551,083	348,882	388,978	72%	537,708
318 · Tax Certifications		-	- %	-	37	74	- %	75
321 · Credit Card Fee Revenue	48	614	78%	790	557	701	127%	550
325 · Hotel Occupancy Tax	-	625	- %	-				
Transfer from Fire Capital Fund	-	-	- %	4,065,400				
Total Revenue	\$ 547,612	\$ 846,098	14%	\$ 5,903,308	\$ 498,396	\$ 697,652	14%	\$ 1,306,263

City of McLendon Chisholm
Operating Fund Financial Summary
For the three months ended December 31, 2020

	Current Period Revenue and Expenses				Prior Period Revenue and Expenses			
	Dec 2020 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	Dec 2019 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
Expenditures								
Operating Expenditures								
401 · Municipal Court		\$ -	0%	\$ 1,000	\$ -	\$ -	- %	\$ 50
402 · Election Expense		-	0%	25,000	-	-	- %	12,250
410 · Building Inspections	18,575	59,925	36%	167,264	16,250	45,490	39%	117,742
411 · Environment Regulation Expense	890	2,165	40%	5,375	380	1,130	18%	6,255
414 · Animal Control	1,590	4,770	25%	19,196	-	-	- %	18,000
415 · Section 380 Grant Program		-	0%	7,800	-	3,308	- %	3,800
418 · Membership Fees	75	547	27%	2,000	100	375	24%	1,575
422 · Public Notice Expense	334	1,944	17%	11,750	749	2,807	31%	9,150
423 · Community Functions		550	55%	1,000	-	7,290	1458%	500
426 · Appraisal District Collection		2,419	32%	7,500	-	1,903	38%	5,000
429 · Street Lights			0%	2,900				
430 · Public Safety	42,159	192,064	34%	566,318	28,976	151,669	49%	306,555
Total 400 Operating Expenditures	\$ 63,623	\$ 264,383	32%	\$ 817,103	\$ 46,455	\$ 213,971	44%	\$ 480,877
Occupancy Expenditures								
502 · Electricity	\$ 225	\$ 684	24%	\$ 2,900	\$ 219	706	26%	\$ 2,700
506 · Water	276	867	8%	10,239	767	2,678	67%	4,000
510 · Propane Gas		-	0%	870	-	-	- %	788
512 · Trash Pick up		-	0%	-	-	-	- %	1,344
514 · Building Maint/Improvements	490	5,453	45%	12,000	361	1,003	8%	12,200
516 · Lawn Maintenance	685	2,055	26%	8,000	685	2,055	24%	8,500
518 · Janitorial		-	- %	-		-	- %	-
520 · Telephone & Internet	751	2,193	26%	8,300	770	1,840	27%	6,900

City of McLendon Chisholm
Operating Fund Financial Summary
For the three months ended December 31, 2020

	Current Period Revenue and Expenses				Prior Period Revenue and Expenses			
	Dec 2020 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	Dec 2019 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
522 · Website Expense		120	5%	2,500	-	834	83%	1,000
522.1 · Website Design/Redesign			0%	10,000				
522.2 · Audio/Video Chamber Updates			0%	25,000				
Total 500 Occupancy Expenditures	\$ 2,427	\$ 11,372	14%	\$ 79,809	\$ 2,802	\$ 9,117	14%	\$ 37,432
General & Administrative Expenditures								
603 · Citizen Recognition	-	-	- %	-	-	-	- %	-
604 · Municipal Manuals, Books & Maps		-	0%	500	287	287	115%	250
606 · Employee Costs	16,830	59,476	24%	247,804	13,316	43,590	20%	222,455
618 · Liability Insurance		5,563	96%	5,821	-	5,292	70%	7,517
619 · Software Subscriptions	792	4,640	21%	21,860	467	16,227	85%	19,000
621 · IT Support	775	2,325	33%	7,000	600	1,800	33%	5,500
622 · Office Supplies - City Hall	437	1,519	43%	3,500	570	879	29%	3,000
623 · Office Equipment	149	704	8%	8,900	149	298	11%	2,600
624 · Office Equip Maintenance		940	21%	4,500	641	1,052	70%	1,500
625 · Printed Materials	373	373	19%	2,000	195	564	33%	1,700
626 · Postage-City Hall	238	392	26%	1,500	31	101	7%	1,410
628 · Bank Fees	68	704	35%	2,000	57	425	28%	1,500
630 · Legal & Professional								
63001-Accounting & Payroll services	5,000	15,000	25%	60,000	4,411	13,221	25%	52,514
63002 - Financial Audit		-	0%	16,000	-	-	0%	15,000
63003 - Legal	1,560	6,625	17%	40,000	2,010	5,010	13%	40,000
63005 - City Planner		13,470	54%	25,000	-	520	1%	45,000
63005.1 - Comprehensive Plan			0%	25,000				
63008 - Financial Consulting	388	2,263	9%	26,000	1,285	12,582	- %	26,000

City of McLendon Chisholm
Operating Fund Financial Summary
For the three months ended December 31, 2020

	Current Period Revenue and Expenses				Prior Period Revenue and Expenses			
	Dec 2020 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	Dec 2019 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
63009 - Engineering		-	0%	25,000	1,647	4,044	- %	15,000
645 - Transcription Services		-	- %	-	-	-	- %	-
646 - Mileage Expense		-	0%	750	-	84	17%	500
647 - Council Meetings & Development		58	7%	800	-	-	0%	650
648 - Training		345	5%	7,000	-	900	13%	6,750
649 - Expense Account - City Administrator		-	- %	-	-	-	0%	-
650 - Expense Account - Mayor		-	- %	-	-	-	0%	-
652 - Staff Appreciation		-	0%	800	650	650	76%	850
655 - Code of Ordinance		-	0%	4,000	-	-	0%	3,500
699 - Miscellaneous Expense	631	631	- %	-	-	-	0%	-
Total G & A Expenditures	\$ 27,240	\$ 115,028	21%	\$ 535,735	\$ 26,316	107,527	21%	\$ 472,196
700 - Capital Expenditures - Public Safety	\$ 88,225	\$ 342,530	8%	\$ 4,065,400		\$ -	0%	\$ 15,000
700 - Capital Expenditures - Operating	\$ 5,640	\$ 8,785	13%	70,240	\$ -	\$ -	0%	\$ 35,000
Transfer to Sewer Utility Fund	\$ -	\$ -	0%	328,647				
Total Capital Expenditures	\$ 93,865	\$ 351,315	8%	\$ 4,464,287	\$ -	\$ -	0%	\$ 50,000
Total Expenditures	\$ 187,155	\$ 742,098	13%	\$ 5,896,934	\$ 75,573	\$ 330,615	13%	\$ 1,040,505
Surplus (Deficit)	\$ 360,457	\$ 104,000	1632%	\$ 6,374	\$ 422,823	\$ 367,037	1632%	\$ 265,758

City of McLendon Chisholm
Utility Fund Financial Summary
For the three months ended December 31, 2020

	Current Period Revenue & Expenditures				Prior Period Revenue & Expenditures			
	Dec 2020 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	Dec 2019 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
Revenue								
306 · Interest Income	\$ 85	\$ 295	5%	\$ 6,000	\$ 713	\$ 2,312	24%	\$ 9,750
Sewer Utility Revenue								
32200 · Sewer Usage Fees	35,231	\$ 93,415	30%	306,625	22,801	62,483	27%	228,360
32201 · Sewer Tap Fees	60,000	147,000	45%	327,000	15,000	87,000	121%	72,000
32204 · Sewer Deposit Refunds	(653)	(1,172)	139%	(845)	(150)	(150)	14%	(1,100)
Transfer from General Fund	-	-	0%	328,647				
Transfer from Utility Fund Surplus				-		-		49,554
Total Revenue	\$ 94,663	\$ 239,538	25%	\$ 967,427	\$ 38,364	\$ 151,645	42%	\$ 358,564
Expenditures								
Operation & Maintenance Expenditures								
Sewer Operation & Maintenance								
41304 · O&M Agreement	3,795	\$ 11,036	24%	\$ 46,000	3,406	\$ 9,290	28%	\$ 33,570
41305 · O&M Maintenance	18,338	20,367	131%	\$ 15,500	-	1,715	5%	\$ 36,000
41308 · Electricity	9	27	18%	150	9	27	0%	-
41310 · Sewer Treatment	22,000	66,566	22%	304,000	17,260	48,538	21%	231,794
41312 · Tap Fee Developer Rebate	36,000	88,200	45%	196,200	9,000	52,200	121%	43,200
Total Operations Expenditures	\$ 80,142	\$ 186,196	33%	\$ 561,850	\$ 29,675	\$ 111,770	32%	\$ 344,564
600 · General & Administrative Exp	\$ 1,274	\$ 6,172	40%	\$ 15,293	\$ 1,139	\$ 3,477	25%	\$ 14,000
600 · Capital Expenditures	\$ -	\$ -	0%	\$ 328,647				
Total Expenditures	\$ 81,416	\$ 192,368	21%	\$ 905,790	\$ 30,814	\$ 115,246	32%	\$ 358,564
Surplus (Deficit)	\$ 13,247	\$ 47,170	77%	\$ 61,637	\$ 7,550	\$ 36,398	0%	\$ -

City of McLendon Chisholm
Interest Sinking Fund Financial Summary
For the three months ended December 31, 2020

	Current Period Revenue & Expenditures				Prior Period Revenue & Expenditures			
	Dec 2020 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Budget	Dec 2019 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
Revenue								
Ad Valorem Tax								
317 · Ad Valorem Tax	\$ 99,599	111,518	76%	\$ 147,552	\$ 68,453	\$ 76,439	71%	\$ 107,426
306 · Interest Income	444	1,106	- %	6,900	350	1,034	- %	3,250
Transfer from Excess Bond Proceeds		-	- %	-		-	- %	-
Transfer From Interest & Sinking Surplus	-	-	- %	-	-	-	- %	30,968
Total Revenue and Transfers In	\$ 100,043	\$ 112,624	73%	\$ 154,452	\$ 68,803	\$ 77,473	55%	\$ 141,644
Expenditures								
628 · Bank Fees Expense	\$ 750	\$ 750		\$ 5,850	\$ -	\$ -		0
660 · Bond Interest Expense	\$ 4,693	14,079	25%	\$ 56,312	\$ 4,823	\$ 14,469	25%	\$ 58,113
802 · Bond Cost Amortization	243	729	- %	-	243	\$ 729	- %	2,912
803 · Bond Premium Amortization		-	- %	-	(782)	\$ (2,344)	- %	(9,381)
Transfer To Bond Principal		-	0%	90,000		\$ -	0%	90,000
Transfer to Early Redemption Sinking Fund			- %	-		\$ -	- %	-
Total Expenditures and Transfers Out	\$ 5,686	\$ 15,558	10%	\$ 152,162	\$ 4,284	\$ 12,854	9%	\$ 141,644
Surplus (Deficit)	\$ 94,357	\$ 97,066	4239%	\$ 2,290	\$ 64,519	\$ 64,619	- %	\$ -

City of McLendon Chisholm
Public Safety Detail Report
For the three months ended December31, 2020

	Oct-20	Nov-20	Dec-20	YTD
Revenue				
319 · Grants	8,825.97	12,983.36	10,691.59	32,500.92
Total Income	8,825.97	12,983.36	10,691.59	32,500.92
Gross Profit	8,825.97	12,983.36	10,691.59	32,500.92
Expense				
430 · Public Safety				
43001 · Liability Insurance	7,748.86	0.00	0.00	7,748.86
43002 · Fuel	802.67	900.30	902.31	2,605.28
43003 · Maintenance & Repair - Vehicles	2,743.20	2,204.89	1,625.60	6,573.69
43004 · Maintenance & Repair - Station	354.39	1,427.50	246.05	2,027.94
43005 · Gear and Supplies	4,758.26	597.67	1,159.64	6,515.57
43006 · Compliance	1,140.28	857.65	0.00	1,997.93
43008 · Dispatch	10,000.00	0.00	0.00	10,000.00
43009 · Training	382.93	0.00	299.00	681.93
43030 · EMS	1,794.66	0.00	0.00	1,794.66
43035 · Street Lights	247.39	494.78	246.64	988.81
Total 430 · Public Safety	29,972.64	6,482.79	4,479.24	40,934.67
500 · Occupancy Expenditures				
502 · Electricity	328.39	416.95	207.63	952.97
506 · Water	35.12	35.78	49.47	120.37
516 · Lawn Maintenance	0.00	60.00	0.00	60.00
520 · Telephone & Internet	189.66	199.73	199.73	589.12
Total 500 · Occupancy Expenditures	553.17	712.46	456.83	1,722.46
600 · General & Administrative Exp				
606 · Employee Costs				
60601 · Staff Salaries	54,906.79	41,254.56	35,866.92	132,028.27
60602 · Hourly PTO 0 - 36 months	818.40	0.00	409.20	1,227.60
60604 · Holiday Pay	0.00	0.00	1,162.44	1,162.44
60605 · Hourly FF Banked Holiday Pay	1,227.60	0.00	818.40	2,046.00
60609 · Payroll Tax Expense	4,204.79	3,051.88	2,830.69	10,087.36
60612 · Retirement Plan Contributions	631.58	490.17	442.51	1,564.26
60613 · Health Insurance Expense	4,543.26	4,827.23	4,827.23	9,370.49

City of McLendon Chisholm
Public Safety Detail Report
For the three months ended December31, 2020

60614 · Dental Insurance Expense	352.26	352.26	352.26	704.52
60615 · Vision Insurance	41.04	41.04	41.04	123.12
60616 · Disability Insurance	1,319.64	0.00	0.00	1,319.64
60621 · Unemployment Benefits	0.00	21.84	0.00	21.84
Total 606 · Employee Costs	68,045.36	50,038.98	46,750.69	159,655.54
610 · Payroll Tax Expense	0.00	0.00	0.00	0.00
618 · Insurance				
61803 · Workmen's Comp Ins	13,619.62	0.00	0.00	13,619.62
Total 618 · Insurance	13,619.62	0.00	0.00	13,619.62
619 · Software Subscriptions	2,289.26	0.00	0.00	2,289.26
628 · Bank Fees				
62806 · Interest Expense	0.00	0.00	1,124.76	1,124.76
Total 628 · Bank Fees	0.00	0.00	1,124.76	1,124.76
652 · Staff Appreciation	0.00	0.00	38.84	38.84
Total 600 · General & Administrative Exp	83,954.24	50,038.98	47,914.29	176,728.02
Total Expense	114,480.05	57,234.23	52,850.36	219,385.15
Net Ordinary Income	-105,654.08	-44,250.87	-42,158.77	-186,884.23
Net Surplus (Deficit)	-105,654.08	-44,250.87	-42,158.77	-186,884.23

City of McLendon Chisholm
Detail Statement of Revenue & Expenditures by Fund
For the Month of December, 2020

	Interest and Sinking Fund	Operating Fund	Public Safety	Utilities Fund
Revenue				
302 · Franchise Income				
30213-1 · Community Waste Disposal	0.00	8,112.99	0.00	0.00
30215 · Preferred Long Distance	0.00	8.69	0.00	0.00
30220 · Oncor Electric Delivery	0.00	11,578.48	0.00	0.00
Total 302 · Franchise Income	0.00	19,700.16	0.00	0.00
303 · Development Income				
30304 · Plat Income	0.00	3,170.00	0.00	0.00
Total 303 · Development Income	0.00	3,170.00	0.00	0.00
304 · Building Permit Income				
30401 · Contractor Registration Fee Inc	0.00	100.00	0.00	0.00
30404 · Inspection Income	0.00	18,975.00	0.00	0.00
30405 · Building Permit & Plan Review	0.00	97,989.55	0.00	0.00
30408 · Swimming Pool Permits	0.00	300.00	0.00	0.00
Total 304 · Building Permit Income	0.00	117,364.55	0.00	0.00
306 · Interest Income				
30600 · Alliance Interest Income	0.00	33.44	0.00	30.54
30602 · Logic Interest Income	0.00	784.23	0.00	54.92
30603 · Tex Pool Interest Income	0.00	1.49	0.00	0.00
30607 · Wilmington Accrued Int Income	443.85	0.00	0.00	0.00
Total 306 · Interest Income	443.85	819.16	0.00	85.46
308 · Septic Fees				
30801 · OSSF Fee Income	0.00	200.00	0.00	0.00
Total 308 · Septic Fees	0.00	200.00	0.00	0.00
310 · Sales Tax Revenue	0.00	35,668.79	0.00	0.00
317 · Ad Valorem Tax				
31701 · Ad Valorem Tax - M&O	0.00	375,781.00	0.00	0.00
31702 · Ad Valorem Tax - City Hall	100,600.15	0.00	0.00	0.00
31703 · Ad Valorem Refunds - M&O	0.00	-7,381.62	0.00	0.00
31705 · Ad Valorem Tax - Prior Years	995.04	2,169.58	0.00	0.00
31706 · Ad Valorem Tax - Penalty	8.71	35.98	0.00	0.00

City of McLendon Chisholm
Detail Statement of Revenue & Expenditures by Fund
For the Month of December, 2020

	Interest and Sinking Fund	Operating Fund	Public Safety	Utilities Fund
31708 · Ad Valorem Refunds - City Hall	-2,015.46	0.00	0.00	0.00
31709 · Ad Valorem Tax - Interest	10.94	35.98	0.00	0.00
31710 · Ad Valorem Tax - Misc Adj	0.00	0.00	0.00	0.00
37112 · Ad Valorem Business Property	0.00	0.00	0.00	0.00
Total 317 · Ad Valorem Tax	99,599.38	370,640.92	0.00	0.00
319 · Grants	0.00	0.00	10,691.59	0.00
321 · Credit Card Fee Revenue	0.00	48.37	0.00	0.00
322 · Sewer Utility Revenue				
32200 · Sewer Usage Fees	0.00	0.00	0.00	35,230.68
32201 · Sewer Tap Fees	0.00	0.00	0.00	60,000.00
32204 · Sewer Deposit Refunds	0.00	0.00	0.00	-653.08
Total 322 · Sewer Utility Revenue	0.00	0.00	0.00	94,577.60
398 · Uncategorized Income	0.00	0.00	0.00	0.00
Total Income	100,043.23	547,611.95	10,691.59	94,663.06
Gross Profit	100,043.23	547,611.95	10,691.59	94,663.06
Expense				
400 · Operating Expenditures				
410 · Building Inspections				
41003 · Building Inspections	0.00	18,175.00	0.00	0.00
41004 · Engineer Fees	0.00	400.00	0.00	0.00
Total 410 · Building Inspections	0.00	18,575.00	0.00	0.00
411 · Environment Regulation Expense				
41101 · Septic Inspection Fee	0.00	850.00	0.00	0.00
41102 · TCEQ	0.00	40.00	0.00	0.00
Total 411 · Environment Regulation Expense	0.00	890.00	0.00	0.00
414 · Animal Control	0.00	1,590.42	0.00	0.00
418 · Membership Fees	0.00	75.00	0.00	0.00
422 · Public Notice Expense	0.00	334.00	0.00	0.00
Total 400 · Operating Expenditures	0.00	21,464.42	0.00	0.00
413 · Sewer Operation & Maintenance				
41304 · O&M Agreement	0.00	0.00	0.00	3,795.00
41305 · Nonstandard O&M Expense	0.00	0.00	0.00	18,337.66

City of McLendon Chisholm
Detail Statement of Revenue & Expenditures by Fund
For the Month of December, 2020

	Interest and Sinking Fund	Operating Fund	Public Safety	Utilities Fund
41308 · Electricity	0.00	0.00	0.00	9.10
41310 · Sewer Treatment	0.00	0.00	0.00	22,000.00
41312 · Tap Fee Developer Rebate	0.00	0.00	0.00	36,000.00
Total 413 · Sewer Operation & Maintenance	0.00	0.00	0.00	80,141.76
430 · Public Safety				
43002 · Fuel	0.00	0.00	902.31	0.00
43003 · Maintenance & Repair - Vehicles	0.00	0.00	1,625.60	0.00
43004 · Maintenance & Repair - Station	0.00	0.00	246.05	0.00
43005 · Gear and Supplies	0.00	0.00	1,159.64	0.00
43009 · Training	0.00	0.00	299.00	0.00
43035 · Street Lights	0.00	0.00	246.64	0.00
Total 430 · Public Safety	0.00	0.00	4,479.24	0.00
500 · Occupancy Expenditures				
502 · Electricity	0.00	224.92	207.63	0.00
506 · Water	0.00	276.09	49.47	0.00
514 · Building Maint/Improvements	0.00	489.50	0.00	0.00
516 · Lawn Maintenance	0.00	684.94	0.00	0.00
520 · Telephone & Internet	0.00	751.32	199.73	0.00
Total 500 · Occupancy Expenditures	0.00	2,426.77	456.83	0.00
600 · General & Administrative Exp				
606 · Employee Costs				
60601 · Staff Salaries	0.00	10,548.03	35,866.92	0.00
60602 · Hourly PTO 0 - 36 months	0.00	120.25	409.20	0.00
60604 · Holiday Pay	0.00	2,073.63	1,162.44	0.00
60605 · Hourly FF Banked Holiday Pay	0.00	0.00	818.40	0.00
60609 · Payroll Tax Expense	0.00	1,055.04	2,830.69	0.00
60610 · Payroll Processing Fees	0.00	72.50	0.00	0.00
60612 · Retirement Plan Contributions	0.00	182.70	442.51	0.00
60613 · Health Insurance Expense	0.00	1,590.48	4,827.23	0.00
60614 · Dental Insurance Expense	0.00	117.42	352.26	0.00
60615 · Vision Insurance	0.00	20.52	41.04	0.00
60618 · Salary PTO 0 - 36 months				

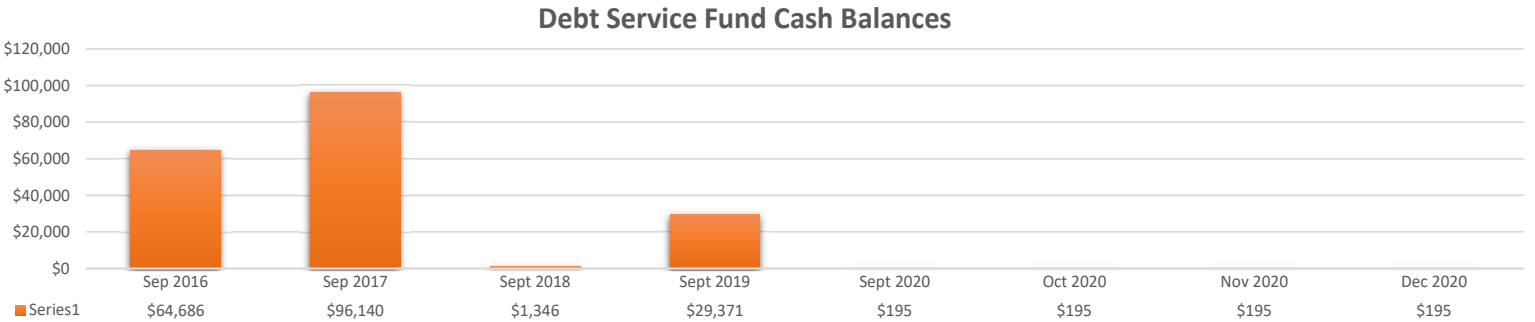
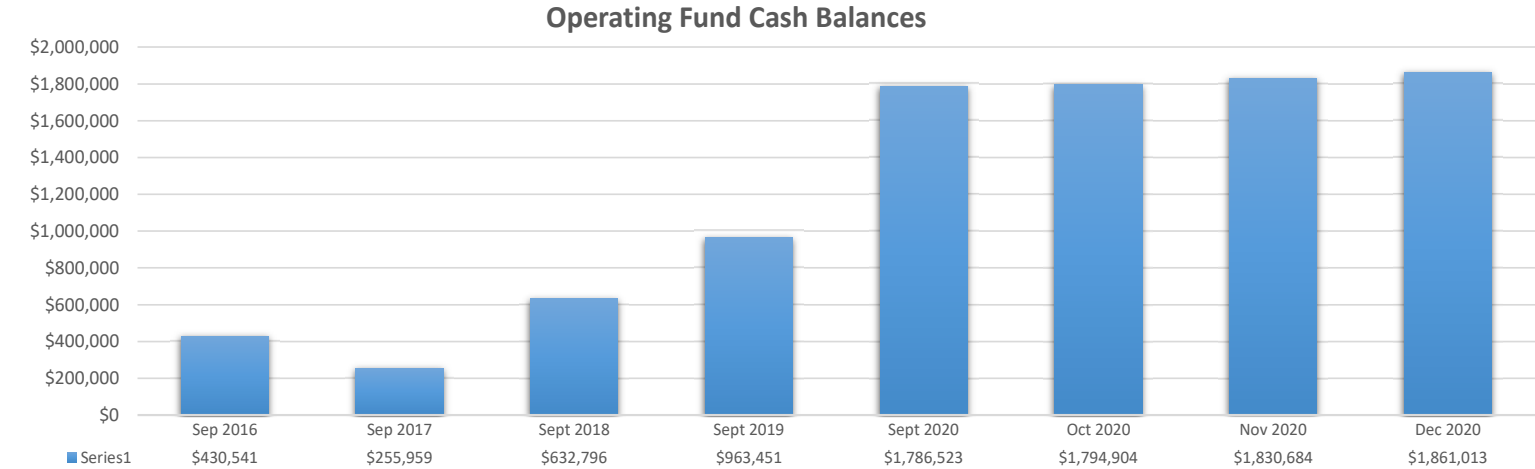
City of McLendon Chisholm
Detail Statement of Revenue & Expenditures by Fund
For the Month of December, 2020

	Interest and Sinking Fund	Operating Fund	Public Safety	Utilities Fund
60618.1 · Salary PTO 37 - 84 months	0.00	1,049.43	0.00	0.00
Total 60618 · Salary PTO 0 - 36 months	0.00	1,049.43	0.00	0.00
Total 606 · Employee Costs	0.00	16,830.00	46,750.69	0.00
619 · Software Subscriptions	0.00	791.61	0.00	0.00
621 · IT Support	0.00	775.00	0.00	0.00
622 · Office Supplies - City Hall	0.00	436.88	0.00	0.00
623 · Office Equipment	0.00	149.49	0.00	0.00
625 · Printed Materials	0.00	372.67	0.00	0.00
626 · Postage-City Hall	0.00	237.85	0.00	0.00
628 · Bank Fees				
62801 · Service Charges	0.00	68.14	0.00	0.00
62803 · Willmington Trust Fees	750.00	0.00	0.00	0.00
62806 · Interest Expense	0.00	0.00	1,124.76	0.00
Total 628 · Bank Fees	750.00	68.14	1,124.76	0.00
630 · Legal & Professional				
63001 · Accounting & Payroll Services	0.00	5,000.00	0.00	1,274.00
63003 · Legal	0.00	1,560.00	0.00	0.00
63008 · Financial Consulting	0.00	387.50	0.00	0.00
Total 630 · Legal & Professional	0.00	6,947.50	0.00	1,274.00
646 · Mileage Expense	0.00	0.00	0.00	0.00
652 · Staff Appreciation	0.00	0.00	38.84	0.00
660 · Bond Interest Expense	4,693.00	0.00	0.00	0.00
699 · Miscellaneous Expenses	0.00	631.06	0.00	0.00
Total 600 · General & Administrative Exp	5,443.00	27,240.20	47,914.29	1,274.00
Total Expense	5,443.00	51,131.39	52,850.36	81,415.76
Net Ordinary Income	94,600.23	496,480.56	-42,158.77	13,247.30
Other Income/Expense				
Other Expense				
802 · Bond Cost Amortization	242.60	0.00	0.00	0.00
Total Other Expense	242.60	0.00	0.00	0.00
Net Other Income	-242.60	0.00	0.00	0.00
Net Surplus (Deficit)	94,357.63	496,480.56	-42,158.77	13,247.30

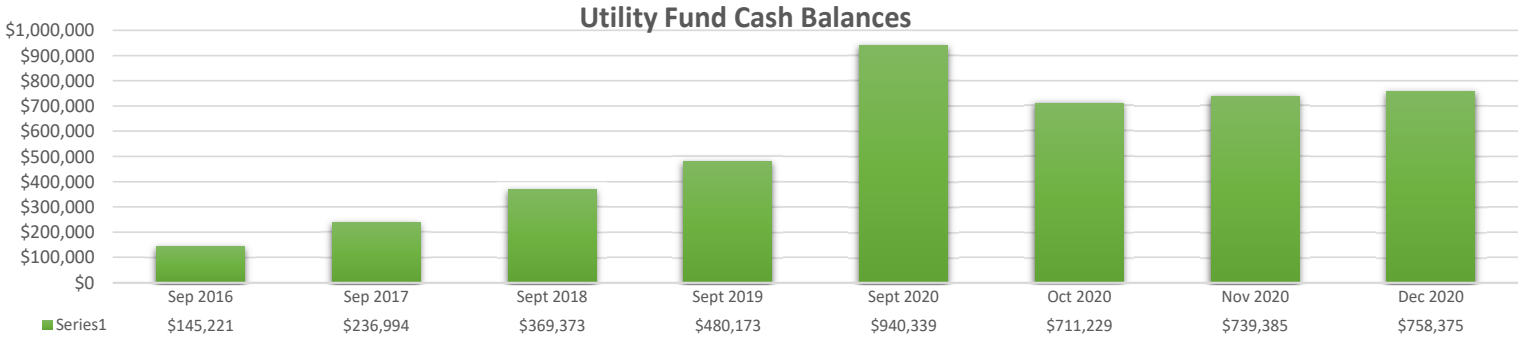
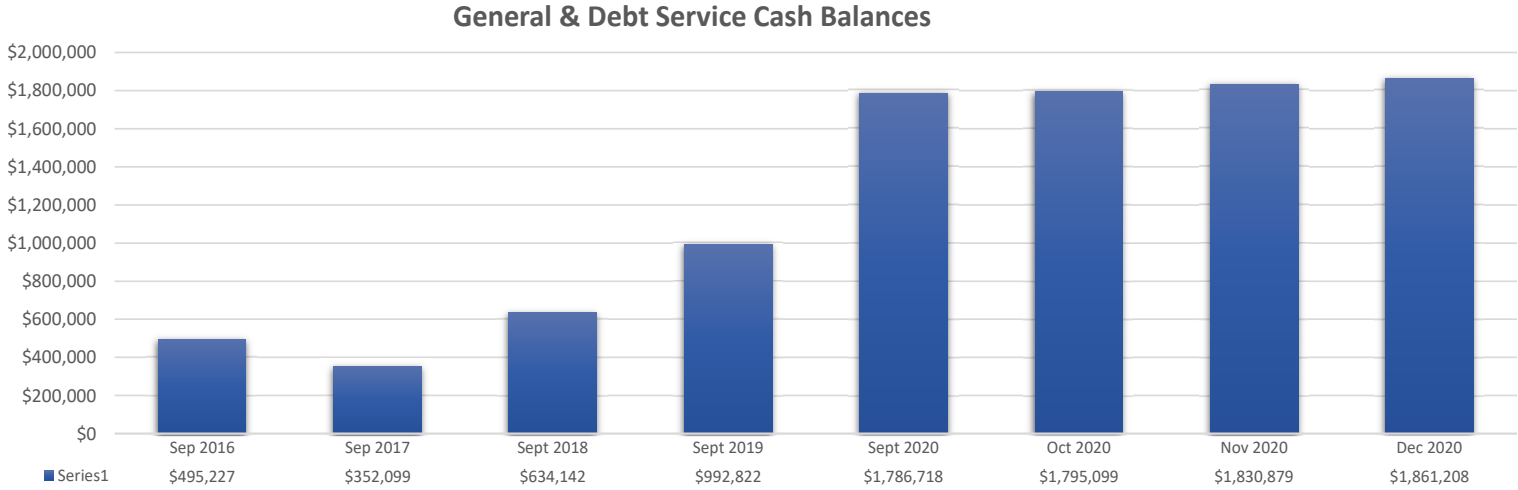
City of McLendon Chisholm
Cash Account Balances
For the three months ended December 31, 2020

Fund Account		Sept 30,20	Oct 31,20	Nov 30,20	Dec 31,20
I&S	130 · 9003 Logic I&S Fund	195	195	195	195
I&S Total		195	195	195	195
Operating	100 · 3738 - Alliance Operating	258,172	265,578	300,563	330,116
Operating	103 · Texpool 300001	19,134	19,136	19,138	19,139
Operating	125 · Logic - 9001 General Fund Reserves	301,574	301,623	301,662	301,701
Operating	127 · 9004 Logic Operating	873,591	873,732	873,846	873,957
Operating	128 · 9005 Logic Fire Dept Reserve	334,052	334,836	335,475	336,099
Operating Total		1,786,523	1,794,904	1,830,684	1,861,013
Utility	106 · 5071 - Alliance Utility Fund	510,328	281,149	309,249	328,183
Utility	126 · Logic - 9002 Utility Fund	430,011	430,080	430,136	430,191
Utility Total		940,339	711,229	739,385	758,375
Total		2,727,057	2,506,328	2,570,265	2,619,582
New Fire Station Account		4,551,087	4,551,087	4,551,087	4,551,087

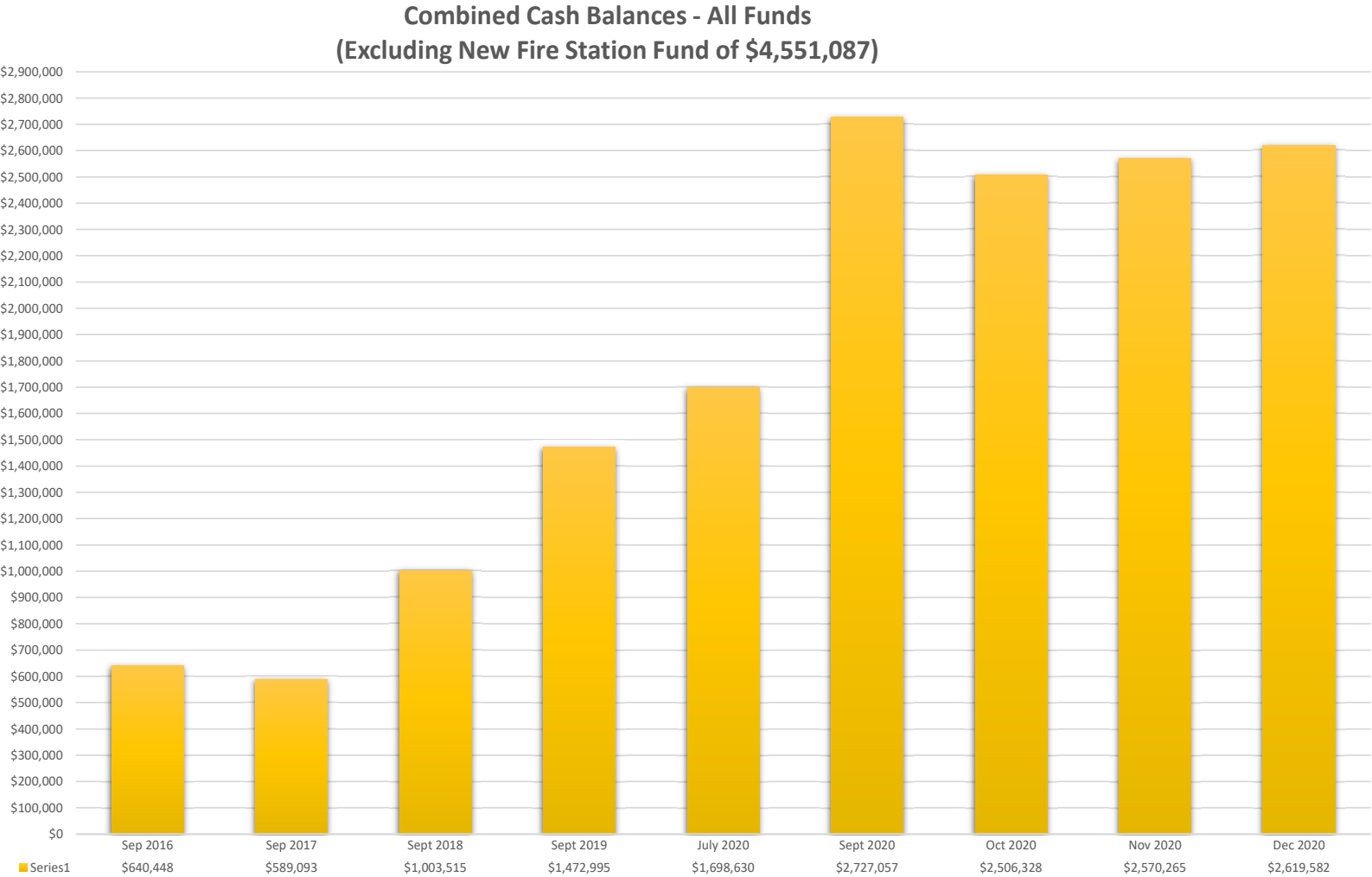
City of McLendon Chisholm
Cash Balance Report
As of December 31, 2020



City of McLendon Chisholm
Cash Balance Report
As of December 31, 2020



City of McLendon Chisholm
Cash Balance Report
As of December 31, 2020



All American Dogs, Inc.

City Of Mcleendon-chisholm Report

Dec 1, 2020 - Dec 31, 2020

Address	Notes	Code
Dec 25, 2020 10:49 AM 1371 w fm 550	patrolled for strays removed dead coyote from 205	Animal Control
Dec 18, 2020 11:23 AM 1371 w fm 550	patrolled for strays	Animal Control
Dec 11, 2020 9:44 AM 1371 w fm 550	patrolled for strays	Animal Control
Dec 4, 2020 2:14 PM 1371 w fm 550	patrolled for strays	Animal Control
Dec 1, 2020 12:37 PM 1068 frontier trl.	called again and she has no refused to sign the citations and said the city could send them to her. informed her i would have to write on citation refused to sign. turned in citations to city hall	Animal Control
Dec 1, 2020 9:36 AM 1068 frontier trl.	called laura smith and set an appointment to sign citations for the new horses on property	Animal Control

**CITY OF MCLENDON-CHISHOLM
RESOLUTION NO. 2020-**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, DETERMINING THE COSTS OF IMPROVEMENT AREA #3 IMPROVEMENTS TO BE FINANCED BY THE SONOMA PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN UPDATED FOR IMPROVEMENT AREA #3, INCLUDING A PROPOSED ASSESSMENT ROLL FOR IMPROVEMENT AREA #3 OF THE SONOMA PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; CALLING AND NOTICING A PUBLIC HEARING FOR FEBRUARY 9, 2021, TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN IMPROVEMENT AREA #3 OF THE SONOMA PUBLIC IMPROVEMENT DISTRICT; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; APPROVING A PRELIMINARY LIMITED OFFERING MEMORANDUM; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

RECITALS

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act") authorizes the governing body (the "City Council") of the City of McLendon-Chisholm, Texas (the "City"), to create a public improvement district within the City; and

WHEREAS, the City Council has previously created the Sonoma Public Improvement District (the "District"); and

WHEREAS, the City authorized the creation of the District and the issuance of up to \$41,025,000.00 in bonds for the District to finance certain public improvements authorized by the Act for the benefit of the property within the District (the "Authorized Improvements"); and

WHEREAS, the property within the District is being developed in phases, the first of which included approximately 145 acres, the second of which included approximately 74 acres, and the third phase of which included approximately 63.7675 acres ("Improvement Area #3"); and

WHEREAS, the City Council and the City staff have been presented a "Sonoma Public Improvement District Preliminary Amended and Restated Service and Assessment Plan", including the proposed Improvement Area #3 assessment roll attached thereto (the "Proposed Improvement Area #3 Assessment Roll"), dated January 26, 2021 (the "Preliminary Amended and Restated SAP"), a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes; and

WHEREAS, the Preliminary Amended and Restated SAP sets forth the estimated total costs of the Improvement Area #3 Improvements and the Improvement Area #3 portion of the Major Improvements to be financed by the District for the third phase of development and the Proposed Improvement Area #3 Assessment Roll states the assessments proposed to be levied against each parcel of land in Improvement Area #3 of the District as determined by the method of assessment and apportionment chosen by the City; and

WHEREAS, the Act requires that that the Proposed Improvement Area #3 Assessment Roll be filed with the City Secretary of the City (the "City Secretary") and be subject to public inspection; and

WHEREAS, the Act requires that a public hearing (the "Assessment Hearing") be held to consider proposed assessments and requires the City Council to hear and pass on any objections to the proposed assessments at, or on the adjournment of, the Assessment Hearing; and

WHEREAS, the Act requires that notice of the Assessment Hearing be mailed to property owners liable for assessment and published in a newspaper of general circulation in the City before the 10th day before the date of the Assessment Hearing.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS AS FOLLOWS:

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. The Preliminary Amended and Restated SAP for the District, including the Proposed Improvement Area #3 Assessment Roll, is hereby accepted.

SECTION 3. The Proposed Improvement Area #3 Assessment Roll shall be filed with the City Secretary and the same shall be available for public inspection.

SECTION 4. The City Council hereby calls a public hearing (the Assessment Hearing as defined above) to be held on February 9, 2021 at 6:30 p.m. at the McLendon-Chisholm City Council Chambers, 1371 West FM 550, McLendon-Chisholm, Texas 75032, at which the City Council shall, among other actions, hear and pass on any objections to the proposed assessments; and, upon the adjournment of the Assessment Hearing, the City Council may consider an ordinance levying the assessments as special assessments on certain property within the District (which ordinance shall specify the method of payment of the assessments).

SECTION 5. The City Secretary is hereby authorized and directed to publish notice of the Assessment Hearing, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in a newspaper of general circulation in the City, as required by Section 372.016(b) of the Act.

SECTION 6. The City Secretary is hereby authorized and directed to mail notice of the Assessment Hearing to owners of property liable for the assessment, as required by Section 372.016(c) of the Act.

SECTION 7. The form and content of the Preliminary Limited Offering Memorandum (the "PLOM") relating to the City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2021 (Sonoma Public Improvement District Improvement Area #3 Project) (the "Bonds") is hereby approved and deemed final, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, with such changes, addenda, supplements or amendments as may be approved by the City Administrator. The City hereby authorizes the PLOM to be used by FMSbonds, Inc. in connection with the marketing and sale of the Bonds.

SECTION 8. This Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED on this the 26th day of January, 2021.

ATTEST:

Mayor

City Secretary

*Signature page to Resolution
Approving a Preliminary Amended and Restated Service and Assessment Plan and Calling a Public Hearing*

Exhibit A

**SONOMA PUBLIC IMPROVEMENT DISTRICT
PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**

Exhibit B

**CITY OF MCLENDON-CHISHOLM, TEXAS
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of McLendon-Chisholm, Texas at 6:30 p.m. on the 9th day of February, 2021 at McLendon-Chisholm City Council Chambers, 1371 West FM 550, McLendon-Chisholm, Texas 75032. The public hearing will be held to consider proposed assessments levied against certain assessable property within the Sonoma Public Improvement District (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The general nature of the proposed improvements (the "Authorized Improvements") shall include: (i) the design, acquisition, and construction of public improvement projects authorized by the Act that are necessary for development of the property located within Improvement Area #3, which public improvements will include but not be limited to water and wastewater system improvements, roadway improvements, right-of-way acquisition, and other improvements that provide a benefit to the property within Improvement Area #3; (ii) payment of expenses incurred in the establishment, administration and operation of the District; and, (iii) payment of expenses associated with financing such proposed improvements, which may include but are not limited to, costs associated with issuance and sale of revenue bonds secured by assessments levied against the benefitted property within Improvement Area #3. The total costs of the Authorized Improvements, including soft costs and financing costs is \$6,919,128.

The District generally includes approximately 547 acres of land situated on the east side of State Highway 205 and north of League Road, west of Edwards Road, and south of FM 550. The boundaries of Improvement Area #3 include approximately 63.7675 acres located within the District. A metes and bounds description and a map of the District (together with a metes and bounds description and map of Improvement Area #3) are available for public inspection at McLendon-Chisholm City Hall located at 1371 West FM 550, McLendon-Chisholm, Texas 75032.

All written or oral objections on the proposed assessments within the District will be considered at the public hearing.

A copy of the Proposed Improvement Area #3 Assessment Roll relating to the Authorized Improvements to be undertaken at this time, which includes the assessments to be levied against certain assessable parcels in the District, is available for public inspection at the office of the City Secretary, McLendon-Chisholm City Council Chambers, 1371 West FM 550, McLendon-Chisholm, Texas 75032.

Sonoma Public Improvement District

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

JANUARY 26, 2021



AUSTIN, TX | NORTH RICHLAND HILLS, TX

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INTRODUCTION

Capitalized terms used in this Amended and Restated Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Amended and Restated Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section", an "Exhibit," or an "Appendix" shall be a reference to a Section of this Amended and Restated Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this Amended and Restated Service and Assessment Plan for all purposes.

On September 10, 2007, the City Council passed and approved Resolution No. 2007-21 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 548 acres located within the corporate limits of the City, as described by the legal description on **Exhibit N-1** and depicted on **Exhibit A-1**.

On January 13, 2015, City approved the 2015 SAP for the District by adopting the 2015 Assessment Ordinance which approved the levy of Assessments for Assessed Parcels within the Major Improvement Area Excluding Phase 1 and Phase 1 of the District and approved the Assessment Rolls. The City levied \$1,610,000 of Assessments on the Major Improvement Area Excluding Phase 1. The City levied \$10,700,000 of Assessments on Phase 1 Assessed Property. On April 14, 2015, the City updated the 2015 SAP with its approval of the Phase 1 Bonds in an amount of \$7,600,000 which are secured by Assessments levied against the Phase 1 Assessed Property, and the balance of \$3,100,000 in Phase 1 Assessments secured the Phase 1 Reimbursement Agreement.

On August 23, 2016, the City approved the 2016 Annual Service Plan Update for the District by adopting Ordinance No. 2016-11 which updated the Assessment Roll for 2016.

On June 13, 2017, the City approved the 2017 SAP Update for the District by adopting Ordinance No. 2017-09 which updated the Assessment Rolls for the Major Improvement Area Excluding Phase 1 and Phase 1 for 2017 and levied \$7,575,000 in Phase 2 Assessments for Assessed Parcels within Phase 2 of the District, for the costs of Authorized Improvements that benefitted Phase 2 Assessed Property, as reflected by the revised Assessment Rolls.

On September 11, 2018, the City approved the 2018 Annual Service Plan Update for the District by adopting Ordinance No. 2018-08 which updated the Assessment Rolls for 2018.

On June 11, 2019, the City approved the 2019 SAP Update for the District by adopting Ordinance No. 2019-06, which updated the Assessment Rolls for 2019 with its approval of the Improvement Area #2 Bonds in an amount of \$6,225,000 secured by a portion of the Assessment levied against

Phase 2 Assessed Property. The 2019 SAP Update separated the Phase 2 Assessed Property (as defined in the 2017 SAP Update) into Improvement Area #1C and Improvement Area #2 and released the Assessments against the Major Improvement Area Excluding Phase 1; and, the 2019 SAP Update updated the Assessment Rolls accordingly. The Improvement Area #2 Bonds are secured by Assessments levied against the Improvement Area #2 Assessed Property.

On August 13, 2019, the City approved the 2019 Amended Annual Service Plan Update for the District by adopting Ordinance No. 2019-09 which updated the Assessment Rolls for 2019. The 2019 SAP Update did not provide an Assessment Roll showing the outstanding Assessment and Annual Installment due for every Parcel within the District, therefore an update to the 2019 SAP Update was required. The 2019 Amended Annual Service Plan Update updated the Phase 1 Assessment Roll, Improvement Area #1C Assessment Roll and the Improvement Area #2 Assessment Roll for 2019.

On July 28, 2020, the City approved the 2020 Annual Service Plan Update for the District by adopting Ordinance No. 2020-08 which updated the Assessment Roll for 2020, including adjusting the Phase 1 Assessment to reflect the issuance of the Phase 1 Refunding and Improvement Bonds, for interest savings.

On February 9, 2021, the City approved the “PID Reimbursement Agreement – Sonoma Public Improvement District” by adopting Ordinance No. 2021-__ which approved such agreement for Improvement Area #3 and the Future Improvement Area.

On February 9, 2021, the City approved this Amended and Restated Service and Assessment Plan for the District by adopting Ordinance No. 2021-__ which serves to amend and restate the 2015 SAP, including all Annual Service Plan Updates approved since, in its entirety for the purposes of (1) levying Improvement Area #3 Assessments, and (2) updating the Assessment Rolls.

The PID Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to the Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll for Phase 1 is included as **Exhibit E-1**. The Assessment Roll for Improvement Area #1C is included as **Exhibit F-1**. The Assessment Roll for Improvement Area

#2 is included as **Exhibit G-1**. The Assessment Roll for Improvement Area #3 is included as **Exhibit H-1**.

SECTION I: DEFINITIONS

"2015 Assessment Ordinance" means the Assessment Ordinance approved by the City Council on January 13, 2015.

"2015 SAP" means the Sonoma Public Improvement District Sonoma Verde Project McLendon-Chisholm, Texas Service and Assessment Plan, dated January 13, 2015, approved by the City on January 13, 2015 by Ordinance No. 2015-02 as amended and updated, including as updated on April 13, 2015, prior to City Council approval of this Amended and Restated Service and Assessment Plan.

"2016 Annual Service Plan Update" means the update of the 2015 SAP approved on August 23, 2016 by the City by adopting Ordinance No. 2016-11 which updated the Assessment Rolls for 2016.

"2017 Assessment Ordinance" means the Assessment Ordinance approved by the City Council on June 13, 2017.

"2017 SAP Update" means the Sonoma Public Improvement District Sonoma Verde Project McLendon-Chisholm, Texas Service and Assessment Plan (as updated for Phase #2), approved by the City on June 13, 2017 by Ordinance No. 2017-09 as amended and updated prior to City Council approval of this Amended and Restated Service and Assessment Plan.

"2018 Annual Service Plan Update" means the update of the 2017 SAP Update approved on September 11, 2018 by the City by adopting Ordinance No. 2018-08 which updated the Assessment Rolls for 2018.

"2019 SAP Update" means the Sonoma Public Improvement District Sonoma Verde Project McLendon-Chisholm, Texas Service and Assessment Plan as updated for Phase #2 (Improvement Area #1C and Improvement Area #2), approved by the City on June 11, 2019 by Ordinance No. 2019-06 as amended and updated prior to City Council approval of this Amended and Restated Service and Assessment Plan.

"2019 Amended Annual Service Plan Update" means the update of the 2019 SAP Update approved on August 13, 2019 by the City by adopting Ordinance No. 2019-09 which updated the Assessment Rolls for 2019.

"2020 Annual Service Plan Update" means the update of the 2019 SAP Update approved on July 28, 2020 by the City by adopting Ordinance No. 2020-08 which updated the Assessment Roll for 2020, including adjusting the Phase 1 Assessment to reflect the issuance of the Phase 1 Refunding and Improvement Bonds, for interest savings.

"Actual Costs" mean with respect to Authorized Improvements, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a

Certification for Payment or Bill of Sale with filed warranty deed and engineer stamp cost that has been reviewed and approved by the City. Actual Cost may include (1) 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 and real estate acquisition costs, if any, (2) the costs of preparing the construction plans for such Authorized Improvement, (3) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (4) 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, (5) 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, and (6) 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 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, 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. Actual Costs also may be paid to the Owner or any other person or entity only in the capacity of construction manager or only in the capacity of general contractor but not both.

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

"Additional Interest Rate" means the 0.50% additional interest rate that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

"Administrator" means the City or independent firm designated by the City who shall have the responsibilities provided in this Amended and Restated Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

"Administrative Expenses" mean the administrative and maintenance and operation costs associated with, or incident to, the administration and maintenance and operation of the District, including, but not limited to, the costs of: (1) creating and organizing the District, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (2) the annual administrative, organization,

maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the District, (3) computing, levying, billing and collecting Assessments or the installments thereof, (4) maintaining the record of installments of the Assessments and the system of registration and transfer of the PID Bonds, (5) paying and redeeming the PID Bonds, (6) investing or depositing of monies, (7) complying with the PID Act and codes with respect to the PID Bonds, (8) the Trustee fees and expenses relating to the PID Bonds, including reasonable fees, (9) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (10) administering the construction of the Authorized Improvements, and (11) costs and expenses, if any, associated with major repairs and emergency maintenance of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the PID 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 Administrative Expenses.

“Amended and Restated Service and Assessment Plan” means this 2021 Amended and Restated Service and Assessment Plan, as it may be modified and updated from time to time.

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

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

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

“Assessment” means an assessment levied against a Parcel within the District, other than Non-Benefitted Property, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

“Assessment Roll” means any assessment roll for the Assessed Property, including the Phase 1 Assessment Roll, the Improvement Area #1C Assessment Roll, the Improvement Area #2 Assessment Roll, and the Improvement Area #3 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds, or any Annual Service Plan Update.

“Authorized Improvements” means, collectively, the Public Improvements, PID Establishment Costs, and Bond Issuance Costs.

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

“City” means the City of McLendon-Chisholm, Texas.

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

“County” means Rockwall County, Texas.

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

“Development Agreement” means the Development Agreement, effective June 11, 2007, by and between the City and Original Owner, as predecessor-in-interest to the Owner, as amended by (1) the first amendment to the Development Agreement, effective January 28, 2008, (2) the second amendment to the Development Agreement, effective September 25, 2012, and (3) the third amendment to the Development Agreement, effective January 14, 2014, as it may be modified and updated from time to time.

“District” means the Sonoma Public Improvement District containing approximately 548 acres located within the corporate limits of the City, and more specifically described in **Exhibit N-1**, and depicted on **Exhibit A-1**.

“Engineer’s Report” means a report provided by a licensed professional engineer that identifies the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix B**.

“Equivalent Units” mean, as to any Parcel within Phase 1, Improvement Area #1C, or Improvement Area #2, the number of dwelling units by Lot Type expected to be built on the Parcel multiplied by the factors calculated and shown in **Appendix A**, attached hereto.

“Estimated Buildout Value” means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Owner and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for a Lot Type is provided for in **Exhibit J-1**.

“Future Improvement Area” means a distinct portion of the District other than Phase 1, Improvement Area #1C, Improvement Area #2, and Improvement Area #3 described by metes and bounds and developed as an individual improvement area, with such area(s) to be described and designated in future Annual Service Plan Updates.

“Improvement Area #1C” means approximately 25.226 acres located within the District, more specifically described and depicted on the plat on **Exhibit A-3**.

“Improvement Area #1C Annual Installment” means the Annual Installment of the Improvement Area #1C Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; and (3) Administrative Expenses.

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

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

“Improvement Area #1C Assessment Roll” means the Assessment Roll for the Improvement Area #1C Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1C Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit F-1**.

“Improvement Area #1C, Lot Type 4” means a Lot within Improvement Area #1C marketed to homebuilders as an 80’ Lot, with an Estimated Buildout Value of \$310,000. Improvement Area #1C, Lot Type 4 was originally identified as a Land Use Class 4 Lot. Homebuyer Disclosures for Improvement Area #1C, Lot Type 4 are included in **Exhibit M-6**.

“Improvement Area #1C Projects” means collectively: (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1C; (2) the pro rata portion of the Phase 2 Improvements allocable to Improvement Area #1C; and (3) Improvement Area #1C’s pro rata share of the PID Establishment Costs.

“Improvement Area #2” means approximately 61.374 acres located within the District, more specifically described and depicted on the plat on **Exhibit A-4**.

“Improvement Area #2 Annual Installment” means the Annual Installment of the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Administrative Expenses; and (4) Additional Interest.

“Improvement Area #2 Assessed Property” means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

“Improvement Area #2 Assessment” means an Assessment levied against a Parcel within Improvement Area #2 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #2 Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit G-1**.

“Improvement Area #2 Bonds” means those certain “City of McLendon-Chisholm, Texas Special Assessment Revenue Bonds, Series 2019 (Sonoma Public Improvement District Improvement Area #2 Project)” that are secured by Improvement Area #2 Assessments.

“Improvement Area #2, Lot Type 2” means a Lot within Improvement Area #2 marketed to homebuilders as a one-half acre Lot, with an Estimated Buildout Value of \$440,000. Improvement Area #2, Lot Type 2 was originally identified as a Land Use Class 2 Lot. Homebuyer Disclosures for Improvement Area #2, Lot Type 2 are included in **Exhibit M-7**.

“Improvement Area #2, Lot Type 3” means a Lot within Improvement Area #2 marketed to homebuilders as a 90’ Lot, with an Estimated Buildout Value of \$340,000. Improvement Area #2, Lot Type 3 was originally identified as a Land Use Class 3 Lot. Homebuyer Disclosures for Improvement Area #2, Lot Type 3 are included in **Exhibit M-8**.

“Improvement Area #2, Lot Type 5” means a Lot within Improvement Area #2 marketed to homebuilders as a 60’ Lot, with an Estimated Buildout Value of \$245,000. Improvement Area #2,

Lot Type 5 was originally identified as a Land Use Class 5 Lot. Homebuyer Disclosures for Improvement Area #2, Lot Type 5 are included in **Exhibit M-9**.

“Improvement Area #2, Lot Type 10” means a Lot within Improvement Area #2 marketed to homebuilders as a 70’ Lot, with an Estimated Buildout Value of \$277,500. Improvement Area #2, Lot Type 10 was originally identified as a Land Use Class 10 Lot. Homebuyer Disclosures for Improvement Area #2, Lot Type 10 are included in **Exhibit M-10**.

“Improvement Area #2 Projects” means collectively: (1) the pro rata portion of the Major Improvements allocable to Improvement Area #2; (2) the pro rata portion of the Phase 2 Improvements allocable to Improvement Area #2; (3) Improvement Area #2’s pro rata share of PID Establishment Costs; and (4) Bond Issuance Costs associated with the issuance of the Improvement Area #2 Bonds.

“Improvement Area #3” means approximately 63.7675 acres located within the District, more specifically described on **Exhibit N-2**, and depicted on the plat on **Exhibit A-5**.

“Improvement Area #3 Annual Installment” means the Annual Installment of the Improvement Area #3 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Administrative Expenses; and (4) Additional Interest.

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

“Improvement Area #3 Assessment” means an Assessment levied against a Parcel within Improvement Area #3 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #3 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #3 Assessment Roll” means the Assessment Roll for the Improvement Area #3 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #3 Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit H-1**.

“Improvement Area #3 Bonds” means those certain PID Bonds that are secured by Improvement Area #3 Assessments.

“Improvement Area #3 Engineer’s Report” means a report provided by a licensed professional engineer that identifies the Authorized Improvements for Improvement Area #3, including their costs, location, and benefit, and is attached hereto as **Appendix B**.

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit the Improvement Area #3 Assessed Property.

“Improvement Area #3 Initial Parcel” means all of the property within Improvement Area #3, as described in **Exhibit N-5**, and depicted on **Exhibit A-5**.

“Improvement Area #3, Lot Type 1” means a Lot within Improvement Area #3 marketed to homebuilders as a 60’ Lot, with an Estimated Buildout Value of \$353,000. Homebuyer Disclosures for Improvement Area #3, Lot Type 1 are included in **Exhibit M-11**.

“Improvement Area #3, Lot Type 2” means a Lot within Improvement Area #3 marketed to homebuilders as a 70’ Lot, with an Estimated Buildout Value of \$388,000. Homebuyer Disclosures for Improvement Area #3, Lot Type 2 are included in **Exhibit M-12**.

“Improvement Area #3, Lot Type 3” means a Lot within Improvement Area #3 marketed to homebuilders as a 120’ Lot, with an Estimated Buildout Value of \$472,000. Homebuyer Disclosures for Improvement Area #3, Lot Type 3 are included in **Exhibit M-13**.

“Improvement Area #3 Projects” means collectively: (1) the pro rata portion of the Major Improvements allocable to Improvement Area #3; (2) the Improvement Area #3 Improvements; (3) Improvement Area #3’s pro rata share of the PID Establishment Costs; and (4) Bond Issuance Costs associated with the issuance of the Improvement Area #3 Bonds.

“Improvement Area #3 Trigger Date” means, for Improvement Area #3 Assessed Property, the earlier of (1) two years from the date of the levy of Improvement Area #3 Assessments, (2) the issuance of Improvement Area #3 Bonds, or (3) the date a final plat is approved by the City for any Assessed Property within Improvement Area #3. If the Improvement Area #3 Trigger Date occurs on or before July 31st of the then current year, then Improvement Area #3 Assessments will be due the January 31st of the following year. If the Improvement Area #3 Trigger Date occurs after July 31st of the then current year, then the Improvement Area #3 Assessments will be due on the second January 31st after the final plat is filed and Authorized Improvements are accepted.

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

“Land Use Class” 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.

“Land Use Class 1” means lots identified as such on the Assessment Rolls in previous service and assessment plans, which are referred to as one acre lots in the Planned Development District Ordinance and being generally lots for single family dwelling unit with approximately 4,500 sq ft of air-conditioned living space. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Land Use Class 2” means lots identified as such on the Assessment Rolls in previous service and assessment plans which are referred to as one-half acre lots in the Planned Development District Ordinance and being generally lots for single family dwelling unit with approximately 3,800 sq ft of air-conditioned living space. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Land Use Class 3” means lots identified as such on the Assessment Rolls in previous service and assessment plans, which are referred to as 90 Ft lots in the Planned Development District Ordinance and being generally lots for single family dwelling unit with approximately 3,200 sq ft of air-conditioned living space. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Land Use Class 4” means lots identified as such on the Assessment Rolls in previous service and assessment plans which are referred to as 80 Ft lots in the Planned Development District Ordinance and being generally lots for single family dwelling unit with approximately 3,000 sq ft of air-conditioned living space. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Land Use Class 5” means lots identified as such on the Assessment Rolls in previous service and assessment plans which are referred to as 60 Ft lots in the Planned Development District Ordinance and being generally lots for single family dwelling unit with approximately 2,400 sq ft of air-conditioned living space. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Land Use Class 6” means lots identified as such on the Assessment Rolls in previous service and assessment plans which are referred to as office lots in the Planned Development District Ordinance and being generally lots for office uses with approximately 3,700 sq ft of air conditioned working space. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Land Use Class 7” means lots identified as such on the Assessment Rolls in previous service and assessment plans, which are referred to as church lots in the Planned Development District Ordinance and being generally lots for church building uses. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Land Use Class 8” means lots identified as such on the Assessment Rolls in previous service and assessment plans, which are referred to as daycare lots in the Planned Development District Ordinance and being generally lots for daycare building uses. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Land Use Class 9” means lots identified as such on the Assessment Rolls in previous service and assessment plans, which are referred to as senior living lots in the Planned Development District

Ordinance and being generally lots for senior living building uses. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Land Use Class 10” means lots identified as such on the Assessment Rolls in previous service and assessment plans, which are referred to as 70 Ft lots in the Planned Development District Ordinance and being generally lots for single family dwelling unit with approximately 2,700 sq ft of air-conditioned living space. See **Exhibit J-2** for the Land Use Class to Lot Type conversion.

“Lot” means (1) for any portion of the District for which a final subdivision plat has been recorded in the official public records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, buildout value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as calculated by the Administrator and confirmed by the City Council.

“Major Improvement Area Excluding Phase 1” means the property within the District excluding Phase 1.

“Major Improvement Area Excluding Phase 1 Assessment” means an Assessment levied against a Parcel within the Major Improvement Area Excluding Phase 1 and imposed pursuant to an Assessment Ordinance and the provisions herein. The Major Improvement Area Excluding Phase 1 Assessment was removed in the 2019 SAP Update.

“Major Improvements” means those Authorized Improvements that confer special benefit to all the Assessed Property within the District, and as further described in **Section III.A.** and depicted on **Exhibit I-1.**

“Maximum Assessment” means, for each Lot Type, an amount that will not exceed the amounts shown as the Maximum Assessment by Lot Type on **Exhibit J-1.** In the event any final plat creates a new Lot Type that differs from what is shown on **Exhibit J-1,** this Amended and Restated Service and Assessment Plan will be updated to reflect the new Lot Type, and the Maximum Assessment for the new Lot Type created by the final plat shall be an amount that is calculated by the Administrator and approved by the City, based on the desire to maintain a competitive, composite equivalent ad valorem tax rate taking into consideration the tax rates of all applicable taxing units and the equivalent tax rate of the Annual Installments.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

“Notice of Assessment Termination” means a document that shall be recorded in the County’s real property records evidencing the termination of an Assessment, a form of which is attached as **Exhibit K**.

“Original Owner” means MC 550 Investors, LP.

“Owner” means Land Solutions SV LLC, and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transfer to end users.

“Parcel” or “Parcels” means a specific property within the District identified by either a tax map identification number assigned by the Rockwall Central Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

“Phase 1” means approximately 163.668 acres located within the District, more specifically described and depicted on the Plats in **Exhibit A-2**.

“Phase 1 Annual Installment” means the Annual Installment of the Phase 1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; and (3) Administrative Expenses.

“Phase 1 Assessed Property” means any Parcel within Phase 1 against which a Phase 1 Assessment is levied.

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

“Phase 1 Assessment Roll” means the Assessment Roll for the Phase 1 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Phase 1 Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit E-1**.

“Phase 1 Bonds” means those certain “City of McLendon-Chisholm, Texas Special Assessment Revenue Bonds, Series 2015 (Sonoma Public Improvement District Phase 1 Project)” that were secured by Phase 1 Assessments, and were refunded by the Phase 1 Refunding and Improvement Bonds.

“Phase 1 Improvements” means the Authorized Improvements which only benefit the Phase 1 Assessed Property.

“Phase 1, Lot Type 2” means a Lot within Phase 1 marketed to homebuilders as a one-half acre Lot, with an Estimated Buildout Value of \$440,000. Phase 1, Lot Type 2 was originally identified as a Land Use Class 2 Lot. Homebuyer Disclosures for Phase 1, Lot Type 2 are included in **Exhibit M-1**.

“Phase 1, Lot Type 3” means a Lot within Phase 1 marketed to homebuilders as a 90’ Lot, with an Estimated Buildout Value of \$340,000. Phase 1, Lot Type 3 was originally identified as a Land Use Class 3 Lot. Homebuyer Disclosures for Phase 1, Lot Type 3 are included in **Exhibit M-2**.

“Phase 1, Lot Type 4” means a Lot within Phase 1 marketed to homebuilders as an 80’ Lot, with an Estimated Buildout Value of \$310,000. Phase 1, Lot Type 4 was originally identified as a Land Use Class 4 Lot. Homebuyer Disclosures for Phase 1, Lot Type 4 are included in **Exhibit M-3**.

“Phase 1, Lot Type 5” means a Lot within Phase 1 marketed to homebuilders as a 60’ Lot, with an Estimated Buildout Value of \$245,000. Phase 1, Lot Type 5 was originally identified as a Land Use Class 5 Lot. Homebuyer Disclosures for Phase 1, Lot Type 5 are included in **Exhibit M-4**.

“Phase 1, Lot Type 6” means a Lot within Phase 1 marketed to homebuilders as a 60’ Lot, with an Estimated Buildout Value of \$425,000. Phase 1, Lot Type 6 was originally identified as a Land Use Class 6 Lot. Homebuyer Disclosures for Phase 1, Lot Type 6 are included in **Exhibit M-5**.

“Phase 1 Projects” means collectively: (1) the pro rata portion of the Major Improvements allocable to Phase 1; (2) the Phase 1 Improvements; (3) Phase 1’s pro rata share of the PID Establishment Costs; and (4) Bond Issuance Costs associated with the issuance of the Phase 1 Bonds and the Phase 1 Refunding and Improvement Bonds.

“Phase 1 Refunding and Improvement Bonds” means those certain “City of McLendon-Chisholm, Texas Special Assessment Revenue Refunding and Improvement Bonds, Series 2020 (Sonoma Public Improvement District Phase 1 Project)” that are secured by Phase 1 Assessments.

“Phase 1 Reimbursement Agreement” means that certain “Sonoma Public Improvement District Reimbursement Agreement” effective January 14, 2014, entered into by and between the City and Original Owner, whereby all or a portion of the Actual Costs not paid to the Original Owner from Phase 1 Bonds were to be paid to the Original Owner from Phase 1 Assessments to reimburse the Original Owner for Actual Costs paid by the Original Owner, plus interest, that are eligible to be paid with Phase 1 Assessments.

“Phase 2” means Improvement Area #1C plus Improvement Area #2.

“Phase 2 Assessments” means Improvement Area #1C Assessments plus Improvement Area #2 Assessments.

“Phase 2 Improvements” means the Authorized Improvements which only benefit the Improvement Area #1C and Improvement Area #2 Assessed Property.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

“PID Establishment Costs” means the costs associated with forming the District, including but not limited to attorney fees, first year’s Administrative Expenses, and any other cost or expense incurred by the City directly associated with the establishment of the District.

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

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

“Public Improvements” means those public improvements authorized by Section 372.003 of the PID Act, constructed, and installed in accordance with this Amended and Restated Service and Assessment Plan, and any future updates and/or amendments, including improvements for Future Improvement Areas, for the benefit of Assessed Property within the District, as depicted on **Exhibit I-1, Exhibit I-2, Exhibit I-3, and Exhibit I-4** and described in **Section III**.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Trustee” means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 548 acres located within the corporate limits of the City, as more particularly described by the legal description on **Exhibit N-1**, and depicted on **Exhibit A-1**. Development of the District was originally anticipated to include 1,095 detached single-family residential Lots, and 11 non-residential Lots, per the 2015 SAP. The proposed development plan was revised to 1,077 detached single-family residential Lots, and 11 non-residential Lots, per the 2017 SAP Update.

Phase 1 includes approximately 163.668 acres located within the corporate limits of the City, as more particularly described and depicted on **Exhibit A-2**. Development of Phase 1 includes 29 Lots classified as Phase 1, Lot Type 2, 30 Lots classified as Phase 1, Lot Type 3, 122 Lots classified as Phase 1, Lot Type 4, 175 Lots classified as Phase 1, Lot Type 5, and 8 Lots classified as Phase 1, Lot Type 6.

Improvement Area #1C includes approximately 25.226 acres located within the corporate limits of the City, as more particularly described and depicted on **Exhibit A-3**. Development of Improvement Area #1C includes 41 Lots classified as Improvement Area #1C, Lot Type 4.

Improvement Area #2 includes approximately 61.374 acres located within the corporate limits of the City, as more particularly described and depicted on **Exhibit A-4**. Development of Improvement Area #2 includes 12 Lots classified as Improvement Area #2, Lot Type 2, 8 Lots classified as Improvement Area #2, Lot Type 3, 100 Lots classified as Improvement Area #2, Lot Type 5, and 93 Lots classified as Improvement Area #2, Lot Type 10.

Improvement Area #3 includes approximately 63.7675 acres located within the corporate limits of the City, as more particularly described on **Exhibit N-2**, and depicted on **Exhibit A-5**. Development of Improvement Area #3 is anticipated to include 99 Lots classified as Improvement Area #3, Lot Type 11, 77 Lots classified as Improvement Area #3, Lot Type 12, and 9 Lots classified as Improvement Area #3, Lot Type 13.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements confer a special benefit on the Assessed Property. All Authorized Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. The budget for the Authorized Improvements is shown on **Exhibit B**.

A. Public Improvements

1. Major Improvements

▪ *Roadway Improvements*

The roadway improvements portion of the project consist of the construction of a Texas Department of Transportation (TxDOT) approved left turn lane re-striping along State Highway 205 to accommodate south bound left turns. This will provide access off of SH 205 into the PID by Via Toscana. This improvement will be constructed to TxDOT standards.

In addition, the roadway improvements portion of the project also includes construction of concrete paving of the extension of Via Toscana from the end of the residential areas to the south to League Road, and asphalt overlay of approximately 5,100 linear feet of the existing League Roadway to the west to State Highway 205. This is being done to provide a secondary access point to the project. This improvement will be constructed to Rockwall County standards (League Road is a County Roadway) and will be owned and maintained by the City of McLendon Chisholm and Rockwall County.

▪ *Water Distribution System Improvements*

The water distribution system improvements include 12" waterline to be constructed from RCH's waterline located on Edwards Road and extended to the west along League Road for a distance of approximately 1,895 linear feet to the intersection of Via Toscana and League Road. The waterline improvements will include connection to the exiting water-main, installation of associated 12" valves, fire hydrants, ductile iron fittings, erosion control, trench safety and waterline testing. All water improvements will be constructed according to City standards and specifications.

The PID is within the City limits. The City has a contract for water service from the RCH Water supply corporation who is a customer city of the North Texas Municipal Water District (NTMWD) and receives wholesale treated water through a major transmission line from the NTMWD Wylie water treatment plant. As a result, there will be no water treatment plant upgrades required.

▪ *Sanitary Sewer Collection System Improvements*

The sanitary sewer collection system improvements consist of constructing a lift station approximately 380 feet north of Via Toscana and 220' west of Hackberry Creek with a wet well and approximately 27,309 linear feet of 8" sanitary sewer force main and 2,303 linear feet of 8" and 12" sanitary sewer gravity line generally following the Right of Way of FM 550 to the west and connecting to the NTMWD Buffalo Creek Sewer Interceptor. Cutoff valves, air release valves and a pig launching and receiving station for the system will be

constructed in accordance with NTMWD and TCEQ regulations. The proposed lift station, wet-well and pumps are sized appropriately to accept and pump waste for Phase 1 and will be modified with additional pumps as future phases come online. The 8" force main and pumps were designed to maintain the 3.0 fps minimum velocity. The sanitary sewer collection system improvements will be designed and constructed according to City standards and specifications.

- *Storm Drainage Collection System Improvements*

The storm drainage collection system improvements consist of drainage improvements to support the installation of the left turn lane at Via Toscana and SH 205 and storm water detention capacity that benefits the entire project area. This includes underground re-enforced concrete sewer pipe, inlets and rock rip rap protection at outfalls. The storm drainage collection system improvements will be constructed according to City standards and specifications.

- *Soft Costs*

Costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, and PID Establishment Costs.

2. Phase 1 Improvements

- *Road Improvements*

The roadway portion of the Phase 1 Improvements include the construction of 6,300 linear feet of a 37' wide, 3600-psi concrete curb and gutter pavement. The roadway construction will consist of grading, lime stabilization, striping, signage and erosion control measures during construction. Other roadway improvements within Phase 1 include construction of approximately 17,469 linear feet of 6" thick, 31-foot wide, concrete pavement with curb and gutter. The concrete will be 3,600 pounds per square inch (psi) strength. Excavation for the roadway will consist of 55,360 cubic yards of cut and fill. 68,260 square yards (sy) of pavement sub-grade will be lime stabilized and compacted. Turn lanes, intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each lot within Phase 1. All roadway projects will be designed and constructed in accordance with City standards and specifications.

- *Water Improvements*

The Phase 1 water distribution system improvements include:

- Water Line 1 - This project consists of constructing approximately 9,223 linear feet of

12" diameter water transmission main from the east entrance of Via Toscana at Highway 205 along Via Toscana and through the development to the southern edge of the project at League Road. The waterline will be constructed within the proposed right-of way (ROW) of Via Toscana. The waterline improvements will include connection to the 8" water-main at Hwy 205 and the 12" main at League Road, installation of Twenty Five 12" valves, 17 fire hydrants, five tons of ductile iron fittings, and associated erosion control, trench safety and waterline testing. The waterline will be designed and constructed in accordance with City standards and specification.

- **8" Water Line Segments** - These waterline improvements consists of constructing approximately 17,168 linear feet of 8" water line, associated 8" and 6" gate valves. One-inch diameter water services will be provided to each of the Parcels within Phase 1. All associated waterline testing, trench safety and erosion protection during construction are included. The waterline will be connected to the 12" water line constructed in Via Toscana. These lines will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Phase 1 and all lots within Phase 1.

- *Sanitary Sewer Improvements*

The sanitary sewer collection system improvements include:

- **Wastewater Line (12" Gravity Line)** – These improvements consists of constructing approximately 4,400 linear feet of 12" gravity sewer line along Via Toscana, crossing Hackberry Creek and flowing to the proposed lift station north of Via Toscana. This project will consist of constructing manholes, associated erosion control, trench safety and sewer line testing.
- **Wastewater Line (8" Gravity Line)** - These improvements include construction of 18,289 linear feet of 8" gravity sanitary sewer line that connect to the Via Toscana sewer trunk main. Construction includes connection at multiple points through 58 concrete manholes. Services to individual lots are by 4" gravity sewer services. Twenty five cleanouts will be constructed to facilitate maintenance.

All sanitary sewer collection system improvements will be designed and constructed in accordance with City standards and specifications.

- *Storm Drainage Improvements*

The storm drainage portion of the Phase 1 Improvements consist of underground storm sewer pipes, storm water detention pond and construction of a major culvert/ creek

crossing at Via Toscana and Hackberry Creek. The primary means of conveyance of storm drainage within Phase 1, is within roadways and underground storm drain pipes. The roadway pavement section incorporates the use of curbs with integrated drainage inlets to control runoff and conveyance of storm-water throughout the drainage basins associated with Phase 1. The system includes approximately 5,000 linear feet of underground reinforced concrete pipe (RCP) with associated headwalls, safety end treatments, manholes and storm sewer energy dissipaters at the points of discharge. All of the drainage areas within Phase 1 flow to a detention pond and subsequent release to Hackberry Creek. Excavation of the City required detention pond is included in the drainage improvements. In addition to the storm sewer improvements, a triple span 40' wide by 13' tall bolted structural plate arch system will be constructed over Hackberry Creek. This Drainage culvert will include precast headwalls. All storm drainage collection system improvements will be constructed in accordance with City standards and specifications.

- *Soft Costs*

Costs related to designing, constructing, and installing the Phase 1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, and contingency.

3. Phase 2 Improvements

- *Road Improvements*

The Phase 2 roadway improvements include the construction of 850 linear feet of a 37-foot wide, 3600-psi concrete curb and gutter pavement. This section commences at the northern point of the main round-about near the main amenity center and continues northward through the first intersection at which point the road will become a 31-foot wide paving section. The roadway construction will consist of grading, lime stabilization, striping, signage and erosion control measures during construction. This project will be constructed to City standards and specifications and will be owned and maintained by the City. Other roadway improvements within Phase 2 include construction of interior streets consisting of 6" thick, 31-foot wide, concrete pavement with curb and gutter. The concrete will be 3,600 pounds per square inch (psi) strength. Excavation for the roadway subgrade will consist of cut and fill activities and all excavation filling activities will have compaction testing by a third party as a part of the construction process. Following excavation, the sub-grade will be lime stabilized and compacted. Turn lanes, intersections, signage, Accessible wheel chair ramps at intersections, lighting, street signs and re-vegetation of all disturbed areas within the right of way are included as a part of the Phase 2 roadway improvements. These roadway improvements include streets that

will provide access to each lot within Phase 2. Also, an asphalt overlay of the existing League Roadway from the southern end of Via Toscana Lane to the west to State Highway 205 will be completed. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. These projects will provide access to community roadways and state highways.

- *Water Improvements*

The Phase 2 water distribution system improvements include:

- **12" Water Line Segments** - This project consists of constructing approximately 7,100 linear feet of 12" diameter water transmission main along Cortona from the amenity center round-about to the Northern project boundary, and a second 12" line constructed from the Southern Via Toscana Round-about north along San Donato to Edwards Road. The waterline improvements will include connection to the watermains within the development and at Edwards Road for a completely looped system. In addition to the Waterlines, the improvements include the installation of twenty-five 12" valves, 24 fire hydrants, 7 tons of ductile iron fittings, and associated erosion control, trench safety and waterline testing. The line will be designed and constructed in accordance with City and TCEQ standards and specifications and will be owned and operated by the City.
- **8" Water Line Segments** - These waterline improvements consists of constructing 8" PVC water lines, fire hydrants, associated 8" and 6" gate valves. One-inch diameter water services will be provided to each of the 254 lots within Phase 2. All associated waterline testing, trench safety and erosion protection during construction are included. The waterline will be connected to the 12" water line constructed in Via Toscana, Cortona, and San Donato. These lines will be designed and constructed in accordance with City and TCEQ standards and specifications and will be owned and operated by the City. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Phase 2 and all lots within Phase 2.

- *Sanitary Sewer Improvements*

The Phase 2 sanitary sewer collection system improvements include:

- **Wastewater Line West (12" Gravity Line)** – These improvements consists of constructing approximately 4,400 linear feet of 12" gravity sewer line along Cortona, crossing Hackberry Creek and flowing to the existing lift station #1. This project will consist of constructing manholes, associated erosion control, trench safety and sewer line testing.

- Wastewater Line East (12" Gravity Line) – These improvements consists of constructing approximately 2,700 linear feet of 12" gravity sewer line flowing south along San Donato, connecting to the existing sanitary sewer main at Via Toscana south round-about and continuing to existing lift station #2. This project will consist of constructing manholes, associated erosion control, trench safety and sewer line testing.
- Wastewater Line (8" Gravity Line) - These improvements include construction of a series of 8" gravity sanitary sewer lines that connect to the various 12" trunk mains described above. Construction includes connection at multiple points through concrete manholes. Services to individual lots are by 4" gravity sewer services. Cleanouts will be constructed at the various upstream end runs to facilitate maintenance.

All sanitary sewer collection system improvements will be designed and constructed in accordance with City and TCEQ standards and specifications and will be owned and operated by the City. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Phase 2 and each of the 254 lots within Phase 2.

- *Storm Drainage Improvements*

The storm drainage portion of the Phase 2 Improvements consist of underground storm sewer pipes, storm water detention ponds and associated inlets, erosion control and Storm Water Pollution Prevention devices. The main means of conveyance of storm drainage within Phase 2 is within roadways and underground storm drain pipes. The roadway pavement section incorporates the use of curbs with integrated drainage inlets to control runoff and conveyance of storm-water throughout the drainage basins associated with Phase 2. The system includes approximately 3,500 linear feet of underground reinforced concrete pipe (RCP) with associated headwalls, safety end treatments, manholes and storm sewer energy dissipaters at the points of discharge. All of the drainage areas within Phase 2 will be designed in accordance with City drainage policy. Excavation of detention ponds and channel improvements are included in the drainage improvements. The drainage culvert will include precast headwalls. All storm drainage collection system improvements will be constructed in accordance with City standards and specifications.

- *Soft Costs*

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

4. Improvement Area #3 Improvements

- *Street*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #3.

- *Right of Way*¹

Within the dedicated streets, all public costs related to the acquisition of rights-of-way. The right of way improvements will provide benefit to each Lot within Improvement Area #3.

- *Water*²

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #3.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #3.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and necessary to provide storm drainage for all Lots within Improvement Area #3.

¹ Unless otherwise approved by the City Council, in the event Improvement Area #3 Bonds are not issued, rights-of-way acquisition, as defined in **Section III.A.4**, shall not be a reimbursable Authorized Improvement, but instead will be replaced by the Actual Costs of water improvements.

² Unless otherwise approved by the City Council, in the event Improvement Area #3 Bonds are issued, the water improvements, as defined in **Section III.A.4**, will be replaced by rights-of-way acquisition, which rights-of-way acquisition cost shall not exceed (i) the Actual Costs of water improvements, and (ii) the fair market value supported by an independent appraisal as required by Section 252.051 of the Texas Local Government Code.

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #3 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, and contingency.

B. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the capitalized interest payments on PID Bonds as reflected in an applicable Indenture.

- *Other Bond Issuance Costs*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds and the underwriter's attorney fees, and the costs of issuance including, but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of PID Bonds.

C. Other Costs

- *Initial Administrative Fund Deposit*

Equals the amount necessary to fund the first year's Administrative Expenses for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the Service Plan for the District.

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated each year in an Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Amended and Restated Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

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

A. Assessment Methodology

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

Phase 1, Improvement Area #1C, and Improvement Area 2:

- The Major Improvements, Phase 1 Improvements, and Phase 2 Improvements costs were allocated to Phase 1, Improvement Area #1C and Improvement Area #2 on the basis of the relative values of Parcels once such property is developed, and that such method of allocation will result in the imposition of equal shares of the PID Costs to Parcels similarly benefited.
- The City Council concluded that larger, more expensive homes were likely to be built on the larger Lots, and that larger, more expensive homes were likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council took 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 homes prices

provided by the Original Owner, (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.

- Phase 1, Improvement Area #1C and Improvement Area #2 were classified into different Land Use Classes as described in **Appendix A** based on the types and size of proposed development on each Parcel.
- Equivalent Units were calculated for each Land Use Class based on the relative value of each Land Use Class.
- The Major Improvements costs that benefit the Assessed Property were proportionally allocated to Phase 1, Improvement Area #1C and Improvement Area #2 based on the ratio of total Equivalent Units within each phase to total Equivalent Units estimated for the District.
- The Phase 1 Projects are allocated to each Parcel within the Phase 1 Assessed Property based on the total Equivalent Units estimated for each Parcel.
- The Phase 2 Projects are allocated to each Parcel with the Improvement Area #1C Assessed Property and the Improvement Area #2 Assessed Property based on the total Equivalent Units estimated for each Parcel.

Improvement Area #3:

- The Major Improvements costs that benefit the Assessed Property were allocated to Improvement Area #3 Assessed Property based on the same methodology used to allocate such costs to Phase 1 and Improvement Area #2 to ensure equal shares of the costs of the Major Improvements are imposed to Parcels similarly benefitted in the same manner.
- Improvement Area #3 Projects shall be allocated 100% to Improvement Area #3 Assessed Property by spreading the entire Improvement Area #3 Assessment across all Improvement Area #3 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #3 Assessed Property to the Estimated Buildout Value of all Improvement Area #3 Assessed Property. Currently, the Improvement Area #3 Initial Parcel is the only Parcel within Improvement Area #3, and as such, the Improvement Area #3 Initial Parcel is allocated 100% of the Improvement Area #3 Projects.

B. Assessments

The Phase 1 Assessment was levied on the Phase 1 Assessed Property in the amounts shown on the Phase 1 Assessment Roll, attached hereto as **Exhibit E-1**. The projected Phase 1 Annual Installments are shown on **Exhibit E-2**.

The Improvement Area #1C Assessment was levied on the Improvement Area #1C Assessed Property in the amount shown on the Improvement Area #1C Assessment Roll, attached hereto as **Exhibit F-1**. The projected Improvement Area #1C Annual Installments are shown on **Exhibit F-2**.

The Improvement Area #2 Assessment was levied on the Improvement Area #2 Assessed Property in the amount shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit G-2**.

The Improvement Area #3 Assessment will be levied on the Improvement Area #3 Initial Parcel in the amount shown on the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit H-1**. The projected Improvement Area #3 Annual Installments are shown on **Exhibit H-2**. Upon division or subdivision of the Improvement Area #3 Initial Parcel, the Improvement Area #3 Assessment will be reallocated pursuant to **Section VI**. Collection of the Improvement Area #3 Annual Installment is deferred until the Improvement Area #3 Trigger Date has been reached for Improvement Area #3. If the Improvement Area #3 Trigger Date occurs on or before July 31st of the year of either (1) two years from the date of the levy of Improvement Area #3 Assessments, (2) the issuance of Improvement Area #3 Bonds, or (3) the date a final plat is approved by the City for any Assessed Property within Improvement Area #3, then Improvement Area #3 Assessments levied on Improvement Area #3 Assessed Property, including the Improvement Area #3 Annual Installments thereof, will be delinquent if not paid on or before the January 31st of the following year. If the Improvement Area #3 Trigger Date occurs after July 31st of the year of either (1) two years from the date of the levy of Improvement Area #3 Assessments, (2) the issuance of Improvement Area #3 Bonds, or (3) the date a final plat is approved by the City for any Assessed Property within Improvement Area #3, then Improvement Area #3 Assessments levied on the Improvement Area #3 Assessed Property, including the Improvement Area #3 Annual Installment thereof, will be delinquent if not paid on or before the second January 31st after the Improvement Area #3 Trigger Date. Prior to the collection of the Improvement Area #3 Annual Installments, the City will collect Administrative Expenses as described in **Section V.D** and **Section V.F**.

C. Findings of Special Benefit

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

- *Phase 1*

- The estimated costs of the Phase 1 Projects at the time the 2015 Assessment Ordinance was approved equaled \$13,105,036, as shown on **Exhibit B**;
- The Phase 1 Assessed Property receives special benefit from the Phase 1 Projects equal to or greater than the Actual Cost of the Phase 1 Projects;
- With the adoption of the 2015 Assessment Ordinance, the Phase 1 Assessed Property was allocated 100% of the Phase 1 Assessment levied for the Phase 1 Projects, which equals \$10,700,000.
- The special benefit ($\geq$ \$13,105,036) received by the Phase 1 Assessed Property from the Phase 1 Projects is greater than or equal to the amount of the Phase 1 Assessment (\$10,700,000) levied on Phase 1 Assessed Property for the Phase 1 Projects;
- At the time the City Council approved the 2015 SAP and 2015 Assessment Ordinance, the Original Owner owned 100% of the Phase 1 Assessed Property. The Original Owner acknowledged that the Phase 1 Projects confer a special benefit on the Phase 1 Assessed Property and consented to the imposition of the Phase 1 Assessments to pay for the Actual Costs associated therewith. The Original Owner has ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2015 Assessment Ordinance; (2) the 2015 SAP and the 2015 Assessment Ordinance; and (3) the levying of the Phase 1 Assessment on the Phase 1 Assessed Property.
- *Phase 2*
 - The costs of the Phase 2 Projects at the time the 2017 Assessment Ordinance was approved equaled \$9,895,905, as shown on **Exhibit B**;
 - The Improvement Area #1C Assessed Property and Improvement Area #2 Assessed Property receive special benefit from the Phase 2 Projects equal to or greater than the Actual Cost of the Phase 2 Projects;
 - With the adoption of the 2017 Assessment Ordinance the Improvement Area #1C Assessed Property and Improvement Area #2 Assessed Property were allocated 100% of the Phase 2 Assessment levied for the Phase 2 Projects, which equals \$7,575,000.
 - The special benefit ($\geq$ \$9,895,905) received by the Improvement Area #1C Assessed Property and Improvement Area #2 Assessed Property from the Phase 2 Projects is equal to or greater than the amount of the Phase 2 Assessments

(\$7,575,000) levied on the Improvement Area #1C Assessed Property and Improvement Area #2 Assessed Property for the Phase 2 Projects;

- At the time the City Council approved the 2017 SAP Update and 2017 Assessment Ordinance, the Original Owner owned 100% of the Improvement Area #1C Assessed Property and Improvement Area #2 Assessed Property. The Original Owner acknowledged that the Phase 2 Projects confer a special benefit on the Improvement Area #1C Assessed Property and Improvement Area #2 Assessed Property and consented to the imposition of the Phase 2 Assessment to pay for the Actual Costs associated therewith. The Original Owner has ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2017 Assessment Ordinance; (2) the 2017 SAP Update and the 2017 Assessment Ordinance; and (3) the levying of the Phase 2 Assessment on the Improvement Area #1C Assessed Property and Improvement Area #2 Assessed Property.
- *Improvement Area #3*
 - The costs of the Improvement Area #3 Projects equal \$6,734,128, as shown on **Exhibit B**;
 - The Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Projects equal to or greater than the Actual Cost of the Improvement Area #3 Projects;
 - The Improvement Area #3 Initial Parcel will be allocated 100% of the Improvement Area #3 Assessment levied for the Improvement Area #3 Projects, which equals \$5,935,000 as shown on the Improvement Area #3 Assessment Roll attached hereto as **Exhibit H-1**.
 - The special benefit ($\geq \$6,734,128$) received by the Improvement Area #3 Initial Parcel from the Improvement Area #3 Projects is equal to or greater than the amount of the Improvement Area #3 Assessment (\$5,935,000) levied on the Improvement Area #3 Initial Parcel for the Improvement Area #3 Projects;
 - At the time the City Council approved the Amended and Restated Service and Assessment Plan, the Owner owned 100% of the Improvement Area #3 Initial Parcel. The Owner acknowledged that the Improvement Area #3 Projects confer a special benefit on the Improvement Area #3 Initial Parcel and consented to the imposition of the Improvement Area #3 Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) the

Amended and Restated Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Improvement Area #3 Assessment on the Improvement Area #3 Initial Parcel.

D. Administrative Expenses

The Administrative Expenses shall be paid for annually by each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The 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.

E. Additional Interest

The interest rate on Assessments securing PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

F. Major Repair and Extraordinary Maintenance of Authorized Improvements

Administrative and operation expenses of the District shall include the expenses of major repair and extraordinary maintenance of the Authorized Improvements in order to operate and maintain the applicable Authorized Improvements in a manner consistent with the City's standards for similar public improvements throughout the City. The Annual Installments may include Administrative Expenses in an amount to pay such expenses.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

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

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

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on estimated average buildout value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefitted Property

E = the number of newly subdivided Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

3. Upon Consolidation

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to the transfer. If the owner of an Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit K.**

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council/Commissioner's Court shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event that PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the project fund, relating to the PID Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding PID Bonds, unless otherwise directed by the applicable Indenture. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the amount required to pay all debt service requirements on all outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

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

If an Assessment is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination."

If an Assessment is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council/Commissioner's Court for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit E-2** shows the estimated Phase 1 Annual Installments, **Exhibit F-2** shows the estimated Improvement

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

Prior to the filing of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the property as shown by Rockwall Central Appraisal District for each tax identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Administrative Expenses for a given Assessment shall be paid for by each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The collection of the initial Annual Installments of the Improvement Area #3 Assessments will begin upon occurrence of the Improvement Area #3 Trigger Date as described in **Section V.B** above.

Failure of an owner to receive an invoice for an Annual Installment on the property tax bill shall not relieve the owner of the responsibility for payment of the Assessment. Assessments, or

Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act.

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

If any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a **“Taking”**), the portion of the Assessed Property that was taken or transferred (the **“Taken Property”**) shall be reclassified as Non-Benefitted Property.

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

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

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

SECTION VII: ASSESSMENT ROLL

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

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

The Improvement Area #2 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #3 Assessment Roll is attached as **Exhibit H-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #3 Assessment Roll and Improvement Area #3 Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Amended and Restated Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive

remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner, the Administrator shall provide a written response to the City Council and the owner within 30 days of such receipt. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and within 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Amended and Restated Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

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

C. Administration and Interpretation

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

D. Severability

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

EXHIBITS

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

Exhibit A-1	Concept Plan for the District
Exhibit A-2	Final Plats for Phase 1
Exhibit A-3	Final Plat for Improvement Area #1C
Exhibit A-4	Final Plat for Improvement Area #2
Exhibit A-5	Final Plats for Improvement Area #3
Exhibit B	Authorized Improvements
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E-1	Phase 1 Assessment Roll
Exhibit E-2	Phase 1 Annual Installments
Exhibit F-1	Improvement Area #1C Assessment Roll
Exhibit F-2	Improvement Area #1C Annual Installments
Exhibit G-1	Improvement Area #2 Assessment Roll
Exhibit G-2	Improvement Area #2 Annual Installments
Exhibit H-1	Improvement Area #3 Assessment Roll
Exhibit H-2	Improvement Area #3 Annual Installments
Exhibit I-1	Maps of Major Improvements
Exhibit I-2	Maps of Phase 1 Improvements
Exhibit I-3	Maps of Phase 2 Improvements
Exhibit I-4	Maps of Improvement Area #3 Improvements
Exhibit J-1	Assessment Spread
Exhibit J-2	Land Use Class to Lot Type Conversion
Exhibit K	Form of Notice of PID Assessment Termination
Exhibit L-1	Debt Service Schedule for Improvement Area #2 Bonds
Exhibit L-2	Debt Service Schedule for Phase 1 Refunding and Improvement Bonds
Exhibit L-3	Debt Service Schedule for Improvement Area #3 Bonds
Exhibit M-1	Homebuyer Disclosure for Phase 1, Lot Type 2
Exhibit M-2	Homebuyer Disclosure for Phase 1, Lot Type 3
Exhibit M-3	Homebuyer Disclosure for Phase 1, Lot Type 4
Exhibit M-4	Homebuyer Disclosure for Phase 1, Lot Type 5
Exhibit M-5	Homebuyer Disclosure for Phase 1, Lot Type 6
Exhibit M-6	Homebuyer Disclosure for Improvement Area #1C, Lot Type 4
Exhibit M-7	Homebuyer Disclosure for Improvement Area #2, Lot Type 2

- Exhibit M-8** Homebuyer Disclosure for Improvement Area #2, Lot Type 3
- Exhibit M-9** Homebuyer Disclosure for Improvement Area #2, Lot Type 5
- Exhibit M-10** Homebuyer Disclosure for Improvement Area #2, Lot Type 10
- Exhibit M-11** Homebuyer Disclosure for Improvement Area #3, Lot Type 1
- Exhibit M-12** Homebuyer Disclosure for Improvement Area #3, Lot Type 2
- Exhibit M-13** Homebuyer Disclosure for Improvement Area #3, Lot Type 3
- Exhibit N-1** District Legal Description
- Exhibit N-2** Improvement Area #3 Legal Description

APPENDICES

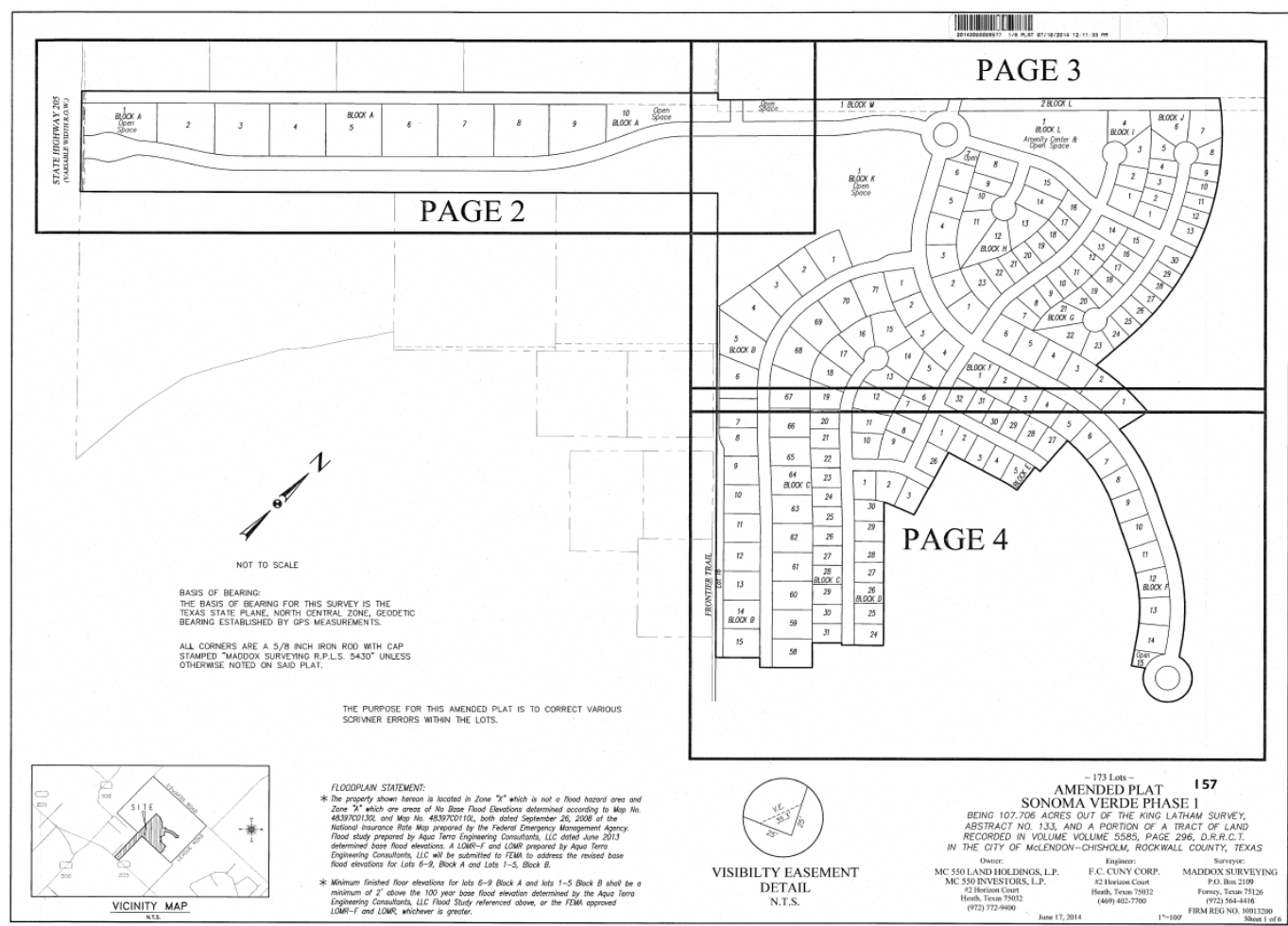
The following Appendices are attached to and made a part of this Amended and Restated Service and Assessment Plan for all purposes:

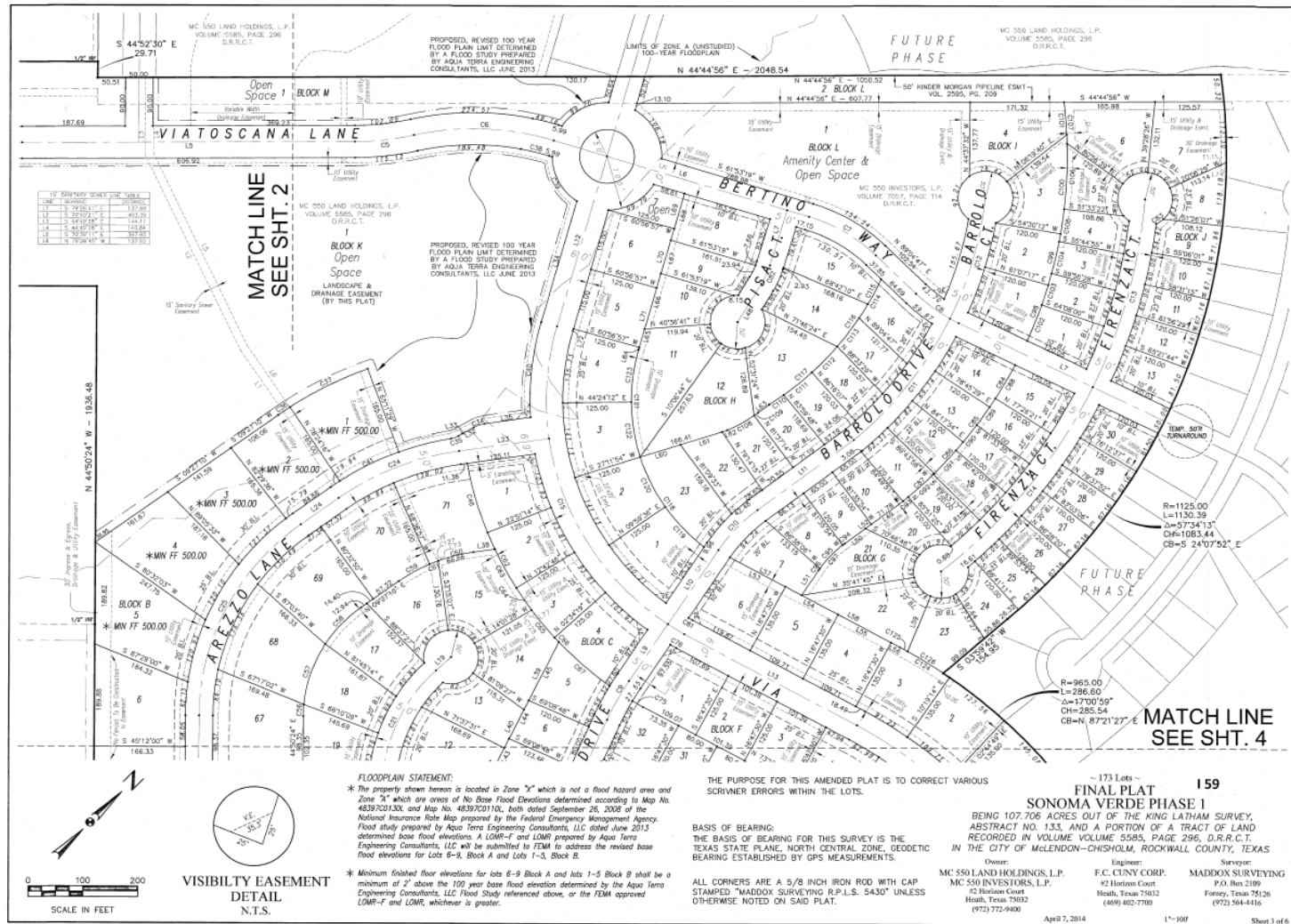
- Appendix A** Equivalent Units in Phase 1 and Phase 2
- Appendix B** Improvement Area #3 Engineer's Report
- Appendix C** Payment of Additional Bonds Proceeds to ORIX Under the Phase 1 Reimbursement Agreement

EXHIBIT A-1 – CONCEPT PLAN FOR THE DISTRICT



EXHIBIT A-2 – FINAL PLAT FOR PHASE 1





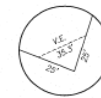
**SONOMA PUBLIC IMPROVEMENT DISTRICT
 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**



CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	800.00	122°12'44"	187.88	S 81°53'58" W	187.51
C2	800.00	122°58'48"	174.58	N 51°18'36" E	173.71
C3	1000.00	207°31'33"	358.24	N 34°48'51" E	356.33
C4	500.00	207°15'55"	176.38	S 32°39'01" W	175.35
C5	500.00	128°44'44"	108.61	N 38°31'55" E	108.39
C6	500.00	29°35'03"	258.18	S 4°05'48" W	255.53
C7	500.00	27°11'28"	149.37	N 72°25'05" E	144.04
C8	500.00	181°73'33"	85.78	N 79°55'59" E	85.38
C9	500.00	27°59'10"	82.78	N 16°28'31" E	82.48
C10	500.00	194°48'08"	103.51	N 01°28'58" W	103.00
C11	680.00	23°55'11"	288.08	N 67°18'01" E	285.87
C12	680.00	192°28'17"	234.69	N 79°07'15" W	233.58
C13	880.00	21°17'19"	364.13	N 28°51'28" W	362.04
C14	880.00	28°58'27"	444.27	N 68°13'36" W	440.47
C15	500.00	162°11'52"	686.41	S 67°14'01" E	638.17
C16	800.00	42°51'03"	598.31	S 85°11'22" E	584.46
C17	800.00	29°34'49"	413.01	S 48°58'27" E	408.44
C18	800.00	2°45'58"	38.52	N 75°40'43" E	38.52
C19	500.00	122°22'09"	187.94	N 78°37'00" E	187.73
C20	500.00	27°20'02"	92.16	N 89°27'29" E	96.31
C21	299.85	47°15'29"	247.32	S 21°11'59" E	240.37
C22	685.00	212°14'44"	25.58	S 42°56'31" E	25.58
C23	1335.80	212°14'44"	51.35	S 45°56'31" E	51.35
C24	500.00	27°20'25"	238.59	S 23°07'22" W	236.53
C25	440.00	58°15'10"	416.63	S 17°40'25" E	401.24
C26	1000.00	212°14'44"	38.47	S 42°56'31" E	38.46
C27	1000.00	212°14'44"	38.47	S 45°56'31" E	38.46
C28	151.01	207°44'10"	52.80	N 38°31'55" E	52.63
C29	111.50	36°20'35"	70.22	S 42°01'57" W	69.55
C30	88.50	163°27'33"	22.59	N 82°53'13" E	22.53
C31	88.50	21°53'15"	35.25	S 72°53'15" E	35.25
C32	111.50	36°10'11"	70.39	N 45°47'42" E	69.22
C33	151.01	185°33'58"	52.45	S 3°59'48" W	52.18
C34	58.50	21°42'50"	22.87	S 42°56'31" E	22.54
C35	40.50	20°35'33"	14.56	N 29°12'22" E	14.48
C36	690.00	2°08'57"	75.81	S 10°31'27" W	75.81
C37	690.00	131°24'33"	159.12	S 18°15'08" W	158.73
C38	470.00	62°8'12"	53.21	S 58°38'44" W	53.18
C39	100.00	88°01'28"	91.78	S 72°54'52" E	83.93
C40	530.00	182°33'58"	179.40	S 38°44'52" E	178.54
C41	525.00	131°24'44"	121.07	S 18°12'08" W	120.80
C42	1025.00	6°39'14"	11.76	N 43°12'01" W	11.20
C43	1025.00	133°01'01"	27.73	N 48°16'08" W	27.73
C44	975.00	6°54'20"	15.41	S 48°35'28" E	15.41
C45	975.00	117°54'	22.09	S 48°29'31" E	22.09
C46	655.00	144°40'30"	167.76	S 62°43'50" E	167.31
C47	359.89	201°16'10"	63.11	N 44°51'25" E	62.61
C48	310.00	2°10'33"	49.69	N 45°57'27" W	49.68
C49	680.00	2°12'14"	26.94	S 42°56'31" E	26.94
C50	1360.00	6°58'50"	23.28	N 45°19'51" W	23.28
C51	1360.00	1°13'24"	29.04	N 46°25'57" W	29.04
C52	1190.00	0°33'27"	11.58	N 45°03'08" W	11.58
C53	1190.00	2°09'48"	44.99	S 42°52'49" E	44.98
C54	810.00	0°37'59"	8.95	S 48°43'39" E	8.95
C55	810.00	1°34'15"	22.21	S 42°52'52" E	22.21
C56	620.00	4°59'42"	21.79	S 42°18'09" E	21.79
C57	250.00	27°30'11"	120.00	S 26°03'13" E	118.86
C58	250.00	31°43'13"	84.36	S 01°28'29" E	84.36
C59	310.00	11°53'53"	64.38	S 15°24'08" W	64.26
C60	310.00	15°28'32"	83.50	S 29°04'19" W	83.30
C61	310.00	2°57'17"	16.89	S 27°24'41" W	16.89
C62	655.00	10°08'21"	115.93	S 72°13'00" E	115.78
C63	655.00	71°33'53"	82.51	S 73°40'42" E	82.46
C64	655.00	41°18'58"	49.53	S 72°27'12" E	49.52

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C65	655.00	9°48'29"	66.40	S 84°33'58" E	66.37
C66	655.00	0°56'46"	11.39	S 87°55'34" E	11.39
C67	655.00	10°49'09"	123.68	N 86°09'59" E	123.50
C68	500.00	8°41'47"	58.44	S 71°43'23" E	58.40
C69	500.00	2°14'46"	19.60	S 28°11'59" E	19.60
C70	500.00	74°37'31"	68.01	S 31°12'30" E	67.88
C71	500.00	71°6'30"	25.39	S 49°05'45" E	25.38
C72	200.00	0°46'52"	34.14	S 52°32'23" E	34.10
C73	355.00	0°43'34"	11.42	N 34°48'51" E	11.42
C74	750.00	1°08'34"	15.46	N 74°53'04" E	15.46
C75	685.00	1°37'58"	22.47	N 75°13'34" E	22.47
C76	930.00	1°23'08"	12.81	N 78°13'13" E	12.81
C77	645.00	3°43'11"	41.88	S 79°15'50" W	41.87
C78	645.00	4°40'13"	52.57	S 79°42'25" W	52.56
C79	645.00	8°50'45"	99.88	S 82°25'54" W	99.48
C80	645.00	8°40'34"	97.67	S 81°27'47" W	97.58
C81	470.00	0°57'20"	7.85	N 73°38'19" E	7.85
C82	150.00	14°29'00"	37.82	S 30°55'11" E	37.82
C83	50.00	17°48'36"	15.54	N 11°51'02" E	15.48
C84	835.00	6°19'22"	91.17	N 14°22'12" E	91.13
C85	835.00	5°32'25"	80.74	N 08°28'10" W	80.71
C86	835.00	5°28'05"	79.20	N 02°58'04" W	79.17
C87	635.00	5°18'02"	76.76	S 62°31'58" W	76.73
C88	835.00	4°56'14"	71.95	N 15°01'46" W	71.93
C89	835.00	4°07'14"	60.05	N 10°30'02" W	60.04
C90	835.00	4°08'32"	60.37	N 08°23'09" W	60.35
C91	835.00	4°11'10"	61.01	N 02°12'18" W	60.99
C92	835.00	4°18'18"	62.01	N 02°09'56" W	62.00
C93	635.00	5°07'25"	12.49	N 04°34'17" E	12.49
C94	200.00	1°17'48"	4.53	S 0°40'12" W	4.53
C95	200.00	2°15'33"	5.97	S 7°13'10" E	5.97
C96	200.00	1°15'20"	4.38	S 10°44'22" E	4.38
C97	200.00	12°48'08"	69.01	S 01°28'58" E	68.86
C98	835.00	2°30'25"	152.74	S 18°24'44" E	152.66
C99	835.00	6°43'40"	98.05	N 31°53'32" W	97.99
C100	835.00	12°42'25"	185.32	N 41°38'51" W	184.94
C101	835.00	4°09'35"	60.64	N 50°03'10" W	60.63
C102	835.00	4°56'14"	71.95	N 23°23'53" W	71.93
C103	835.00	4°11'33"	61.10	N 27°52'46" W	61.08
C104	835.00	4°11'33"	61.10	N 32°09'19" W	61.08
C105	835.00	4°11'33"	61.10	N 36°20'51" W	61.08
C106	835.00	6°22'05"	121.85	N 42°31'40" W	121.84
C107	835.00	5°19'17"	77.55	N 48°28'21" W	77.52
C108	300.00	10°42'10"	56.04	N 12°28'49" E	55.86
C109	300.00	1°43'38"	9.04	N 08°15'25" E	9.04
C110	545.00	2°22'32"	32.11	N 10°55'29" E	32.10
C111	545.00	6°59'15"	66.47	N 24°42'55" E	66.43
C112	545.00	6°59'15"	66.47	N 08°14'40" W	66.42
C113	545.00	6°59'11"	66.45	N 08°13'53" W	66.41
C114	545.00	8°43'20"	92.87	N 16°03'09" E	92.89
C115	545.00	8°31'34"	92.57	N 17°41'03" W	92.55
C116	545.00	10°10'51"	96.86	N 38°49'48" W	96.73
C117	545.00	12°21'03"	169.04	N 05°45'15" E	164.41
C118	345.00	34°24'56"	207.20	S 80°09'24" E	204.10
C119	345.00	17°12'18"	103.60	S 88°36'33" E	103.21
C120	345.00	17°12'18"	103.60	S 71°24'15" E	103.21
C121	345.00	33°45'03"	203.23	S 45°55'35" E	200.30
C122	345.00	17°12'18"	103.60	S 44°17'57" E	103.21
C123	345.00	16°35'42"	99.63	S 37°12'20" E	99.28
C124	965.00	6°18'36"	106.28	N 76°33'28" E	106.22
C125	965.00	0°05'28"	15.97	N 73°40'53" E	15.97
C126	965.00	4°33'20"	76.73	N 78°34'17" E	76.71
C127	515.00	1°31'05"	8.35	S 24°50'22" W	8.35
C128	665.00	0°31'59"	10.68	S 81°08'04" E	10.65

LINE	BEARING	DISTANCE
L1	N 48°31'12" E	187.83
L2	N 57°32'35" E	125.65
L3	N 49°04'38" E	1142.55
L4	N 26°33'05" E	148.19
L5	S 44°44'56" W	608.92
L6	N 81°53'19" E	487.18
L7	S 39°06'41" E	107.25
L8	N 20°51'12" W	384.07
L9	N 11°29'07" W	126.96
L10	N 08°24'08" W	185.86
L11	N 08°24'08" W	218.40
L12	S 26°03'03" E	328.36
L13	N 73°12'30" E	358.10
L14	S 63°45'50" E	225.38
L15	S 38°11'54" E	140.10
L16	N 73°12'30" E	360.77
L17	N 43°22'48" E	158.69
L18	N 73°12'30" E	107.75
L19	S 02°25'01" W	37.30
L20	S 44°50'24" E	62.10
L21	S 47°02'39" E	317.12
L22	S 44°50'24" E	495.09
L23	S 38°43'55" W	165.89
L24	S 08°27'10" W	84.66
L25	S 44°50'24" E	196.28
L26	S 47°02'39" E	317.12
L27	S 44°50'24" E	588.29
L28	N 48°38'05" E	44.61
L29	S 29°03'53" E	302.01
L30	N 27°42'36" E	67.85
L31	S 42°11'47" W	15.44
L32	N 63°11'54" E	26.88
L33	S 29°03'53" E	67.85
L34	S 29°03'53" E	115.90
L35	N 14°59'36" E	27.66
L36	N 14°59'36" E	3.97
L37	S 53°15'03" E	5.10
L38	S 38°43'55" W	84.17
L39	S 47°02'39" E	37.35
L40	S 44°50'24" E	12.66
L41	N 35°03'40" W	18.36
L42	N 36°47'55" E	39.05
L43	N 18°22'29" W	140.98



VISIBILITY EASEMENT
DETAIL
N.T.S.

THE PURPOSE FOR THIS AMENDED PLAT IS TO CORRECT VARIOUS
SCORNER ERRORS WITHIN THE LOTS.

— 173 Lots —

161

AMENDED PLAT
SONOMA VERDE PHASE I
BEING 107.708 ACRES OUT OF THE KING LATHAM SURVEY,
ABSTRACT NO. 133, AND A PORTION OF A TRACT OF LAND
RECORDED IN VOLUME VOLUME 5585, PAGE 296, D.R.C.T.
IN THE CITY OF MCLENDON—CHISHOLM, ROCKWALL COUNTY, TEXAS

Owner: MC 550 LAND HOLDINGS, L.P.
MC 550 INVESTORS, L.P.
42 Horizon Court
Heath, Texas 75032
(972) 772-9400
June 17, 2014

Engineer: F.C. CUNY CORP.
42 Horizon Court
Heath, Texas 75032
(972) 402-7700
Firm REG NO. 16011206
Sheet 3 of 6

Surveyor: MADDOX SURVEYING
P.O. Box 2109
Fonny, Texas 75126
(972) 564-4416
Firm REG NO. 16011206
Sheet 3 of 6

FLOODPLAIN STATEMENT:

* The property shown herein is located in Zone "X" which is not a flood hazard area and Zone "X" which are areas of No Base Flood Elevations determined according to Map No. 48397C0130L and Map No. 48397C0140L, both dated September 26, 2008 of the National Insurance Rate Map prepared by the Federal Emergency Management Agency. Flood study prepared by Aqua Terra Engineering Consultants, LLC dated June 2013 determined base flood elevations. A LOMR-F and LOMR prepared by Aqua Terra Engineering Consultants, LLC will be submitted to FEMA to address the revised base flood elevations for Lots 6-9, Block A and Lots 1-5, Block B.

* Minimum finished floor elevations for lots 6-9 Block A and lots 1-5 Block B shall be a minimum of 2' above the 100 year base flood elevation determined by the Aqua Terra Engineering Consultants, LLC Flood study referenced above, or the FEMA approved LOMR-F and LOMR, whichever is greater.

BASE OF BEARING:

THE BASIS OF BEARING FOR THIS SURVEY IS THE
NAD 83 STATE PLANE, NORTH CENTRAL ZONE, GEODETIC
BEARING ESTABLISHED BY GPS MEASUREMENTS.

ALL CORNERS ARE

LEGAL DESCRIPTION

WHEREAS, MC 550 Land Holdings, L.P. and MC 550 Investors L.P., are the owner's of a tract of land recorded in Volume 5585, Page 296, and Volume 7057, Page 114 of the deed records of Rockwall County, Texas, located in the King Latham Survey, Abstract No. 133, situated in the City of McLeod-Chisholm, Rockwall County, Texas, said description being a portion of said MC 550 Land Holdings L.P. tract and all of said MC 550 Investors L.P. tract, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found in the northeast line of State Highway 205 for the south corner of said MC 550 Land Holdings tract recorded in Volume 5585, Page 296 and the west corner of tract of land described in the deed to Stanley and Cathy Dugg recorded in Volume 195, Page 833 of said Deed Records;

THENCE North 44 degrees 10 minutes 56 seconds West, along the northeast line of said State Highway 205 and the southwest line of said MC 550 Land Holdings tract recorded in Volume 5585, Page 296, a distance of 419.32 feet to a 1/2 inch iron rod found for corner;

THENCE North 45 degrees 06 minutes 18 seconds East, along the northeast line of said MC 550 Land Holdings tract recorded in Volume 5585, Page 296, a distance of 2,999.21 feet to a 1/2 inch iron rod found for the east corner of Blom Addition, an addition to the City of McLeod-Chisholm, Rockwall County, Texas recorded in Cabinet 9, Side 104 of the Plat Records of Rockwall County, Texas;

THENCE South 44 degrees 52 minutes 30 seconds East, along the southwest line of said MC 550 Land Holdings tract recorded in Volume 5585, Page 296, a distance of 29.71 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set for corner;

THENCE North 44 degrees 44 minutes 56 seconds East, through the interior of said MC 550 Land Holdings tract recorded in Volume 5585, Page 296, a distance of 2,048.54 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set for the beginning of a non-tangent curve to the right;

THENCE in a southeasterly direction along said curve to the right, having a radius of 1,125.00 feet, a central angle of 57 degrees 34 minutes 13 seconds, a chord which bears South 24 degrees 07 minutes 52 seconds East, a chord distance of 1,083.44 feet, and an arc length of 1,330.39 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the end of said curve;

THENCE South 03 degrees 59 minutes 42 seconds West, a distance of 154.95 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set at the beginning of a non-tangent curve to the right;

THENCE in a northeasterly direction along said curve to the right, having a radius of 965.00 feet, a central angle of 17 degrees 00 minutes 59 seconds, a chord which bears North 87 degrees 21 minutes 27 seconds East, a chord distance of 285.94 feet, and an arc length of 285.60 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the beginning of a non-tangent curve to the right;

THENCE in a southeasterly direction along said curve to the right, having a radius of 1,415.00 feet, a central angle of 09 degrees 30 minutes 28 seconds, a chord which bears South 12 degrees 13 minutes 09 seconds West, a chord distance of 135.97 feet, and an arc length of 136.02 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the beginning of a non-tangent curve to the right;

THENCE in a southeasterly direction along said curve to the right, having a radius of 830.00 feet, a central angle of 21 degrees 24 minutes 33 seconds, a chord which bears South 74 degrees 28 minutes 07 seconds East, a chord distance of 308.34 feet, and an arc length of 310.14 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the end of said curve;

THENCE South 63 degrees 45 minutes 50 seconds East, a distance of 225.38 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set at the beginning of a curve to the right;

THENCE in a southeasterly direction along said curve to the right, having a radius of 830.00 feet, a central angle of 29 degrees 34 minutes 46 seconds, a chord which bears South 48 degrees 58 minutes 27 seconds East, a chord distance of 423.75 feet, and an arc length of 428.49 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the end of said curve;

THENCE South 34 degrees 11 minutes 04 seconds East, a distance of 44.71 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set at the beginning of a non-tangent curve to the right;

THENCE along said curve to the right, having a radius of 100.00 feet, a central angle of 266 degrees 08 minutes 11 seconds, a chord which bears South 28 degrees 20 minutes 29 seconds West, a chord distance of 146.11 feet, and an arc length of 464.50 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the end of said curve;

THENCE South 54 degrees 55 minutes 55 seconds West, a distance of 57.81 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE North 34 degrees 11 minutes 04 seconds West, a distance of 117.49 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set at the beginning of a curve to the left;

THENCE in a northeasterly direction along said curve to the left, having a radius of 645.00 feet, a central angle of 29 degrees 34 minutes 46 seconds, a chord which bears North 48 degrees 58 minutes 27 seconds West, a chord distance of 529.30 feet, and an arc length of 332.89 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the end of said curve;

THENCE North 63 degrees 45 minutes 50 seconds West, a distance of 225.38 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for the beginning of a curve to the left;

THENCE in a northeasterly direction along said curve to the left, having a radius of 645.00 feet, a central angle of 30 degrees 26 minutes 06 seconds, a chord which bears North 78 degrees 58 minutes 53 seconds West, a chord distance of 338.60 feet, and an arc length of 342.02 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the end of said curve;

THENCE South 04 degrees 11 minutes 56 seconds East, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set at the beginning of a non-tangent curve to the left;

THENCE in a southeasterly direction along said curve to the left, having a radius of 475.00 feet, a central angle of 03 degrees 21 minutes 31 seconds, a chord which bears South 59 degrees 07 minutes 18 seconds West, a chord distance of 27.84 feet, and an arc length of 27.94 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the end of said curve;

THENCE South 07 degrees 33 minutes 27 seconds East, a distance of 120.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for the beginning of a non-tangent curve to the left;

THENCE in a southeasterly direction along said curve to the left, having a radius of 350.00 feet, a central angle of 08 degrees 58 minutes 07 seconds, a chord which bears South 77 degrees 57 minutes 29 seconds West, a chord distance of 154.14 feet, and an arc length of 55.57 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the end of said curve;

THENCE South 73 degrees 12 minutes 30 seconds West, a distance of 265.04 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 16 degrees 47 minutes 30 seconds East, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 73 degrees 12 minutes 30 seconds West, a distance of 0.93 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 16 degrees 47 minutes 30 seconds East, a distance of 125.10 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 68 degrees 44 minutes 45 seconds West, a distance of 111.76 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set at the beginning of a curve to the left;

THENCE in a southeasterly direction along said curve to the left, having a radius of 200.00 feet, a central angle of 06 degrees 18 minutes 56 seconds, a chord which bears South 65 degrees 30 minutes 17 seconds West, a chord distance of 22.03 feet, and an arc length of 22.05 feet to a 5/8 inch iron with cap stamped "R.P.L.S. 5430" set at the end of said curve;

THENCE South 44 degrees 50 minutes 24 seconds East, a distance of 598.46 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 45 degrees 22 minutes 28 seconds West, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 6.91 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 45 degrees 12 minutes 00 seconds West, a distance of 120.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 44 degrees 50 minutes 24 seconds East, a distance of 122.42 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 45 degrees 12 minutes 00 seconds West, a distance of 215.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 40.28 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 45 degrees 12 minutes 00 seconds West, a distance of 180.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set in the southwest line of said MC 550 Land Holdings tract recorded in Volume 5585, Page 296;

THENCE North 44 degrees 50 minutes 24 seconds West, along the southwest line of said MC 550 Land Holdings tract recorded in Volume 5585, Page 296, a distance of 1,936.48 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;

THENCE South 45 degrees 04 minutes 38 seconds West, along the southwest line of said MC 550 Land Holdings tract recorded in Volume 5585, Page 296, a distance of 2,604.28 feet to the PLACE OF BEGINNING and containing 4,881,579 square feet or 107.706 acres of land.

APPROVED

I hereby certify that the above and foregoing plat of SONOMA VERDE PHASE 1 to the City of McLeod-Chisholm, Texas was approved by the Mayor of the City of McLeod-Chisholm on the _____ day of _____, 2014.

This approval shall be invalid unless the approved Plat for such Addition is recorded in the office of the County Clerk of Rockwall County, Texas, within one year from said date of final approval. An extension may be granted by the City Council.

Said Addition shall be subject to all the requirements of the Planning Ordinance of the City of McLeod-Chisholm.

Witness my hand this _____ day of _____, 2014.

Approved: *Ray L. Moody*
Mayor
City of McLeod-Chisholm, Texas

Date: *July 9, 2014*

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY, THAT I PREPARED THIS SURVEY PLAT SHOWN HEREON FROM AN ACTUAL SURVEY ON THE GROUND BY ME AND THAT ALL CORNERS ARE MARKED, AND THAT ALL DIMENSIONS SHOWN THEREON ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND FURTHERMORE THERE ARE NO ENCROACHMENTS, PROTRUSIONS, IMPROVEMENTS, EASEMENTS, RIGHT-OF-WAY, OR 100 YEAR FLOOD PLAIN AFFECTING THE PROPERTY EXCEPT AS SHOWN THEREON.

WITNESS UNDER MY HAND THIS 7th DAY OF July, 2014.

Brian J. Maddox
BRIAN J. MADDOX, R.P.L.S. NO. 5430

STATE OF TEXAS

COUNTY OF KAUWAU

BEFORE ME, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, ON THIS DAY PERSONALLY APPEARED, BRIAN J. MADDOX, KNOWN TO BE THE PERSON WHOSE NAME SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 7th DAY OF July, 2014.

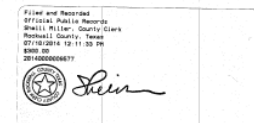
Alison M. Starnes
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

ALISON M. STARNES
Notary Public, State of Texas
My Comm. Expires
April 01, 2016

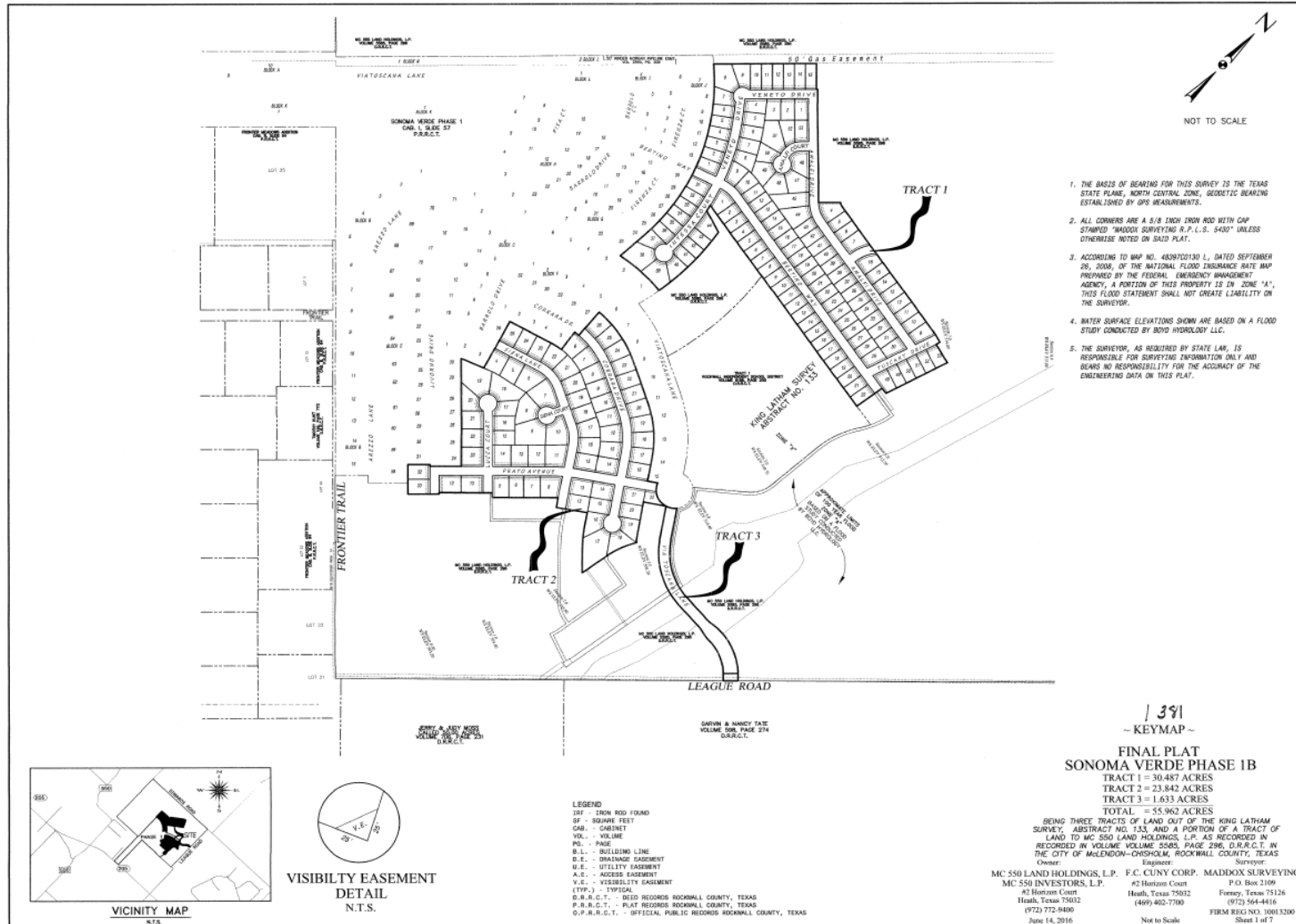


THE PURPOSE FOR THIS AMENDED PLAT IS TO CORRECT VARIOUS SCRIBER ERRORS WITHIN THE LOTS.

~ 173 Lots ~
AMENDED PLAT
SONOMA VERDE PHASE 1
BEING 107.706 ACRES OUT OF THE KING LATHAM SURVEY, ABSTRACT NO. 133, AND A PORTION OF A TRACT OF LAND RECORDED IN VOLUME VOLUME 5585, PAGE 296, D.R.R.C.T. IN THE CITY OF McLEOD-CHISHOLM, ROCKWALL COUNTY, TEXAS
Owner: MC 550 LAND HOLDINGS, L.P.
MC 550 INVESTORS, L.P.
12 Horton Court
Heath, Texas 77032
(972) 772-9480
Engineer: F.C. CUNY CORP.
12 Horton Court
Heath, Texas 77032
(409) 402-7700
Surveyor: MADDOX SURVEYING
P.O. Box 2109
Forsyth, Texas 75126
(972) 564-4416
FIRM REG NO. 10013200
Sheet # of 6



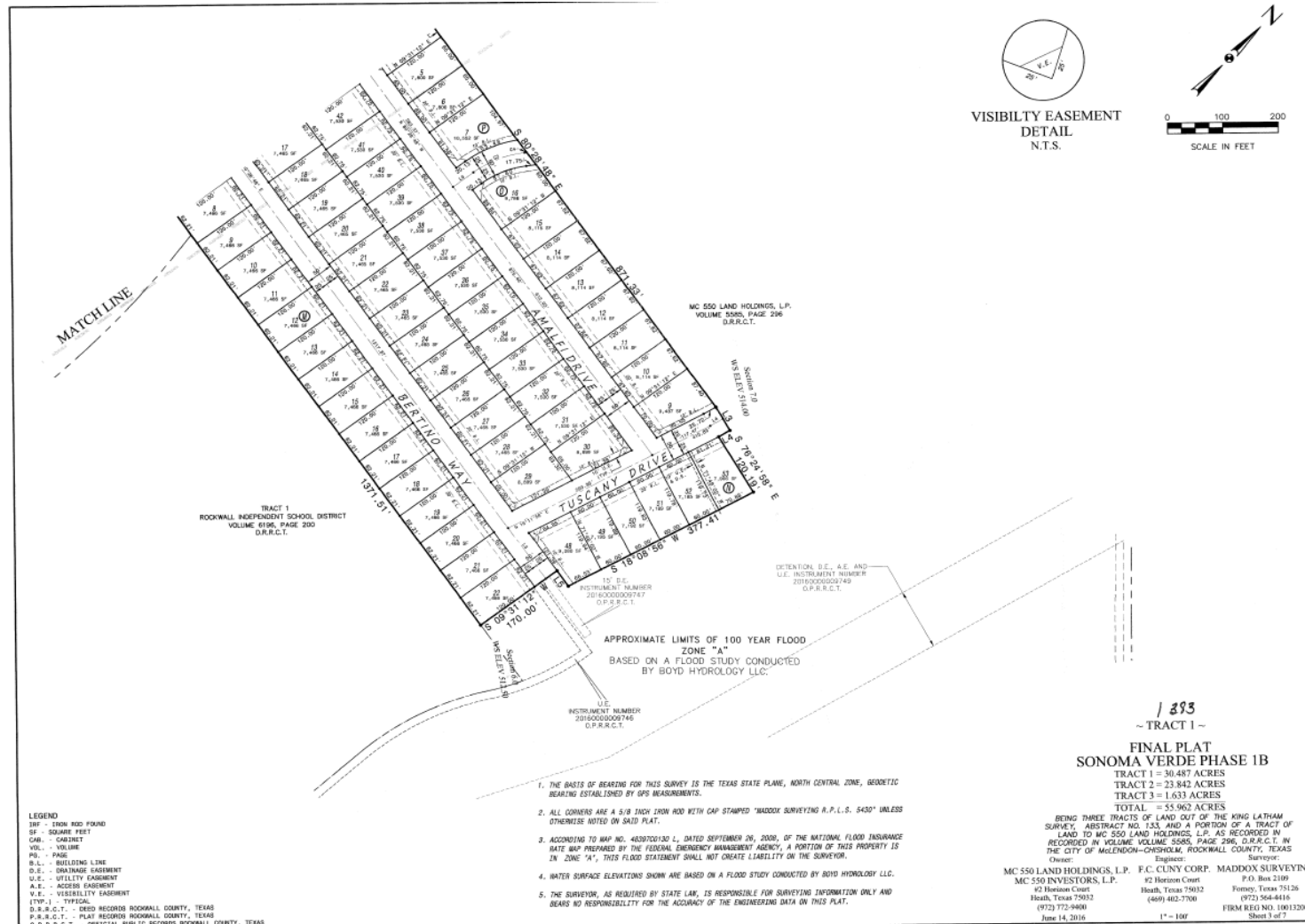
SONOMA PUBLIC IMPROVEMENT DISTRICT AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN



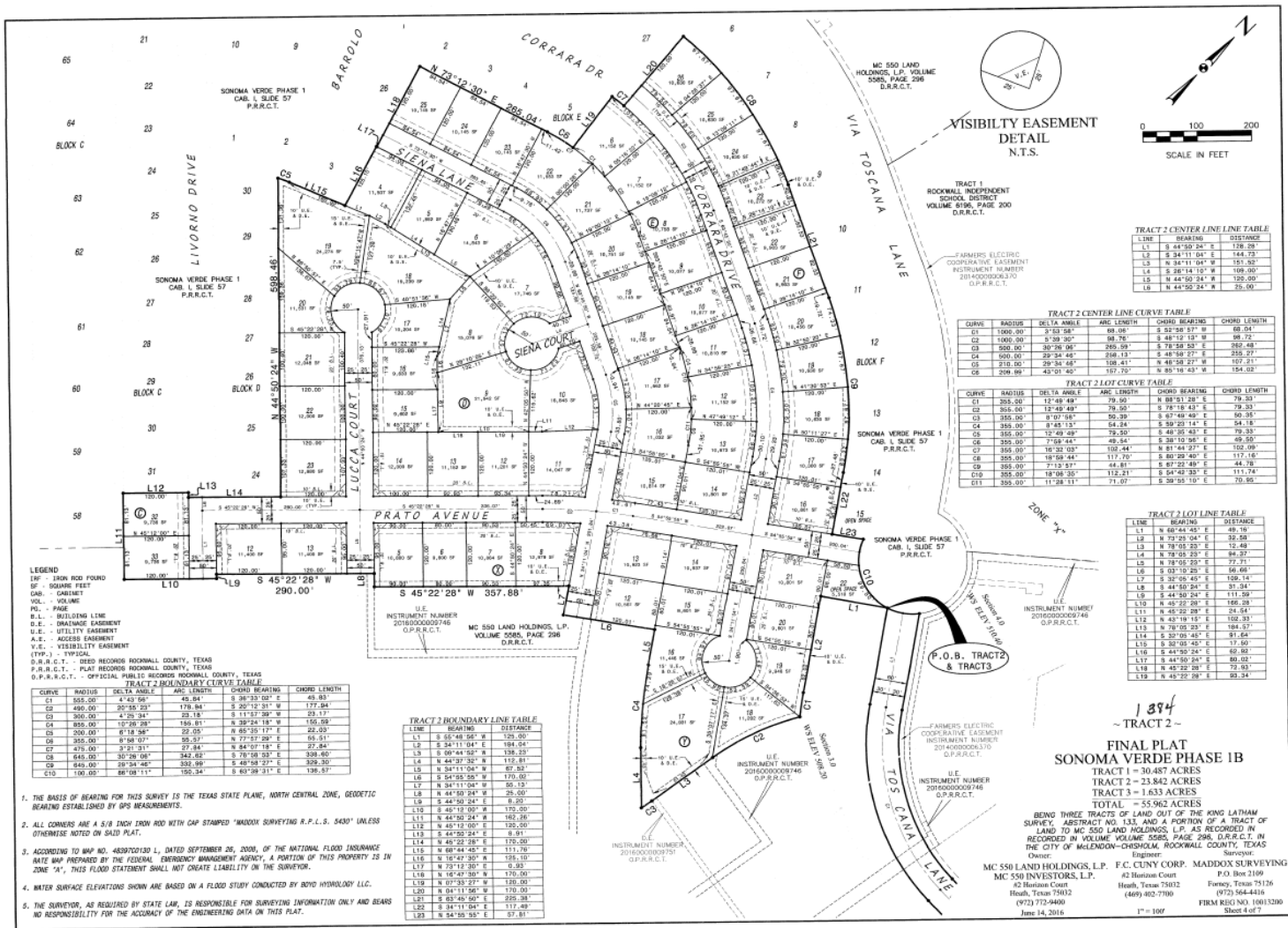
SONOMA PUBLIC IMPROVEMENT DISTRICT
AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN



SONOMA PUBLIC IMPROVEMENT DISTRICT
AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN



**SONOMA PUBLIC IMPROVEMENT DISTRICT
AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**



SONOMA PUBLIC IMPROVEMENT DISTRICT
AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN



LEGAL DESCRIPTION: TRACT 1			
WHEREAS, MC 550 Land Holdings, L.P. is the owner of a tract of land recorded in Volume 5585, Page 296, of the Deed Records of Rockwall County, Texas, located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chishole and Rockwall County, Texas, and being more particularly described as follows:	THENCE South 73 degrees 13 minutes 44 seconds East, a distance of 134.89 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the right;	THENCE North 44 degrees 37 minutes 32 seconds West, a distance of 112.81 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the right;	THENCE North 16 degrees 47 minutes 30 seconds West, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the north corner of Lot 6, Block E of said Sonoma Verde Phase 1;
BEGINNING at a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the north corner of Lot 7, Block J of Sonoma Verde Phase 1 an addition to the City of McLendon-Chishole as recorded in Cabinet 1, Slide 57 of the Plat Records Rockwall County, Texas.	THENCE with said curve to the right having a radius of 1415.00 feet, a central angle of 18 degrees 35 minutes 36 seconds, an arc length of 459.19 feet, a chord bearing of South 00 degrees 10 minutes 07 seconds West, a distance of 457.18 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the east corner of Lot 1, Block G of said Sonoma Verde Phase 1, said point also being at the beginning of a reverse curve to the left;	THENCE with said curve to the right having a radius of 855.00 feet, a central angle of 10 degrees 28 minutes 28 seconds, an arc length of 155.01 feet, a chord bearing of North 39 degrees 24 minutes 18 seconds West, a distance of 155.59 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 73 degrees 12 minutes 30 seconds East, a distance of 265.04 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the right;
THENCE through the interior of said MC 550 tract the following courses and distances;	THENCE with said reverse curve to the left and along the northeast line of said Sonoma Verde Phase 1 having a radius of 985.00 feet, a central angle of 17 degrees 00 minutes 59 seconds, an arc length of 286.00 feet, a chord bearing of South 87 degrees 21 minutes 27 seconds West, a distance of 286.54 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the southeast corner of Lot 23, Block G of said Sonoma Verde Phase 1;	THENCE North 34 degrees 11 minutes 04 seconds West, a distance of 87.52 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE with said curve to the right having a radius of 355.00 feet, a central angle of 08 degrees 58 minutes 07 seconds, an arc length of 55.57 feet, a chord bearing of North 77 degrees 57 minutes 29 seconds East, a distance of 55.51 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the east corner of Lot 5, Block E of said Sonoma Verde Phase 1;
THENCE North 44 degrees 44 minutes 06 seconds East, a distance of 560.24 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 45 degrees 17 minutes 01 seconds East, a distance of 143.54 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 54 degrees 55 minutes 55 seconds West, a distance of 170.02 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 07 degrees 33 minutes 27 seconds West, a distance of 120.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the north corner of Lot 5, Block E of said Sonoma Verde Phase 1 and at the beginning of a curve to the right;
THENCE North 44 degrees 42 minutes 59 seconds East, a distance of 6.41 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 44 degrees 42 minutes 59 seconds East, a distance of 6.41 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 45 degrees 22 minutes 28 seconds West, a distance of 357.88 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE with said curve to the right having a radius of 475.00 feet, a central angle of 03 degrees 21 minutes 31 seconds, an arc length of 27.84 feet, a chord bearing of North 84 degrees 07 minutes 18 seconds East, a distance of 27.84 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;
THENCE South 45 degrees 17 minutes 01 seconds East, a distance of 605.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 45 degrees 17 minutes 01 seconds East, a distance of 17.72 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the left;	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 25.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 04 degrees 11 minutes 56 seconds West, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the north corner of Lot 27, Block F of said Sonoma Verde Phase 1 at the beginning of a curve to the right;
THENCE South 45 degrees 17 minutes 01 seconds East, a distance of 17.72 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the left;	THENCE with said curve to the left having a radius of 175.00 feet, a central angle of 02 degrees 23 minutes 09 seconds, an arc length of 7.29 feet, a chord bearing of South 48 degrees 28 minutes 30 seconds East, a distance of 7.29 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 45 degrees 22 minutes 28 seconds West, a distance of 290.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE with said curve to the right having a radius of 645.00 feet, a central angle of 29 degrees 34 minutes 46 seconds, an arc length of 332.99 feet, a chord bearing of South 48 degrees 58 minutes 27 seconds East, a distance of 329.30 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;
THENCE North 44 degrees 42 minutes 59 seconds East, a distance of 120.33 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the left;	THENCE with said curve to the left having a radius of 55.00 feet, a central angle of 27 degrees 35 minutes 07 seconds, an arc length of 26.48 feet, a chord bearing of South 06 degrees 41 minutes 15 seconds East, a distance of 26.22 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 44 degrees 50 minutes 24 seconds East, a distance of 8.30 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE with said curve to the right having a radius of 100.00 feet, a central angle of 06 degrees 06 minutes 11 seconds, an arc length of 150.34 feet, a chord bearing of South 63 degrees 39 minutes 31 seconds East, a distance of 136.57 feet to the POINT OF BEGINNING containing 1,038,548 square feet, or 23.842 acres of land.
THENCE South 80 degrees 28 minutes 48 seconds East, a distance of 871.33 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 80 degrees 28 minutes 48 seconds East, a distance of 871.33 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 45 degrees 12 minutes 00 seconds West, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE with said curve to the right having a radius of 200.00 feet, a central angle of 06 degrees 18 minutes 56 seconds, an arc length of 22.08 feet, a chord bearing of North 65 degrees 35 minutes 17 seconds East, a distance of 22.03 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;
THENCE South 74 degrees 44 minutes 30 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 74 degrees 44 minutes 30 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the east corner of Lot 24, Block D of said Sonoma Verde Phase 1;	THENCE North 73 degrees 12 minutes 30 seconds East, a distance of 0.93 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;
THENCE South 16 degrees 10 minutes 29 seconds West, a distance of 23.51 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 16 degrees 10 minutes 29 seconds West, a distance of 23.51 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 45 degrees 12 minutes 00 seconds East, a distance of 120.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the east corner of Lot 31, Block C of said Sonoma Verde Phase 1;	
THENCE South 78 degrees 24 minutes 08 seconds East, a distance of 120.19 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 78 degrees 24 minutes 08 seconds East, a distance of 120.19 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 44 degrees 50 minutes 24 seconds East, a distance of 8.91 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	
THENCE South 15 degrees 08 minutes 56 seconds West, a distance of 377.41 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 15 degrees 08 minutes 56 seconds West, a distance of 377.41 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 45 degrees 22 minutes 28 seconds East, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the east corner of Lot 24, Block D of said Sonoma Verde Phase 1;	
THENCE North 80 degrees 28 minutes 48 seconds West, a distance of 36.02 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 80 degrees 28 minutes 48 seconds West, a distance of 36.02 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 588.46 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the right;	
THENCE South 09 degrees 31 minutes 12 seconds West, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE South 09 degrees 31 minutes 12 seconds West, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE with said curve to the right having a radius of 200.00 feet, a central angle of 06 degrees 18 minutes 56 seconds, an arc length of 22.08 feet, a chord bearing of North 65 degrees 35 minutes 17 seconds East, a distance of 22.03 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	
THENCE North 80 degrees 28 minutes 48 seconds West, a distance of 1371.51 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the right;	THENCE North 80 degrees 28 minutes 48 seconds West, a distance of 1371.51 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the right;	THENCE North 68 degrees 44 minutes 40 seconds East, a distance of 111.76 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the east corner of Lot 3, Block D of said Sonoma Verde Phase 1;	
THENCE with said curve to the right having a radius of 1285.00 feet, a central angle of 01 degrees 33 minutes 52 seconds, an arc length of 35.36 feet, a chord bearing of South 12 degrees 37 minutes 05 seconds East, a distance of 35.36 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE with said curve to the right having a radius of 1285.00 feet, a central angle of 01 degrees 33 minutes 52 seconds, an arc length of 35.36 feet, a chord bearing of South 12 degrees 37 minutes 05 seconds East, a distance of 35.36 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	THENCE North 16 degrees 47 minutes 30 seconds West, a distance of 125.10 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for the north corner of Lot 3, Block D of said Sonoma Verde Phase 1;	
		THENCE North 73 degrees 12 minutes 30 seconds East, a distance of 0.93 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;	

1384

FINAL PLAT

SONOMA VERDE PHASE 1B

TRACT 1 – 30.487 ACRES

TRACT 2 – 23.842 ACRES

TRACT 3 – 1.633 ACRES

TOTAL – 55.962 ACRES

BEING THREE TRACTS OF LAND OUT OF THE KING (LATHAM SURVEY, ABSTRACT NO. 133, AND A PORTION OF A TRACT OF LAND TO MC 550 LAND HOLDINGS, L.P. AS RECORDED IN RECORDED IN VOLUME 5585, PAGE 296, D.R.R.C.T. IN THE CITY OF MCLENDON-CHISHOLM, ROCKWALL COUNTY, TEXAS

Owner: MC 550 LAND HOLDINGS, L.P. F.C. CUNY CORP. MADDOX SURVEYING

#2 Horizon Court 42 Haven Court P.O. Box 2169

Heath, Texas 75032 Heath, Texas 75032 Fomey, Texas 75126

(972) 772-8400 (409) 402-7300 (972) 584-4316

June 14, 2016 FIRM REG NO. 10601280

Sheet 6 of 7

LEGAL DESCRIPTION:
TRACT 3

WHEREAS, MC 550 Land Holdings, L.P. is the owner of a tract of land recorded in Volume 5585, Page 296, of the Deed Records of Rockwall County, Texas, located in the King Lathan Survey, Abstract No. 133, situated in the City of McLeod-Chisholm and Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found on the easterly line of Sonoma Verde Phase 1 an addition to the City of McLeod-Chisholm as recorded in Cabinet 1, Slide 8 of the Plat Records Rockwall County, Texas, said point also being the proposed east corner of Lot 22, Block Y of Tract 2 of this plat and at the beginning of a curve to the left;

THENCE with said curve to the left and said easterly line, having a radius of 100.00 feet, a central angle of 34 degrees 54 minutes 55 seconds, an arc length of 60.94 feet, a chord bearing of North 55 degrees 48 minutes 56 seconds East, a distance of 60.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;

THENCE through the interior of said MC 550 tract the following courses and distances;

THENCE South 34 degrees 11 minutes 04 seconds East, a distance of 184.04 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 370.00 feet, a central angle of 52 degrees 58 minutes 09 seconds, an arc length of 342.06 feet, a chord bearing of South 80 degrees 40 minutes 09 seconds East, a distance of 330.01 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;

THENCE South 87 degrees 09 minutes 14 seconds East, a distance of 132.35 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 300.00 feet, a central angle of 14 degrees 34 minutes 29 seconds, an arc length of 76.31 feet, a chord bearing of North 89 degrees 04 minutes 46 seconds East, a distance of 76.11 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a reverse curve to the right;

THENCE with said reverse curve to the right having a radius of 300.00 feet, a central angle of 14 degrees 33 minutes 32 seconds, an arc length of 76.29 feet, a chord bearing of North 89 degrees 26 minutes 40 seconds East, a distance of 76.03 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a compound curve to continuing to the right;

THENCE with said compound curve continuing to the right having a radius of 340.00 feet, a central angle of 39 degrees 11 minutes 02 seconds, an arc length of 232.52 feet, a chord bearing of South 64 degrees 28 minutes 23 seconds East, a distance of 228.02 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;

THENCE South 44 degrees 38 minutes 41 seconds East, a distance of 40.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner lying in League Road same being the southeasterly line of said MC 550 tract;

THENCE South 45 degrees 21 minutes 19 seconds West along said southeasterly line and said League Road, a distance of 80.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;

THENCE departing said southeasterly line and said League Road and through the interior of said MC 550 tract the following courses and distances;

THENCE North 44 degrees 38 minutes 41 seconds West, a distance of 40.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 280.00 feet, a central angle of 30 degrees 30 minutes 13 seconds, an arc length of 183.80 feet, a chord bearing of North 65 degrees 13 minutes 39 seconds West, a distance of 180.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a reverse curve to the right;

THENCE with said reverse curve to the right having a radius of 300.00 feet, a central angle of 14 degrees 22

minutes 21 seconds, an arc length of 75.25 feet, a chord bearing of North 83 degrees 14 minutes 57 seconds West, a distance of 75.06 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a second reverse curve to the left;

THENCE with said reverse curve to the left having a radius of 300.00 feet, a central angle of 14 degrees 22 minutes 18 seconds, an arc length of 75.25 feet, a chord bearing of North 83 degrees 20 minutes 02 seconds West, a distance of 75.05 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;

THENCE North 87 degrees 09 minutes 14 seconds West, a distance of 123.79 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner at the beginning of a curve to the right;

THENCE with said curve to the right having a radius of 430.00 feet, a central angle of 52 degrees 58 minutes 09 seconds, an arc length of 397.53 feet, a chord bearing of North 60 degrees 40 minutes 09 seconds West, a distance of 383.52 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" for corner;

THENCE North 34 degrees 11 minutes 04 seconds West, a distance of 184.04 feet to the POINT OF BEGINNING containing 71,126 square feet, or 1.633 acres of land.

SURVEYORS CERTIFICATE

I, HEREBY CERTIFY, THAT I PREPARED THIS SURVEY PLAT SHOWN HEREON FROM AN ACTUAL SURVEY ON THE GROUND BY ME AND THAT ALL CORNERS ARE MARKED, AND THAT ALL DIMENSIONS SHOWN THEREON ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND FURTHERMORE THERE ARE NO ENCROACHMENTS, PROTRUSIONS, IMPROVEMENTS, EASEMENTS, RIGHT-OF-WAY, OR 100 YEAR FLOOD PLAIN AFFECTING THE PROPERTY EXCEPT AS SHOWN THEREON.

WITNESS UNDER MY HAND THIS 21 DAY OF JUN 2016.

Brian J. Maddox
BRIAN J. MADDOX, R.P.L.S. NO. 5430



STATE OF TEXAS:
COUNTY OF KAUFMAN:

BEFORE ME, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, ON THIS DAY PERSONALLY APPEARED, BRIAN J. MADDOX, KNOWN TO BE THE PERSON WHOSE NAME SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED.

SEVEN UNDER MY HAND AND SEAL OF OFFICE THIS 21 DAY OF June, 2016.

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS



APPROVED

I hereby certify that the above and foregoing plat of Sonoma Verde Phase 1B to the City of McLeod-Chisholm, Texas was approved by the Mayor of the City of McLeod-Chisholm on the 20th day of June, 2016.

This approval shall be invalid unless the approved Plat for such Addition is recorded in the office of the County Clerk of Rockwall County, Texas, within one year from said date of final approval. An extension may be granted by the City Council.

Said Addition shall be subject to all the requirements of the Platting Ordinance of the City of McLeod-Chisholm.

Witness my hand this 20th day of June, 2016.

Stephanie Holcomb
City Secretary
City of McLeod-Chisholm, Texas

Recommended for Final Approval:
[Signature]
Chairman
Planning & Zoning Commission

Approved:
[Signature]
Mayor
City of McLeod-Chisholm, Texas

Date June 22, 2016

Date June 22, 2016

OWNER'S CERTIFICATE

STATE OF TEXAS
COUNTY OF ROCKWALL

THAT WE, DO HEREBY ADOPT THIS PLAT DESIGNATING THE HEREIN DESCRIBED PROPERTY AS SONOMA VERDE PHASE 1B AN ADDITION TO THE CITY OF MCLEOD-CHISHOLM, ROCKWALL COUNTY, TEXAS AND DO HEREBY TRANSFER TO PUBLIC USE THE STREET RIGHT-OF-WAYS SHOWN HEREIN WHICH ARE CONTEMPLATED TO BE FINANCED WITH PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS AND WHICH ARE TO BE MAINTAINED FOREVER EITHER THROUGH PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS OR BY THE HOMEOWNERS ASSOCIATION, BUT STREETS AND OTHER PUBLIC IMPROVEMENTS TO BE CONSTRUCTED WITHIN SUCH RIGHT-OF-WAY ARE NOT HEREBY DEDICATED AS SUCH, AND MAY EITHER BE ACQUIRED OR CONSTRUCTED WITH PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS OR TRANSFERRED BY SEPARATE INSTRUMENT. THE EASEMENTS SHOWN THEREON ARE HEREBY RESERVED FOR PURPOSES INDICATED, BUT PUBLIC IMPROVEMENTS TO BE CONSTRUCTED WITHIN SUCH EASEMENTS ARE NOT HEREBY DEDICATED AS SUCH, AND MAY EITHER BE ACQUIRED OR CONSTRUCTED WITH PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS OR TRANSFERRED BY SEPARATE INSTRUMENT. THE UTILITY AND ACCESS EASEMENTS SHALL BE OPEN TO THE PUBLIC, FIRE AND POLICE UNITS, GARBAGE AND RUBBISH COLLECTION AGENCIES, AND ALL PUBLIC AND PRIVATE UTILITIES FOR EACH PARTICULAR USE. THE MAINTENANCE OF PAYING ON THE UTILITY AND ACCESS EASEMENTS IS THE RESPONSIBILITY OF THE PROPERTY OWNER. NO BUILDING, FENCES, TREES, SHRUBS, OR OTHER IMPROVEMENTS OR GROWTHS SHALL BE CONSTRUCTED, RECONSTRUCTED, OR REPLACED UPON, OVER OR ACROSS THE EASEMENTS AS SHOWN. SAID EASEMENTS BEING HEREBY RESERVED FOR THE MUTUAL USE AND ACCOMMODATION OF ALL PUBLIC UTILITIES USING OR DESKING TO USE THE SAME, ALL, AND ANY PUBLIC UTILITY SHALL HAVE THE RIGHT TO REMOVE AND KEEP REMOVED ALL, OR PART OF ANY BUILDINGS, FENCES, TREES, SHRUBS OR OTHER IMPROVEMENTS OR GROWTHS WHICH IN ANY WAY ENDANGER OR INTERFERE WITH THE CONSTRUCTION, MAINTENANCE OR EFFICIENCY OF ITS RESPECTIVE SYSTEM WITHIN THE EASEMENTS, AND ALL PUBLIC UTILITIES SHALL AT ALL TIMES HAVE THE FULL RIGHT TO INGRESS AND EGRESS TO AND FROM SAID EASEMENTS FOR THE PURPOSE OF CONSTRUCTING, RECONSTRUCTING, INSPECTING, PATROLLING, MAINTAINING AND ADDING TO OR REMOVING ALL, OR PARTS OF ITS RESPECTIVE SYSTEMS WITHOUT THE NECESSITY AT ANY TIME OF PROCURING THE PERMISSION OF ANYONE. ANY PUBLIC UTILITY SHALL HAVE THE RIGHT OF INGRESS AND EGRESS TO PRIVATE PROPERTY FOR THE PURPOSE OF READING METERS AND ANY MAINTENANCE AND SERVICE REQUIRED OR ORDINARILY REQUIRED BY SUCH UTILITY. THIS PLAT IS APPROVED SUBJECT TO ALL PLATTING ORDINANCES, RULES, REGULATIONS AND RESOLUTIONS OF THE CITY OF MCLEOD-CHISHOLM, ROCKWALL COUNTY, TEXAS.

NOT WITHSTANDING ANY DEDICATOR LANGUAGE CONTAINED ON THIS PLAT, WHETHER IN THIS OWNER'S CERTIFICATE OR OTHERWISE, THE CITY AND OWNER ACKNOWLEDGE AND CONFIRM THAT THESE IMPROVEMENTS, INCLUDING ANY REAL ESTATE REQUIRED FOR SUCH IMPROVEMENTS, IDENTIFIED AS AUTHORIZED IMPROVEMENTS IN THAT CERTAIN FID SERVICE AND ASSESSMENT PLAN APPROVED BY CITY COUNCIL ON JANUARY 19, 2015, AND ATTACHED TO CITY ORDINANCE NO. 2015-02, ARE NOT DEDICATED BY THIS PLAT. INSTEAD, THE CITY INTENDS TO ACQUIRE OR CONSTRUCT SUCH IMPROVEMENTS WITH THE PROCEEDS OF PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS OR BOND PROCEEDS THE REPAYMENT OF WHICH IS SECURED BY SUCH ASSESSMENTS.

OWNER'S MC 550 INVESTORS L.P. &
MC 550 LAND HOLDINGS L.P.

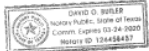
Ramona B. Papp
BY: MANAGER OF MC 550 LP L.P.,
General partner of each

STATE OF TEXAS:
COUNTY OF ROCKWALL:

BEFORE ME, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, ON THIS DAY PERSONALLY APPEARED, *Ramona B. Papp*, KNOWN TO BE THE PERSON WHOSE NAME SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED.

SEVEN UNDER MY HAND AND SEAL OF OFFICE THIS 21 DAY OF June, 2016.

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS



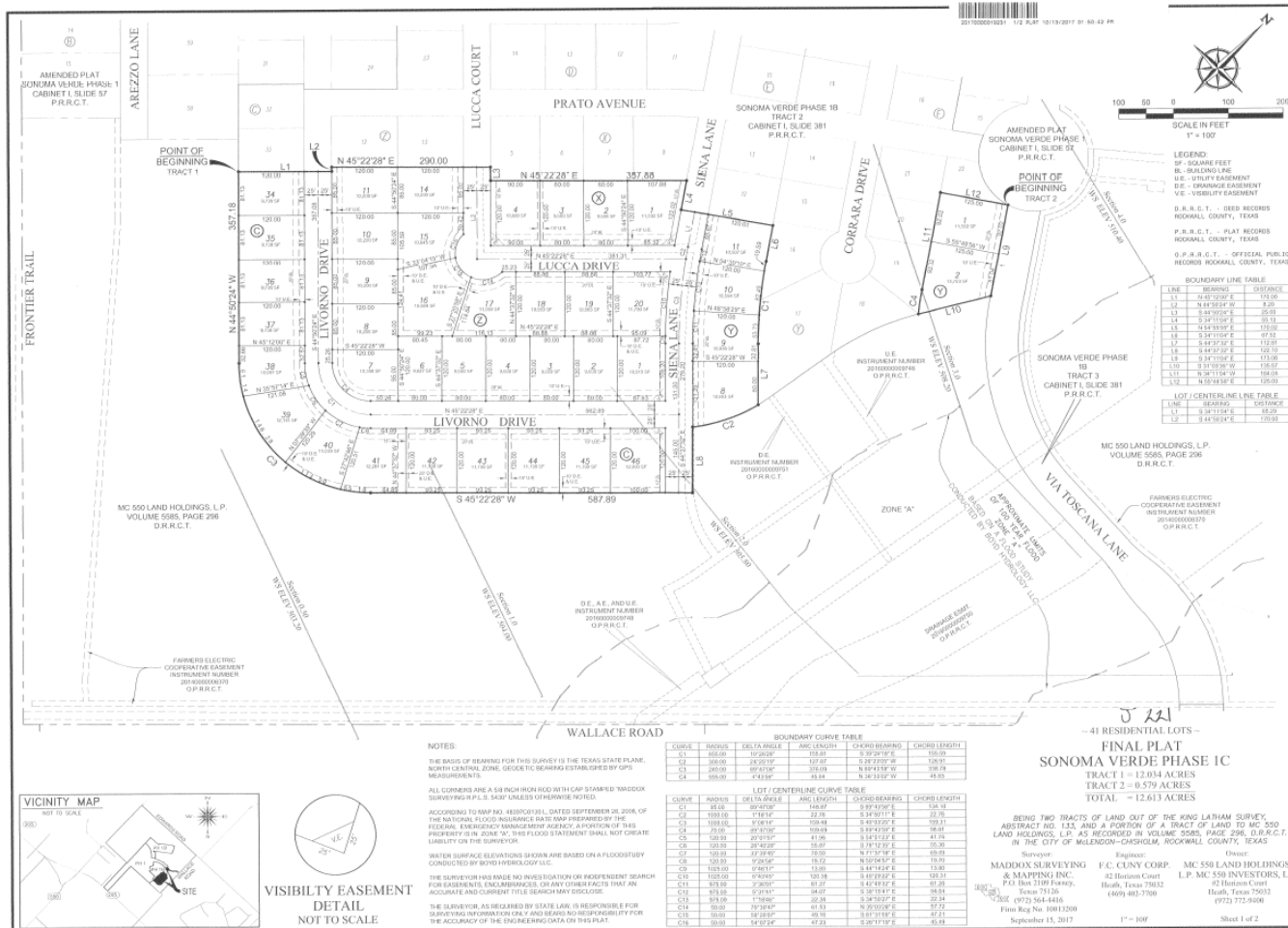
1337
FINAL PLAT
SONOMA VERDE PHASE 1B

TRACT 1 - 30.487 ACRES
TRACT 2 - 23.842 ACRES
TRACT 3 - 1.633 ACRES
TOTAL - 55.962 ACRES

BEING THREE TRACTS OF LAND OUT OF THE KING LATHAN SURVEY, ABSTRACT NO. 133, AND A PORTION OF A TRACT OF LAND TO MC 550 LAND HOLDINGS L.P. AS RECORDED IN VOLUME 5585, PAGE 296, OF THE DEED RECORDS IN THE CITY OF MCLEOD-CHISHOLM, ROCKWALL COUNTY, TEXAS

Owner: MC 550 LAND HOLDINGS, L.P. F.C. CUNY CORP. MADDOX SURVEYING
MC 550 INVESTORS, L.P. 82 Horizon Court P.O. Box 2109
82 Horizon Court Heath, Texas 75126
Heath, Texas 75126 (972) 564-4416
(972) 772-4400 (409) 402-7700
June 14, 2016 FROM REG. NO. 10013200
Sheet 7 of 7

EXHIBIT A-3 – FINAL PLAT FOR IMPROVEMENT AREA #1C

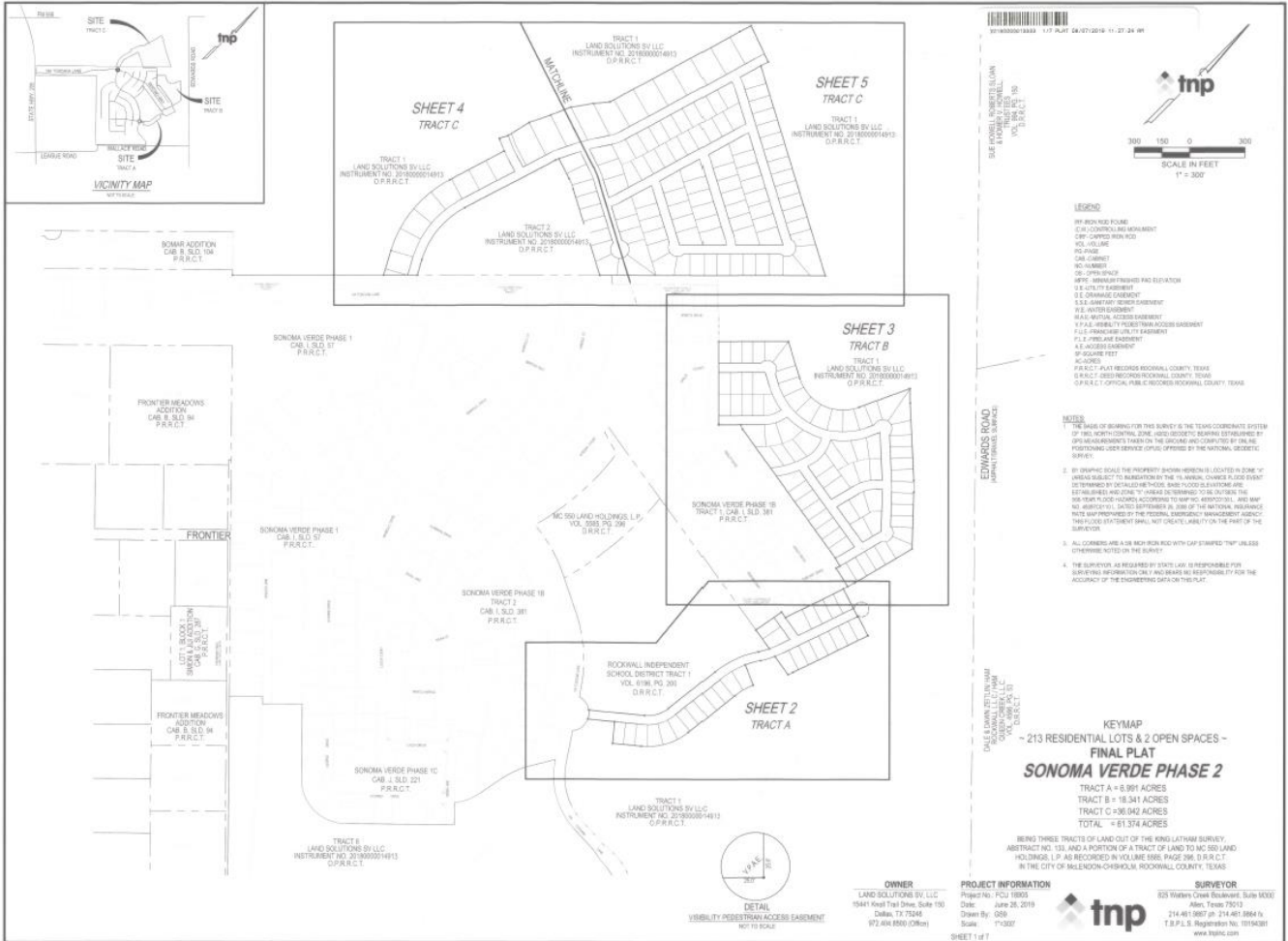


SONOMA PUBLIC IMPROVEMENT DISTRICT
 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

OWNER'S DEDICATION	OWNERS CERTIFICATE
STATE OF TEXAS § COUNTY OF ROCKWALL §	STATE OF TEXAS § COUNTY OF ROCKWALL §
THAT WE DO HEREBY ADOPT THIS PLAT DESIGNATING THE HEREIN DESCRIBED PROPERTY AS SONOMA VERDE PHASE IC, AN ADDITION TO THE CITY OF MCLENDON-CHISHOLM, ROCKWALL COUNTY, TEXAS AND DO HEREBY DEDICATE TO THE PRIVATE USE AND TO BE MAINTAINED FOREVER THE STREETS AND ALLEYS THEREON TO THE HOME OWNERS ASSOCIATION. THE EASEMENTS SHOWN THEREON ARE HEREBY RESERVED FOR PURPOSES INDICATED. THE UTILITY AND ACCESS EASEMENTS SHALL BE OPEN TO THE PUBLIC. FIRE AND POLICE UNITS, GARBAGE AND RUBBISH COLLECTION AGENCIES, AND ALL PUBLIC AND PRIVATE UTILITIES FOR EACH PARTICULAR USE, THE MAINTENANCE OF PAVING ON THE UTILITY AND ACCESS EASEMENTS IS THE RESPONSIBILITY OF THE PROPERTY OWNER. NO BUILDING, FENCES, TREES, SHRUBS, OR OTHER IMPROVEMENTS OR GROWTHS SHALL BE CONSTRUCTED, RECONSTRUCTED, OR REPLACED UPON, OVER OR ACROSS THE EASEMENTS AS SHOWN, SAID EASEMENTS BEING HEREBY RESERVED FOR THE MUTUAL USE AND ACCOMMODATION OF ALL PUBLIC UTILITIES USING OR DESIRING TO USE THE SAME, ALL, AND ANY PUBLIC UTILITY SHALL HAVE THE RIGHT TO REMOVE AND KEEP REMOVED ALL, OR PART OF ANY BUILDING, FENCE, TREES, SHRUBS OR OTHER IMPROVEMENTS OR GROWTHS WHICH IN ANY WAY ENDANGER OR INTERFERE WITH THE CONSTRUCTION, MAINTENANCE OR EFFICIENCY OF ITS RESPECTIVE SYSTEM ON THE EASEMENTS, AND ALL PUBLIC UTILITIES SHALL AT ALL TIMES HAVE THE FULL RIGHT TO INGRESS AND EGRESS TO AND FROM SAID EASEMENTS FOR THE PURPOSE OF CONSTRUCTING, RECONSTRUCTING, INSPECTING, PATROLLING, MAINTAINING AND ADDING TO OR REMOVING ALL OR PARTS OF ITS RESPECTIVE SYSTEMS WITHOUT THE NECESSITY AT ANY TIME OF PROCURING THE PERMISSION OF ANYONE. ANY PUBLIC UTILITY SHALL HAVE THE RIGHT OF INGRESS AND EGRESS TO PRIVATE PROPERTY FOR THE PURPOSE OF READING METERS AND ANY MAINTENANCE AND SERVICE REQUIRED OR ORDINARILY PERFORMED BY THAT UTILITY.	TRACT 1 LEGAL DESCRIPTION:
THIS PLAT APPROVED SUBJECT TO ALL PLATTING ORDINANCES, RULES, REGULATIONS AND RESOLUTIONS OF THE CITY OF MCLENDON-CHISHOLM, ROCKWALL COUNTY, TEXAS.	WHEREAS, MC 550 Land Holdings, L.P. is the owner of a tract of land recorded in Volume 5585, Page 296, of the Deed Records of Rockwall County, Texas, located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm and Rockwall County, Texas, and being more particularly described as follows:
NOT WITHSTANDING ANY DEDICATOR LANGUAGE CONTAINED ON THIS PLAT, WHETHER IN THIS OWNERS CERTIFICATE OR OTHERWISE, THE CITY AND OWNER ACKNOWLEDGE AND CONFIRM THAT THOSE IMPROVEMENTS, INCLUDING ANY REAL ESTATE REQUIRED FOR SUCH IMPROVEMENTS, IDENTIFIED AS AUTHORIZED IMPROVEMENTS IN THAT CERTAIN PID SERVICE AND ASSESSMENT PLAN APPROVED BY CITY COUNCIL ON JUNE 13, 2017 AND ATTACHED TO CITY ORDINANCE NO. 2017-181, ARE NOT DEDICATED BY THIS PLAT. INSTEAD, THE CITY INTENDS TO ACQUIRE OR CONSTRUCT SUCH IMPROVEMENTS WITH THE PROCEEDS OF PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS OR BOND PROCEEDS THE REPAYMENT OF WHICH IS SECURED BY SAID ASSESSMENTS.	BEGINNING at a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the most westerly southwest corner of Tract 2 of Sonoma Verde Phase 1B an addition to The City of McLendon-Chisholm as recorded in Cabinet I, Slide 381 of the Plat Records of Rockwall County, Texas, same being the northwest corner of Tract 3 of said Sonoma Verde Phase 1B and lying on the westerly line of Via Toscana Lane, (a 60' right-of-way);
OWNER'S MC 550 INVESTORS L.P. & MC 550 LAND HOLDINGS L.P.	THENCE along the southerly line of said Tract 2 the following courses and distances:
<i>Rose Fields</i> BY: MANAGER OF MC 550 L.P. LLC, General partner of each	THENCE North 45 degrees 12 minutes 00 seconds East, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;
STATE OF TEXAS § COUNTY OF ROCKWALL §	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 8.20 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;
BEFORE ME, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, ON THIS DAY PERSONALLY APPEARED <i>Rose Fields</i>, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED.	THENCE North 48 degrees 22 minutes 28 seconds East, a distance of 200.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;
GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS <u>10th</u> DAY OF <u>October</u>, 2017.	THENCE South 44 degrees 50 minutes 24 seconds East, a distance of 25.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;
<i>Luisa Palomera</i> NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS	THENCE North 45 degrees 22 minutes 28 seconds East, a distance of 357.88 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;
USA PALOMERA Notary Public, State of Texas Comm. Expires 03-13-2021 Notary ID: 129800821	THENCE South 34 degrees 11 minutes 04 seconds East, a distance of 55.13 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;
APPROVED	THENCE North 54 degrees 55 minutes 55 seconds East, a distance of 170.02 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;
I hereby certify that the above and foregoing Plat of SONOMA VERDE PHASE IC in the City of McLendon-Chisholm, Texas, was approved by the Mayor of the City of McLendon-Chisholm on the <u>10th</u> day of <u>October</u>, 2017.	THENCE South 34 degrees 10 minutes 04 seconds East, a distance of 67.52 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner at the beginning of a curve to the left;
The approval of this plat constitutes the approval of the plat by each Addressee as recorded in the office of the County Clerk of Rockwall County, Texas, within one year from the date of this approval. An extension may be granted by the City Council.	THENCE with said curve to the left having a radius of 855.00 feet, a central angle of 10 degrees 26 minutes 28 seconds, an arc length of 155.81 feet, a chord bearing of South 39 degrees 24 minutes 18 seconds East, a distance of 155.69 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;
Said Addressee shall be subject to all the requirements of the Planning Ordinance of the City of McLendon-Chisholm.	THENCE South 44 degrees 37 minutes 32 seconds East, a distance of 112.81 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the most southerly southwest corner of said Tract 2 and at the beginning of a curve to the right.
Witness my hand this <u>10th</u> day of <u>October</u>, 2017.	THENCE departing said Tract 2 southerly line and through the interior of the aforementioned MC 550 Land Holdings tract the following courses and distances:
<i>Luisa Palomera</i> City of McLendon-Chisholm, Texas	THENCE with said curve to the right having a radius of 300.00 feet, a central angle of 24 degrees 25 minutes 19 seconds, an arc length of 127.87 feet, a chord bearing of South 28 degrees 23 minutes 00 seconds West, a distance of 126.91 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;
City of McLendon-Chisholm, Texas	THENCE South 44 degrees 37 minutes 32 seconds East, a distance of 122.18 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;
RECOMMENDED FOR FINAL APPROVAL:	THENCE South 45 degrees 22 minutes 28 seconds West, a distance of 587.89 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner at the beginning of a curve to the right;
<i>Rhonda K Davis</i> City Manager	THENCE with said curve to the right having a radius of 240.00 feet, a central angle of 24 degrees 4 minutes 08 seconds, an arc length of 376.09 feet, a chord bearing of North 89 degrees 43 minutes 58 seconds West, a distance of 338.78 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;
Approved:	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 367.18 feet to the POINT OF BEGINNING containing 524,204 square feet, or 12.034 acres of land.
<i>Rose Fields</i> City of McLendon-Chisholm, Texas	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 367.18 feet to the POINT OF BEGINNING containing 524,204 square feet, or 12.034 acres of land.
CITY OF MCLENDON-CHISHOLM CORPORATE SEAL TEXAS	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 367.18 feet to the POINT OF BEGINNING containing 524,204 square feet, or 12.034 acres of land.
10/10/2017	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 367.18 feet to the POINT OF BEGINNING containing 524,204 square feet, or 12.034 acres of land.
10/10/2017	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 367.18 feet to the POINT OF BEGINNING containing 524,204 square feet, or 12.034 acres of land.
Filed and Recorded Official Public Records Marilyn T. Miller, County Clerk Rockwall County, Texas No. 10-10-17 at 10:20 am 9102-02 2017020202021	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 367.18 feet to the POINT OF BEGINNING containing 524,204 square feet, or 12.034 acres of land.
COPY	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 367.18 feet to the POINT OF BEGINNING containing 524,204 square feet, or 12.034 acres of land.
10/10/2017	THENCE North 44 degrees 50 minutes 24 seconds West, a distance of 367.18 feet to the POINT OF BEGINNING containing 524,204 square feet, or 12.034 acres of land.
TRACT 2 LEGAL DESCRIPTION:	WHEREAS, MC 550 Land Holdings, L.P. is the owner of a tract of land recorded in Volume 5585, Page 296, of the Deed Records of Rockwall County, Texas, located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm and Rockwall County, Texas, and being more particularly described as follows:
BEGINNING at a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for east corner of Tract 2 of Sonoma Verde Phase 1B, an addition to The City of McLendon-Chisholm as recorded in Cabinet I, Slide 381 of the Plat Records of Rockwall County, Texas, same being the northwest corner of Tract 3 of said Sonoma Verde Phase 1B and lying on the westerly line of Via Toscana Lane, (a 60' right-of-way);	THENCE South 34 degrees 11 minutes 04 seconds East along the westerly line of said Via Toscana Lane, a distance of 173.08 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" set for corner;
THENCE South 31 degrees 03 minutes 36 seconds West departing the westerly line of said Via Toscana Lane and through the interior of said MC 550 tract, a distance of 135.57 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the southeast corner of said Tract 2, said point also lying at the beginning of a curve to the right;	THENCE North 34 degrees 11 minutes 04 seconds West continuing along the easterly line of said Tract 2, a distance of 184.04 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;
THENCE with said curve to the right and along the easterly line of said Tract 2 having a radius of 555.00 feet, a central angle of 04 degrees 43 minutes 56 seconds, an arc length of 45.34 feet, a chord bearing of North 38 degrees 33 minutes 02 seconds West, a distance of 45.83 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;	THENCE North 55 degrees 48 minutes 50 seconds East continuing along the easterly line of said Tract 2, a distance of 125.00 feet to the POINT OF BEGINNING containing 25,205 square feet, or 0.579 of an acre of land.
THENCE North 34 degrees 11 minutes 04 seconds West continuing along the easterly line of said Tract 2, a distance of 184.04 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;	THENCE North 55 degrees 48 minutes 50 seconds East continuing along the easterly line of said Tract 2, a distance of 125.00 feet to the POINT OF BEGINNING containing 25,205 square feet, or 0.579 of an acre of land.
THENCE North 55 degrees 48 minutes 50 seconds East continuing along the easterly line of said Tract 2, a distance of 125.00 feet to the POINT OF BEGINNING containing 25,205 square feet, or 0.579 of an acre of land.	SURVEYORS CERTIFICATE
I, HEREBY CERTIFY, THAT I PREPARED THIS SURVEY PLAT SHOWN HEREON FROM AN ACTUAL SURVEY ON THE GROUND BY ME AND THAT ALL CORNERS ARE MARKED, AND THAT ALL DIMENSIONS SHOWN THEREON ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND FURTHERMORE THERE ARE NO ENCROACHMENTS, PROTRUSIONS, IMPROVEMENTS, EASEMENTS, RIGHT-OF-WAY, OR 100 YEAR FLOOD PLAIN AFFECTING THE PROPERTY EXCEPT AS SHOWN THEREON.	WITNESS UNDER MY HAND THIS <u>3rd</u> DAY OF <u>October</u>, 2017.
<i>Brian J. Maddox</i> BRIAN J. MADDOX, R.P.L.S. NO. 5430	BRIAN J. MADDOX, R.P.L.S. NO. 5430
STATE OF TEXAS § COUNTY OF KAUFMAN §	STATE OF TEXAS § COUNTY OF KAUFMAN §
BEFORE ME, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, ON THIS DAY PERSONALLY APPEARED <i>Brian J. Maddox</i>, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED.	GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS <u>3rd</u> DAY OF <u>October</u>, 2017.
<i>Alison M. Stewart</i> NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS	ALISON M. STEWART Notary Public, State of Texas Comm. Expires 01-01-2020 Notary ID: 122810483
—41 RESIDENTIAL LOTS— J 222 FINAL PLAT SONOMA VERDE PHASE IC TRACT 1 = 12.034 ACRES TRACT 2 = 0.579 ACRES TOTAL = 12.613 ACRES	BEING TWO TRACTS OF LAND OUT OF THE KING LATHAM SURVEY, ABSTRACT NO. 133, AND A PORTION OF A TRACT OF LAND TO MC 550 LAND HOLDINGS, L.P. AS RECORDED IN VOLUME 5585, PAGE 296, D.R.C.T. IN THE CITY OF MCLENDON-CHISHOLM, ROCKWALL COUNTY, TEXAS Surveyor: MADDOX SURVEYING & MAPPING INC., P.O. Box 21097, Dallas, Texas 75221, (972) 564-4416, Fax: 972-564-4416, Registered 1/5, 2017 Engineer: F.C. CLINTY CORP., 42 Houston Court, Heath, Texas 75032, (409) 402-7700 Owner: MC 550 LAND HOLDINGS, L.P., MC 550 INVESTORS, L.P., 42 Houston Court, Heath, Texas 75032, (972) 772-9600 1" = 100' Sheet 2 of 2

**SONOMA PUBLIC IMPROVEMENT DISTRICT
AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**

EXHIBIT A-4 – FINAL PLAT FOR IMPROVEMENT AREA #2



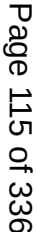
**SONOMA PUBLIC IMPROVEMENT DISTRICT
AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**

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**SONOMA PUBLIC IMPROVEMENT DISTRICT
AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**

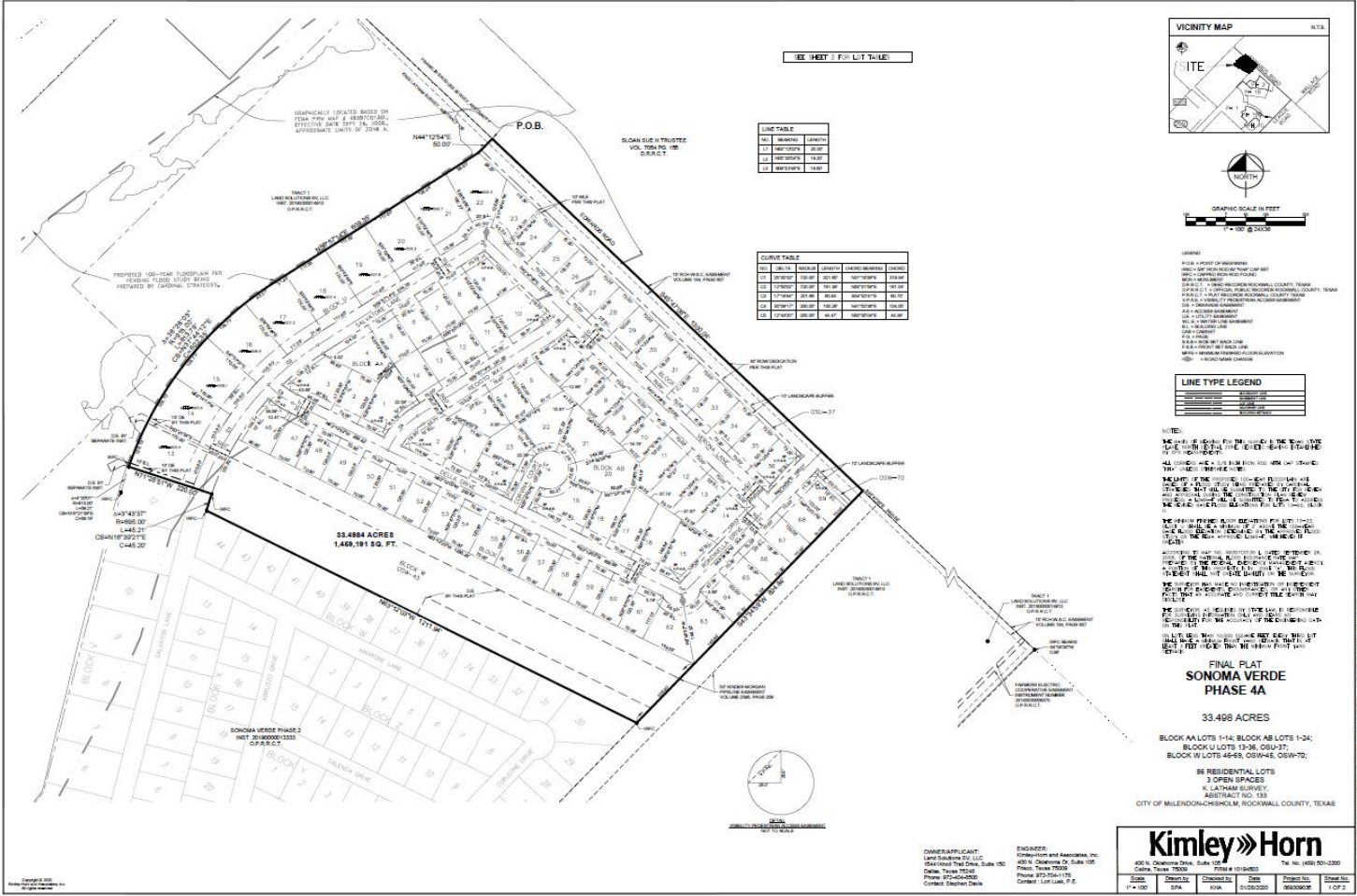




OWNER'S CERTIFICATE STATE OF TEXAS COUNTY OF ROCKWELL That we, do hereby adopt this plat designating the herein described property as <u>SONOMA VERDE PHASE 2</u> in addition to the city of McLENDON-CHISHOLM, ROCKWELL COUNTY, TEXAS and do hereby transfer to public use the street right-of-way shown herein which are contemplated to be financed with public improvement district assessments and which are to be maintained forever either through public improvement district assessments or by the Homeowners Association, but reserves and other public improvements to be constructed within such right-of-way are not hereby dedicated as such, and may either be acquired or constructed with public improvement district assessments or transferred by separate instrument. The assessments shown thereon are hereby reserved for purposes indicated, but public improvements to be constructed within such assessments are not hereby designated as such, and may either be acquired or constructed with public improvement district assessments or transferred by separate instrument. The utility and sewer assessments shall be open to the public, and police, water, garbage and fire department collection agencies, and all public and private utilities for each particular use. The maintenance of paving on the utility and sewer assessments is the responsibility of the property owner, as building, fences, trees, shrubs, or other improvements or growth shall be constructed, reconstructed, or replaced upon, over or across the assessments as shown. Said assessments being hereby reserved for the mutual use and accommodation of all public utilities using or desiring to use the same. All, and any public utility shall have the right to remove and have removed all or part of any building, fence, trees, shrubs or other improvements or growth which in any way interferes or interferes with the construction, maintenance or efficiency of its respective system within the assessments, and all public utilities shall at all times have the full right to ingress and egress to and from said assessments for the purpose of constructing, reconstructing, inspecting, installing, maintaining and repairing or removing all or parts of its respective system without the necessity at any time of procuring the permission of anyone. Any public utility shall have the right of ingress and egress to private property for the purpose of raising meters and any maintenance and service required or ordinarily performed by that utility. This plat is approved subject to all Planning Ordinance, rules, regulations and resolutions of the city of McLENDON-CHISHOLM, ROCKWELL COUNTY, TEXAS. NOTwithstanding any dedicatory language contained on this plat, whether in this owner's certificate or otherwise, the city and owner acknowledge and confirm that these improvements, including any real estate required for such improvements, identified as authorized improvements in that certain PSD service and assessment plan approved by city council on June 18, 2019 are not dedicated by this plat. Instead, the city intends to acquire or construct such improvements with the proceeds of public improvement district assessments or bond proceeds the repayment of which is secured by such assessments. OWNER: Land Solutions BV LLC a Delaware limited liability company By: <u>[Signature]</u> Name: <u>Spencer Taylor</u> Title: <u>Manager</u> STATE OF TEXAS COUNTY OF ROCKWELL Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared <u>Spencer Taylor</u>, known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed. given under my hand and seal of office this the <u>5th</u> day of <u>August</u>, 2019. <u>[Signature]</u> Notary Public in and for the State of Texas	APPROVED I hereby certify that the above and foregoing plat of Sonoma Verde Phase 2 to the City of McLENDON-CHISHOLM, TEXAS was approved by the Mayor of the City of McLENDON-CHISHOLM on the <u>6th</u> day of <u>August</u>, 2019. This approval shall be invalid unless the approved Plat for such Addition is recorded in the office of the County Clerk of Rockwell County, Texas, within one year from said date of final approval. An extension may be granted by the City Council. Said Addition shall be subject to all the requirements of the Platting Ordinance of the City of McLENDON-CHISHOLM. Witness my hand this the <u>6th</u> day of <u>August</u>, 2019. City Secretary City of McLENDON-CHISHOLM, TEXAS <u>[Signature]</u> Date: <u>8/6/2019</u> Recommended for Final Approval: <u>[Signature]</u> Chairman Planning and Zoning Commission City of McLENDON-CHISHOLM, TEXAS <u>[Signature]</u> Date: <u>8/6/2019</u> Mayor City of McLENDON-CHISHOLM, TEXAS <u>[Signature]</u> Date: <u>8/6/2019</u> 
SURVEYOR'S CERTIFICATE I, hereby certify, that I prepared this Survey Plat shown hereon from an actual survey on the ground by me and that all corners are marked, and that all dimensions shown thereon are true and correct to the best of my knowledge and belief, and furthermore to the best of my knowledge and belief there are no encroachments, partitions, improvements, easements, right-of-way, or 100 year flood plain affecting the property shown on above hereon. Witness under my hand this the <u>5th</u> day of <u>August</u>, 2019. <u>[Signature]</u> Brian J. Macdonald, S.P.L.S. NO. 3400 Texas Real and Personal 200 Rector Street, Suite 1000 Allen, Texas 75013 214.461.9867 or 214.461.9868 T.S.P.L.S. Registration No. 10194301 www.tnpsurvey.com  STATE OF TEXAS COUNTY OF DALLAS Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared <u>Brian J. Macdonald</u>, known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed. given under my hand and seal of office this the <u>5th</u> day of <u>August</u>, 2019. <u>[Signature]</u> Anna Pukarala Purpur Notary Public in and for the State of Texas 	Filed and Recorded Official Public Records Rockwell County, Texas Recorded in Volume 999, Page 286, S.P.L.S. NO. 3400 2019-08-06 11:47:40 AM <u>[Signature]</u> ~ 213 RESIDENTIAL LOTS & 2 OPEN SPACES ~ FINAL PLAT SONOMA VERDE PHASE 2 TRACT A = 8.981 ACRES TRACT B = 16.341 ACRES TRACT C = 96.042 ACRES TOTAL = 61.374 ACRES BEING THREE TRACTS OF LAND OUT OF THE KING LATHAM SURVEY, ABSTRACT NO. 133, AND A PORTION OF A TRACT OF LAND TO MC 580 LAND HOLDINGS, L.P. AS RECORDED IN VOLUME 999, PAGE 286, S.P.L.S. NO. 3400, IN THE CITY OF McLENDON-CHISHOLM, ROCKWELL COUNTY, TEXAS. OWNER LAND SOLUTIONS BV, LLC 15441 North Trail Drive, Suite 150 Dallas, TX 75248 972.454.8500 (Office) PROJECT INFORMATION Project No.: FCU 18003 Date: June 26, 2019 Drawn By: GSB Scale: N/A SHEET 7 of 7 SURVEYOR 825 Waters Creek Boulevard, Suite 1000 Allen, Texas 75013 214.461.9867 or 214.461.9868 T.S.P.L.S. Registration No. 10194301 www.tnpsurvey.com 

**SONOMA PUBLIC IMPROVEMENT DISTRICT
AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**

EXHIBIT A-5 – FINAL PLAT FOR IMPROVEMENT AREA #3



1. *Journal of the American Medical Association*, 2000; 283: 2639-2645.

EXHIBIT B – AUTHORIZED IMPROVEMENTS

	Total Costs		Phase 1		Improvement Area #1C		Improvement Area #2		Improvement Area #3		Future Improvement Area ⁷	
		% ¹	Cost	% ¹	Cost	% ¹	Cost	% ¹	Cost	% ¹	Cost	% ¹
Major Improvements²												
Roadway Improvements	\$ 321,346	33.74%	\$ 108,423	3.98%	\$ 12,797	18.38%	\$ 59,075	17.29%	\$ 55,574	26.60%	\$ 85,477	
Water Distribution System Improvements	78,085	33.74%	26,346	3.98%	3,110	18.38%	14,355	17.29%	13,504	26.60%	20,770	
Sanitary Sewer Collection System Improvements	1,525,144	33.74%	514,587	3.98%	60,738	18.38%	280,379	17.29%	263,748	26.60%	405,693	
Storm Drainage Collection System Improvements	82,153	33.74%	27,719	3.98%	3,272	18.38%	15,103	17.29%	14,208	26.60%	21,852	
Contingency for hard costs	156,764	33.74%	52,892	3.98%	6,243	18.38%	28,819	17.29%	27,111	26.60%	41,699	
Soft Costs ^{1,8}	301,098	42.37%	127,573	4.60%	13,862	21.25%	63,989	12.52%	37,695	19.26%	57,978	
	<u>\$ 2,464,590</u>		<u>\$ 857,540</u>		<u>\$ 100,022</u>		<u>\$ 461,720</u>		<u>\$ 411,839</u>		<u>\$ 633,469</u>	
Phase 1 Improvements												
Road Improvements	\$ 3,498,998	100.00%	\$ 3,498,998	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	
Water Improvements	1,579,466	100.00%	1,579,466	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Sanitary Sewer Improvements	1,012,461	100.00%	1,012,461	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Storm Drainage Improvements	1,617,278	100.00%	1,617,278	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Contingency for hard costs	794,730	100.00%	794,730	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Soft Costs ¹	1,612,175	100.00%	1,612,175	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
	<u>\$ 10,115,108</u>		<u>\$ 10,115,108</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>	
Phase 2 Improvements												
Road Improvements	\$ 2,349,701	0.00%	\$ -	17.81%	\$ 418,379	82.19%	\$ 1,931,322	0.00%	\$ -	0.00%	\$ -	
Water Improvements	1,008,093	0.00%	-	17.81%	179,497	82.19%	828,596	0.00%	-	0.00%	-	
Sanitary Sewer Improvements	920,852	0.00%	-	17.81%	163,963	82.19%	756,889	0.00%	-	0.00%	-	
Storm Drainage Improvements	1,777,546	0.00%	-	17.81%	316,503	82.19%	1,461,043	0.00%	-	0.00%	-	
Soft Costs ¹	1,579,069	0.00%	-	17.81%	281,163	82.19%	1,297,906	0.00%	-	0.00%	-	
	<u>\$ 7,635,261</u>		<u>\$ -</u>		<u>\$ 1,359,505</u>		<u>\$ 6,275,756</u>		<u>\$ -</u>		<u>\$ -</u>	
Improvement Area #3 Improvements												
Street	\$ 1,457,927	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 1,457,927	0.00%	\$ -	
Right of Way ⁵	-	0.00%	-	0.00%	-	0.00%	-	100.00%	-	0.00%	-	
Water ⁶	516,335	0.00%	-	0.00%	-	0.00%	-	100.00%	516,335	0.00%	-	
Sewer	516,558	0.00%	-	0.00%	-	0.00%	-	100.00%	516,558	0.00%	-	
Storm Drainage	862,993	0.00%	-	0.00%	-	0.00%	-	100.00%	862,993	0.00%	-	
Soft Costs	1,833,475	0.00%	-	0.00%	-	0.00%	-	100.00%	1,833,475	0.00%	-	
	<u>\$ 5,187,289</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 5,187,289</u>		<u>\$ -</u>	
Bond Issuance Costs⁴												
PID legal fees	\$ 560,568		\$ 276,000		\$ 50,669		\$ 233,899		\$ -		\$ -	
Debt Service Reserve	1,409,188		571,188		-		425,250		412,750		-	
Capitalized Interest	547,930		-		-		366,583		181,347		-	
Other Bond Issuance Costs ³	2,394,684		1,285,200		-		598,581		510,903		-	
	<u>\$ 4,912,370</u>		<u>\$ 2,132,388</u>		<u>\$ 50,669</u>		<u>\$ 1,624,313</u>		<u>\$ 1,105,000</u>		<u>\$ -</u>	
Other Costs												
Initial Administrative Fund Deposit	\$ 53,919		\$ -		\$ -		\$ 23,919		\$ 30,000		\$ -	
	<u>\$ 53,919</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 23,919</u>		<u>\$ 30,000</u>		<u>\$ -</u>	
Total	\$ 30,368,537		\$ 13,105,036		\$ 1,510,196		\$ 8,385,708		\$ 6,734,128		\$ 633,469	

Notes:

- 1) Soft costs include engineering, design, surveying, geotechnical and materials testing, general contractor, project general conditions, ROW dedication, City inspection fees, etc.
- 2) Major Improvements totals and allocations for Phase 1, Improvement Area #1C, and Improvement Area #2 per the 2019 MuniCap SAP.
- 3) Includes Underwriter's Discount, financial advisors, bond counsel, rounding amounts, etc.
- 4) Bond Issuance Costs are estimates only for Improvement Area #3.
- 5) Unless otherwise approved by the City Council, in the event Improvement Area #3 Bonds are not issued, rights-of-way acquisition, as defined in **Section III.A.4**, shall not be a reimbursable Authorized Improvement, but instead will be replaced by the Actual Costs of water improvements.
- 6) Unless otherwise approved by the City Council, in the event Improvement Area #3 Bonds are issued, the water improvements, as defined in **Section III.A.4**, will be replaced by rights-of-way acquisition, which rights-of-way acquisition cost shall not exceed (i) the Actual Costs of water improvements, and (ii) the fair market value supported by an independent appraisal as required by Section 252.051 of the Texas Local Government Code.
- 7) A portion of the Major Improvements have been appropriated to the Future Improvement Area, but no Assessment has been levied on the Future Improvement Area. This Amended and Restated Service and Assessment Plan will be updated in the future to identify the Authorized Improvements to be constructed in addition to the Major Improvements within the Future Improvement Area and to be financed by Assessments.
- 8) Major Improvement soft costs also include PID Establishment Costs allocated to each phase, as described in the 2019 MuniCap SAP.

EXHIBIT C – SERVICE PLAN

Phase 1						
Annual Installment Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 255,000.00	\$ 265,000.00	\$ 275,000.00	\$ 285,000.00	\$ 295,000.00
Interest		\$ 298,850.00	\$ 288,650.00	\$ 278,050.00	\$ 267,050.00	\$ 255,650.00
	(1)	\$ 553,850.00	\$ 553,650.00	\$ 553,050.00	\$ 552,050.00	\$ 550,650.00
Administrative Expenses						
Administrative Costs		\$ 47,942.27	\$ 48,901.11	\$ 49,879.14	\$ 50,876.72	\$ 51,894.25
Maintenance and Operation Costs		\$ 22,444.00	\$ 22,444.00	\$ 22,444.00	\$ 22,444.00	\$ 22,444.00
	(2)	\$ 70,386.27	\$ 71,345.11	\$ 72,323.14	\$ 73,320.72	\$ 74,338.25
Total Annual Installment	(3) = (1) + (2)	\$ 624,236.27	\$ 624,995.11	\$ 625,373.14	\$ 625,370.72	\$ 624,988.25

Improvement Area #1C						
Annual Installment Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 12,609.75	\$ 13,734.54	\$ 23,081.10	\$ 24,447.50	\$ 25,894.79
Interest		\$ 114,042.41	\$ 112,917.62	\$ 74,127.75	\$ 72,761.35	\$ 71,314.06
	(1)	\$ 126,652.16	\$ 126,652.16	\$ 97,208.86	\$ 97,208.86	\$ 97,208.86
Administrative Expenses						
Administrative Costs		\$ 6,787.85	\$ 6,923.61	\$ 7,062.08	\$ 7,203.32	\$ 7,347.39
Maintenance and Operation Costs		\$ 2,542.00	\$ 2,542.00	\$ 2,542.00	\$ 2,542.00	\$ 2,542.00
	(2)	\$ 9,329.85	\$ 9,465.61	\$ 9,604.08	\$ 9,745.32	\$ 9,889.39
Total Annual Installment	(3) = (1) + (2)	\$ 135,982.01	\$ 136,117.77	\$ 106,812.94	\$ 106,954.18	\$ 107,098.25

Improvement Area #2						
Annual Installment Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 115,000.00	\$ 120,000.00	\$ 125,000.00	\$ 130,000.00	\$ 135,000.00
Interest		\$ 255,162.50	\$ 251,137.50	\$ 246,937.50	\$ 242,562.50	\$ 237,687.50
	(1)	\$ 370,162.50	\$ 371,137.50	\$ 371,937.50	\$ 372,562.50	\$ 372,687.50
Administrative Expenses						
Administrative Costs		\$ 32,173.88	\$ 32,817.36	\$ 33,473.71	\$ 34,143.18	\$ 34,826.04
Maintenance and Operation Costs		\$ 13,082.00	\$ 13,082.00	\$ 13,082.00	\$ 13,082.00	\$ 13,082.00
	(2)	\$ 45,255.88	\$ 45,899.36	\$ 46,555.71	\$ 47,225.18	\$ 47,908.04
Additional Interest	(3)	\$ 30,300.00	\$ 29,725.00	\$ 29,125.00	\$ 28,500.00	\$ 27,850.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 445,718.38	\$ 446,761.86	\$ 447,618.21	\$ 448,287.68	\$ 448,445.54

Improvement Area #3						
Annual Installment Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 85,000.00	\$ 85,000.00	\$ 90,000.00	\$ 95,000.00	\$ 100,000.00
Interest		\$ 326,425.00	\$ 321,750.00	\$ 317,075.00	\$ 312,125.00	\$ 306,900.00
	(1)	\$ 411,425.00	\$ 406,750.00	\$ 407,075.00	\$ 407,125.00	\$ 406,900.00
Administrative Expenses						
Administrative Costs		\$ 30,600.00	\$ 31,212.00	\$ 31,836.24	\$ 32,472.96	\$ 33,122.42
Maintenance and Operation Costs		\$ 11,470.00	\$ 11,470.00	\$ 11,470.00	\$ 11,470.00	\$ 11,470.00
	(2)	\$ 42,070.00	\$ 42,682.00	\$ 43,306.24	\$ 43,942.96	\$ 44,592.42
Additional Interest	(3)	\$ 29,675.00	\$ 29,250.00	\$ 28,825.00	\$ 28,375.00	\$ 27,900.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 483,170.00	\$ 478,682.00	\$ 479,206.24	\$ 479,442.96	\$ 479,392.42

EXHIBIT D – SOURCES AND USES OF FUNDS

	Phase 1	Improvement Area #1C	Improvement Area #2	Improvement Area #3
Sources				
Phase 1 Assessments	\$ 10,135,000	\$ -	\$ -	\$ -
Improvement Area #1C Assessments ²	-	1,290,079	-	-
Improvement Area #2 Assessments ²	-	-	6,170,000	-
Improvement Area #3 Assessments ²	-	-	-	5,935,000
Owner Contribution ¹	2,970,036	220,117	2,215,708	799,128
Total Sources	\$ 13,105,036	\$ 1,510,196	\$ 8,385,708	\$ 6,734,128
Uses				
Major Improvements	\$ 857,540	\$ 100,022	\$ 461,720	\$ 411,839
Phase 1 Improvements	10,115,108	-	-	-
Phase 2 Improvements	-	1,359,505	6,275,756	-
Improvement Area #3 Improvements	-	-	-	5,187,289
	<u>\$ 10,972,648</u>	<u>\$ 1,459,527</u>	<u>\$ 6,737,476</u>	<u>\$ 5,599,128</u>
<i>Bond Issuance Costs</i>				
PID legal fees	\$ 276,000	\$ 50,669	\$ 233,899	\$ -
Debt Service Reserve	571,188	-	425,250	412,750
Capitalized Interest	-	-	366,583	181,347
Other bond issuance Costs	1,285,200	-	598,581	510,903
	<u>\$ 2,132,388</u>	<u>\$ 50,669</u>	<u>\$ 1,624,313</u>	<u>\$ 1,105,000</u>
<i>Other Costs</i>				
Initial Administrative Fund Deposit	\$ -	\$ -	\$ 23,919	\$ 30,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,919</u>	<u>\$ 30,000</u>
Total Uses	\$ 13,105,036	\$ 1,510,196	\$ 8,385,708	\$ 6,734,128

Notes:

- 1) Not reimbursable to Owner through Assessments.
- 2) Figures shown are the amounts levied pursuant the applicable Assessment Ordinance.

EXHIBIT E-1 – PHASE 1 ASSESSMENT ROLL

Property ID	Legal Description	Lot Type	Phase 1 ¹	
			Outstanding Assessment ²	Annual Installment Due 1/31/2022
86960	SONOMA VERDE PHASE 1, BLOCK A, LOT 1, OPEN SPACE	Non Benefitted	\$ -	\$ -
86961	SONOMA VERDE PHASE 1, BLOCK A, LOT 2	6	\$ 36,161.59	\$ 2,471.94
86962	SONOMA VERDE PHASE 1, BLOCK A, LOT 3	6	\$ 36,161.59	\$ 2,471.94
86963	SONOMA VERDE PHASE 1, BLOCK A, LOT 4	6	\$ 36,161.59	\$ 2,471.94
86964	SONOMA VERDE PHASE 1, BLOCK A, LOT 5	6	\$ 36,161.59	\$ 2,471.94
86965	SONOMA VERDE PHASE 1, BLOCK A, LOT 6	6	\$ 36,161.59	\$ 2,471.94
86966	SONOMA VERDE PHASE 1, BLOCK A, LOT 7	6	\$ 36,161.59	\$ 2,471.94
86967	SONOMA VERDE PHASE 1, BLOCK A, LOT 8	6	\$ 36,161.59	\$ 2,471.94
86968	SONOMA VERDE PHASE 1, BLOCK A, LOT 9	6	\$ 36,161.59	\$ 2,471.94
86969	SONOMA VERDE PHASE 1, BLOCK A, LOT 10, OPEN SPACE	Non Benefitted	\$ -	\$ -
86970	SONOMA VERDE PHASE 1, BLOCK B, LOT 1R1, ACRES .493, (REPLAT 2019)	2	\$ 37,517.65	\$ 2,562.32
86971	SONOMA VERDE PHASE 1, BLOCK B, LOT 2	2	\$ 37,517.65	\$ 2,562.32
86972	SONOMA VERDE PHASE 1, BLOCK B, LOT 3	2	\$ 37,517.65	\$ 2,562.32
86973	SONOMA VERDE PHASE 1, BLOCK B, LOT 4	2	\$ 37,517.65	\$ 2,562.32
86974	SONOMA VERDE PHASE 1, BLOCK B, LOT 5	2	\$ 37,517.65	\$ 2,562.32
86975	SONOMA VERDE PHASE 1, BLOCK B, LOT 6	2	\$ 37,517.65	\$ 2,562.32
86976	SONOMA VERDE PHASE 1, BLOCK B, LOT 7	2	\$ 37,517.65	\$ 2,562.32
86977	SONOMA VERDE PHASE 1, BLOCK B, LOT 8	2	\$ 37,517.65	\$ 2,562.32
86978	SONOMA VERDE PHASE 1, BLOCK B, LOT 9	2	\$ 37,517.65	\$ 2,562.32
86979	SONOMA VERDE PHASE 1, BLOCK B, LOT 10	2	\$ 37,517.65	\$ 2,562.32
86980	SONOMA VERDE PHASE 1, BLOCK B, LOT 11	2	\$ 37,517.65	\$ 2,562.32
86981	SONOMA VERDE PHASE 1, BLOCK B, LOT 12	2	\$ 37,517.65	\$ 2,562.32
86982	SONOMA VERDE PHASE 1, BLOCK B, LOT 13	2	\$ 37,517.65	\$ 2,562.32
86983	SONOMA VERDE PHASE 1, BLOCK B, LOT 14	2	\$ 37,517.65	\$ 2,562.32
86984	SONOMA VERDE PHASE 1, BLOCK B, LOT 15	2	\$ 37,517.65	\$ 2,562.32
86985	SONOMA VERDE PHASE 1, BLOCK C, LOT 1	3	\$ 28,929.27	\$ 1,989.95
86986	SONOMA VERDE PHASE 1, BLOCK C, LOT 2	3	\$ 28,929.27	\$ 1,989.95
86987	SONOMA VERDE PHASE 1, BLOCK C, LOT 3	3	\$ 28,929.27	\$ 1,989.95
86988	SONOMA VERDE PHASE 1, BLOCK C, LOT 4	3	\$ 28,929.27	\$ 1,989.95
86989	SONOMA VERDE PHASE 1, BLOCK C, LOT 5	4	\$ 26,217.15	\$ 1,809.20
86990	SONOMA VERDE PHASE 1, BLOCK C, LOT 6	4	\$ 26,217.15	\$ 1,809.20
86991	SONOMA VERDE PHASE 1, BLOCK C, LOT 7	4	\$ 26,217.15	\$ 1,809.20
86992	SONOMA VERDE PHASE 1, BLOCK C, LOT 8	4	\$ 26,217.15	\$ 1,809.20
86993	SONOMA VERDE PHASE 1, BLOCK C, LOT 9	4	\$ 26,217.15	\$ 1,809.20
86994	SONOMA VERDE PHASE 1, BLOCK C, LOT 10	4	\$ 26,217.15	\$ 1,809.20
86995	SONOMA VERDE PHASE 1, BLOCK C, LOT 11	4	\$ 26,217.15	\$ 1,809.20
86996	SONOMA VERDE PHASE 1, BLOCK C, LOT 12	4	\$ 26,217.15	\$ 1,809.20
86997	SONOMA VERDE PHASE 1, BLOCK C, LOT 13	4	\$ 26,217.15	\$ 1,809.20
86998	SONOMA VERDE PHASE 1, BLOCK C, LOT 14	4	\$ 26,217.15	\$ 1,809.20
86999	SONOMA VERDE PHASE 1, BLOCK C, LOT 15	4	\$ 26,217.15	\$ 1,809.20
87000	SONOMA VERDE PHASE 1, BLOCK C, LOT 16	4	\$ 26,217.15	\$ 1,809.20
87001	SONOMA VERDE PHASE 1, BLOCK C, LOT 17	4	\$ 26,217.15	\$ 1,809.20
87002	SONOMA VERDE PHASE 1, BLOCK C, LOT 18	4	\$ 26,217.15	\$ 1,809.20
87003	SONOMA VERDE PHASE 1, BLOCK C, LOT 19	4	\$ 26,217.15	\$ 1,809.20
87004	SONOMA VERDE PHASE 1, BLOCK C, LOT 20	4	\$ 26,217.15	\$ 1,809.20
87005	SONOMA VERDE PHASE 1, BLOCK C, LOT 21	4	\$ 26,217.15	\$ 1,809.20
87006	SONOMA VERDE PHASE 1, BLOCK C, LOT 22	4	\$ 26,217.15	\$ 1,809.20
87007	SONOMA VERDE PHASE 1, BLOCK C, LOT 23	4	\$ 26,217.15	\$ 1,809.20
87008	SONOMA VERDE PHASE 1, BLOCK C, LOT 24	4	\$ 26,217.15	\$ 1,809.20
87009	SONOMA VERDE PHASE 1, BLOCK C, LOT 25	4	\$ 26,217.15	\$ 1,809.20
87010	SONOMA VERDE PHASE 1, BLOCK C, LOT 26	4	\$ 26,217.15	\$ 1,809.20
87011	SONOMA VERDE PHASE 1, BLOCK C, LOT 27	4	PREPAID IN FULL	
87012	SONOMA VERDE PHASE 1, BLOCK C, LOT 28	4	\$ 26,217.15	\$ 1,809.20
87013	SONOMA VERDE PHASE 1, BLOCK C, LOT 29	4	\$ 26,217.15	\$ 1,809.20
87014	SONOMA VERDE PHASE 1, BLOCK C, LOT 30	4	\$ 26,217.15	\$ 1,809.20

Property ID	Legal Description	Lot Type	Phase 1 ¹	
			Outstanding Assessment ²	Annual Installment Due 1/31/2022
87015	SONOMA VERDE PHASE 1, BLOCK C, LOT 31	4	\$ 26,217.15	\$ 1,809.20
87016	SONOMA VERDE PHASE 1, BLOCK C, LOT 58	2	\$ 37,517.65	\$ 2,562.32
87017	SONOMA VERDE PHASE 1, BLOCK C, LOT 59	2	\$ 37,517.65	\$ 2,562.32
87018	SONOMA VERDE PHASE 1, BLOCK C, LOT 60	2	\$ 37,517.65	\$ 2,562.32
87019	SONOMA VERDE PHASE 1, BLOCK C, LOT 61	2	\$ 37,517.65	\$ 2,562.32
87020	SONOMA VERDE PHASE 1, BLOCK C, LOT 62	2	\$ 37,517.65	\$ 2,562.32
87021	SONOMA VERDE PHASE 1, BLOCK C, LOT 63	2	\$ 37,517.65	\$ 2,562.32
87022	SONOMA VERDE PHASE 1, BLOCK C, LOT 64	2	\$ 37,517.65	\$ 2,562.32
87023	SONOMA VERDE PHASE 1, BLOCK C, LOT 65	2	\$ 37,517.65	\$ 2,562.32
87024	SONOMA VERDE PHASE 1, BLOCK C, LOT 66	2	\$ 37,517.65	\$ 2,562.32
87025	SONOMA VERDE PHASE 1, BLOCK C, LOT 67	2	\$ 37,517.65	\$ 2,562.32
87026	SONOMA VERDE PHASE 1, BLOCK C, LOT 68	2	\$ 37,517.65	\$ 2,562.32
87027	SONOMA VERDE PHASE 1, BLOCK C, LOT 69	2	\$ 37,517.65	\$ 2,562.32
87028	SONOMA VERDE PHASE 1, BLOCK C, LOT 70	2	\$ 37,517.65	\$ 2,562.32
87029	SONOMA VERDE PHASE 1, BLOCK C, LOT 71	2	\$ 37,517.65	\$ 2,562.32
87030	SONOMA VERDE PHASE 1, BLOCK D, LOT 1	4	\$ 26,217.15	\$ 1,809.20
87031	SONOMA VERDE PHASE 1, BLOCK D, LOT 2	4	\$ 26,217.15	\$ 1,809.20
87032	SONOMA VERDE PHASE 1, BLOCK D, LOT 3	4	\$ 26,217.15	\$ 1,809.20
87033	SONOMA VERDE PHASE 1, BLOCK D, LOT 24	4	\$ 26,217.15	\$ 1,809.20
87034	SONOMA VERDE PHASE 1, BLOCK D, LOT 25	4	\$ 26,217.15	\$ 1,809.20
87035	SONOMA VERDE PHASE 1, BLOCK D, LOT 26	4	\$ 26,217.15	\$ 1,809.20
87036	SONOMA VERDE PHASE 1, BLOCK D, LOT 27, Undivided Interest 50%	4	\$ 26,217.15	\$ 1,809.20
87037	SONOMA VERDE PHASE 1, BLOCK D, LOT 28	4	\$ 26,217.15	\$ 1,809.20
87038	SONOMA VERDE PHASE 1, BLOCK D, LOT 29	4	\$ 26,217.15	\$ 1,809.20
87039	SONOMA VERDE PHASE 1, BLOCK D, LOT 30	4	\$ 26,217.15	\$ 1,809.20
87040	SONOMA VERDE PHASE 1, BLOCK E, LOT 1	4	\$ 26,217.15	\$ 1,809.20
87041	SONOMA VERDE PHASE 1, BLOCK E, LOT 2	4	\$ 26,217.15	\$ 1,809.20
87042	SONOMA VERDE PHASE 1, BLOCK E, LOT 3	4	\$ 26,217.15	\$ 1,809.20
87043	SONOMA VERDE PHASE 1, BLOCK E, LOT 4	4	\$ 26,217.15	\$ 1,809.20
87044	SONOMA VERDE PHASE 1, BLOCK E, LOT 5	4	\$ 26,217.15	\$ 1,809.20
87045	SONOMA VERDE PHASE 1, BLOCK E, LOT 26	4	\$ 26,217.15	\$ 1,809.20
87046	SONOMA VERDE PHASE 1, BLOCK F, LOT 1	3	\$ 28,929.27	\$ 1,989.95
87047	SONOMA VERDE PHASE 1, BLOCK F, LOT 2	3	\$ 28,929.27	\$ 1,989.95
87048	SONOMA VERDE PHASE 1, BLOCK F, LOT 3	3	\$ 28,929.27	\$ 1,989.95
87049	SONOMA VERDE PHASE 1, BLOCK F, LOT 4	3	\$ 28,929.27	\$ 1,989.95
87050	SONOMA VERDE PHASE 1, BLOCK F, LOT 5	3	\$ 28,929.27	\$ 1,989.95
87051	SONOMA VERDE PHASE 1, BLOCK F, LOT 6	3	\$ 28,929.27	\$ 1,989.95
87052	SONOMA VERDE PHASE 1, BLOCK F, LOT 7	3	\$ 28,929.27	\$ 1,989.95
87053	SONOMA VERDE PHASE 1, BLOCK F, LOT 8	3	\$ 28,929.27	\$ 1,989.95
87054	SONOMA VERDE PHASE 1, BLOCK F, LOT 9	3	\$ 28,929.27	\$ 1,989.95
87055	SONOMA VERDE PHASE 1, BLOCK F, LOT 10	3	\$ 28,929.27	\$ 1,989.95
87056	SONOMA VERDE PHASE 1, BLOCK F, LOT 11	3	\$ 28,929.27	\$ 1,989.95
87057	SONOMA VERDE PHASE 1, BLOCK F, LOT 12	3	\$ 28,929.27	\$ 1,989.95
87058	SONOMA VERDE PHASE 1, BLOCK F, LOT 13	3	\$ 28,929.27	\$ 1,989.95
87059	SONOMA VERDE PHASE 1, BLOCK F, LOT 14	3	\$ 28,929.27	\$ 1,989.95
87060	SONOMA VERDE PHASE 1, BLOCK F, LOT 15, OPEN SPACE	Non Benefitted	\$ -	\$ -
87061	SONOMA VERDE PHASE 1, BLOCK F, LOT 27	4	\$ 26,217.15	\$ 1,809.20
87062	SONOMA VERDE PHASE 1, BLOCK F, LOT 28	4	\$ 26,217.15	\$ 1,809.20
87063	SONOMA VERDE PHASE 1, BLOCK F, LOT 29	4	\$ 26,217.15	\$ 1,809.20
87064	SONOMA VERDE PHASE 1, BLOCK F, LOT 30	4	\$ 26,217.15	\$ 1,809.20
87065	SONOMA VERDE PHASE 1, BLOCK F, LOT 31	4	\$ 26,217.15	\$ 1,809.20
87066	SONOMA VERDE PHASE 1, BLOCK F, LOT 32	4	\$ 26,217.15	\$ 1,809.20
87067	SONOMA VERDE PHASE 1, BLOCK G, LOT 1	3	\$ 28,929.27	\$ 1,989.95
87068	SONOMA VERDE PHASE 1, BLOCK G, LOT 2	3	\$ 28,929.27	\$ 1,989.95
87069	SONOMA VERDE PHASE 1, BLOCK G, LOT 3	3	\$ 28,929.27	\$ 1,989.95

Property ID	Legal Description	Lot Type	Phase 1 ¹	
			Outstanding Assessment ²	Annual Installment Due 1/31/2022
87070	SONOMA VERDE PHASE 1, BLOCK G, LOT 4	3	\$ 28,929.27	\$ 1,989.95
87071	SONOMA VERDE PHASE 1, BLOCK G, LOT 5	3	\$ 28,929.27	\$ 1,989.95
87072	SONOMA VERDE PHASE 1, BLOCK G, LOT 6	3	\$ 28,929.27	\$ 1,989.95
87073	SONOMA VERDE PHASE 1, BLOCK G, LOT 7	5	\$ 20,792.91	\$ 1,447.72
87074	SONOMA VERDE PHASE 1, BLOCK G, LOT 8	5	\$ 20,792.91	\$ 1,447.72
87075	SONOMA VERDE PHASE 1, BLOCK G, LOT 9	5	\$ 20,792.91	\$ 1,447.72
87076	SONOMA VERDE PHASE 1, BLOCK G, LOT 10	5	\$ 20,792.91	\$ 1,447.72
87077	SONOMA VERDE PHASE 1, BLOCK G, LOT 11	5	\$ 20,792.91	\$ 1,447.72
87078	SONOMA VERDE PHASE 1, BLOCK G, LOT 12	5	\$ 20,792.91	\$ 1,447.72
87079	SONOMA VERDE PHASE 1, BLOCK G, LOT 13	5	\$ 20,792.91	\$ 1,447.72
87080	SONOMA VERDE PHASE 1, BLOCK G, LOT 14	5	\$ 20,792.91	\$ 1,447.72
87081	SONOMA VERDE PHASE 1, BLOCK G, LOT 15	5	\$ 20,792.91	\$ 1,447.72
87082	SONOMA VERDE PHASE 1, BLOCK G, LOT 16	5	\$ 20,792.91	\$ 1,447.72
87083	SONOMA VERDE PHASE 1, BLOCK G, LOT 17	5	\$ 20,792.91	\$ 1,447.72
87084	SONOMA VERDE PHASE 1, BLOCK G, LOT 18	5	\$ 20,792.91	\$ 1,447.72
87085	SONOMA VERDE PHASE 1, BLOCK G, LOT 19	5	\$ 20,792.91	\$ 1,447.72
87086	SONOMA VERDE PHASE 1, BLOCK G, LOT 20	5	\$ 20,792.91	\$ 1,447.72
87087	SONOMA VERDE PHASE 1, BLOCK G, LOT 21	5	\$ 20,792.91	\$ 1,447.72
87088	SONOMA VERDE PHASE 1, BLOCK G, LOT 22	5	\$ 20,792.91	\$ 1,447.72
87089	SONOMA VERDE PHASE 1, BLOCK G, LOT 23	5	\$ 20,792.91	\$ 1,447.72
87090	SONOMA VERDE PHASE 1, BLOCK G, LOT 24	5	\$ 20,792.91	\$ 1,447.72
87091	SONOMA VERDE PHASE 1, BLOCK G, LOT 25	5	\$ 20,792.91	\$ 1,447.72
87092	SONOMA VERDE PHASE 1, BLOCK G, LOT 26	5	\$ 20,792.91	\$ 1,447.72
87093	SONOMA VERDE PHASE 1, BLOCK G, LOT 27	5	\$ 20,792.91	\$ 1,447.72
87094	SONOMA VERDE PHASE 1, BLOCK G, LOT 28	5	\$ 20,792.91	\$ 1,447.72
87095	SONOMA VERDE PHASE 1, BLOCK G, LOT 29	5	\$ 20,792.91	\$ 1,447.72
87096	SONOMA VERDE PHASE 1, BLOCK G, LOT 30	5	\$ 20,792.91	\$ 1,447.72
87097	SONOMA VERDE PHASE 1, BLOCK H, LOT 1	3	\$ 28,929.27	\$ 1,989.95
87098	SONOMA VERDE PHASE 1, BLOCK H, LOT 2	3	\$ 28,929.27	\$ 1,989.95
87099	SONOMA VERDE PHASE 1, BLOCK H, LOT 3	3	\$ 28,929.27	\$ 1,989.95
87100	SONOMA VERDE PHASE 1, BLOCK H, LOT 4	3	\$ 28,929.27	\$ 1,989.95
87101	SONOMA VERDE PHASE 1, BLOCK H, LOT 5	3	\$ 28,929.27	\$ 1,989.95
87102	SONOMA VERDE PHASE 1, BLOCK H, LOT 6	3	\$ 28,929.27	\$ 1,989.95
87103	SONOMA VERDE PHASE 1, BLOCK H, LOT 7, OPEN SPACE	Non Benefitted	\$ -	\$ -
87104	SONOMA VERDE PHASE 1, BLOCK H, LOT 8	4	\$ 26,217.15	\$ 1,809.20
87105	SONOMA VERDE PHASE 1, BLOCK H, LOT 9	5	\$ 20,792.91	\$ 1,447.72
87106	SONOMA VERDE PHASE 1, BLOCK H, LOT 10	5	\$ 20,792.91	\$ 1,447.72
87107	SONOMA VERDE PHASE 1, BLOCK H, LOT 11	5	\$ 20,792.91	\$ 1,447.72
87108	SONOMA VERDE PHASE 1, BLOCK H, LOT 12	4	\$ 26,217.15	\$ 1,809.20
87109	SONOMA VERDE PHASE 1, BLOCK H, LOT 13	4	\$ 26,217.15	\$ 1,809.20
87110	SONOMA VERDE PHASE 1, BLOCK H, LOT 14	4	\$ 26,217.15	\$ 1,809.20
87111	SONOMA VERDE PHASE 1, BLOCK H, LOT 15	5	\$ 20,792.91	\$ 1,447.72
87112	SONOMA VERDE PHASE 1, BLOCK H, LOT 16	5	\$ 20,792.91	\$ 1,447.72
87113	SONOMA VERDE PHASE 1, BLOCK H, LOT 17	5	\$ 20,792.91	\$ 1,447.72
87114	SONOMA VERDE PHASE 1, BLOCK H, LOT 18	5	\$ 20,792.91	\$ 1,447.72
87115	SONOMA VERDE PHASE 1, BLOCK H, LOT 19	5	\$ 20,792.91	\$ 1,447.72
87116	SONOMA VERDE PHASE 1, BLOCK H, LOT 20	5	\$ 20,792.91	\$ 1,447.72
87117	SONOMA VERDE PHASE 1, BLOCK H, LOT 21	5	\$ 20,792.91	\$ 1,447.72
87118	SONOMA VERDE PHASE 1, BLOCK H, LOT 22	5	\$ 20,792.91	\$ 1,447.72
87119	SONOMA VERDE PHASE 1, BLOCK H, LOT 23	5	\$ 20,792.91	\$ 1,447.72
87120	SONOMA VERDE PHASE 1, BLOCK I, LOT 1	5	\$ 20,792.91	\$ 1,447.72
87121	SONOMA VERDE PHASE 1, BLOCK I, LOT 2	5	\$ 20,792.91	\$ 1,447.72
87122	SONOMA VERDE PHASE 1, BLOCK I, LOT 3	5	\$ 20,792.91	\$ 1,447.72
87123	SONOMA VERDE PHASE 1, BLOCK I, LOT 4	5	\$ 20,792.91	\$ 1,447.72
87124	SONOMA VERDE PHASE 1, BLOCK J, LOT 1	5	\$ 20,792.91	\$ 1,447.72

Property ID	Legal Description	Lot Type	Phase 1 ¹	
			Outstanding Assessment ²	Annual Installment Due 1/31/2022
87125	SONOMA VERDE PHASE 1, BLOCK J, LOT 2	5	\$ 20,792.91	\$ 1,447.72
87126	SONOMA VERDE PHASE 1, BLOCK J, LOT 3	5	\$ 20,792.91	\$ 1,447.72
87127	SONOMA VERDE PHASE 1, BLOCK J, LOT 4	5	\$ 20,792.91	\$ 1,447.72
87128	SONOMA VERDE PHASE 1, BLOCK J, LOT 5	5	\$ 20,792.91	\$ 1,447.72
87129	SONOMA VERDE PHASE 1, BLOCK J, LOT 6	5	\$ 20,792.91	\$ 1,447.72
87130	SONOMA VERDE PHASE 1, BLOCK J, LOT 7	5	\$ 20,792.91	\$ 1,447.72
87131	SONOMA VERDE PHASE 1, BLOCK J, LOT 8	5	\$ 20,792.91	\$ 1,447.72
87132	SONOMA VERDE PHASE 1, BLOCK J, LOT 9	5	\$ 20,792.91	\$ 1,447.72
87133	SONOMA VERDE PHASE 1, BLOCK J, LOT 10	5	\$ 20,792.91	\$ 1,447.72
87134	SONOMA VERDE PHASE 1, BLOCK J, LOT 11	5	\$ 20,792.91	\$ 1,447.72
87135	SONOMA VERDE PHASE 1, BLOCK J, LOT 12	5	\$ 20,792.91	\$ 1,447.72
87136	SONOMA VERDE PHASE 1, BLOCK J, LOT 13	5	\$ 20,792.91	\$ 1,447.72
87137	SONOMA VERDE PHASE 1, BLOCK L, LOT 1, AMENITY CENTER	Non Benefitted	\$ -	\$ -
87138	SONOMA VERDE PHASE 1, BLOCK K, LOT 1, OPEN SPACE	Non Benefitted	\$ -	\$ -
87139	SONOMA VERDE PHASE 1, BLOCK L, LOT 2, PIPELINE EASEMENT	Non Benefitted	\$ -	\$ -
87140	SONOMA VERDE PHASE 1, BLOCK M, LOT 1, OPEN SPACE	Non Benefitted	\$ -	\$ -
89847	SONOMA VERDE PH 1B, BLOCK Z, LOT 12	4	\$ 26,217.15	\$ 1,809.20
89848	SONOMA VERDE PH 1B, BLOCK Z, LOT 13	4	\$ 26,217.15	\$ 1,809.20
89849	SONOMA VERDE PH 1B, BLOCK C, LOT 32	4	\$ 26,217.15	\$ 1,809.20
89850	SONOMA VERDE PH 1B, BLOCK C, LOT 33	4	\$ 26,217.15	\$ 1,809.20
89851	SONOMA VERDE PH 1B, BLOCK D, LOT 4	4	\$ 26,217.15	\$ 1,809.20
89852	SONOMA VERDE PH 1B, BLOCK D, LOT 5	4	\$ 26,217.15	\$ 1,809.20
89853	SONOMA VERDE PH 1B, BLOCK D, LOT 6	4	\$ 26,217.15	\$ 1,809.20
89854	SONOMA VERDE PH 1B, BLOCK D, LOT 7	4	\$ 26,217.15	\$ 1,809.20
89855	SONOMA VERDE PH 1B, BLOCK D, LOT 8	4	\$ 26,217.15	\$ 1,809.20
89856	SONOMA VERDE PH 1B, BLOCK D, LOT 9	4	\$ 26,217.15	\$ 1,809.20
89857	SONOMA VERDE PH 1B, BLOCK D, LOT 10	4	\$ 26,217.15	\$ 1,809.20
89858	SONOMA VERDE PH 1B, BLOCK D, LOT 11	4	\$ 26,217.15	\$ 1,809.20
89859	SONOMA VERDE PH 1B, BLOCK D, LOT 12	4	\$ 26,217.15	\$ 1,809.20
89860	SONOMA VERDE PH 1B, BLOCK D, LOT 13	4	\$ 26,217.15	\$ 1,809.20
89861	SONOMA VERDE PH 1B, BLOCK D, LOT 14	4	\$ 26,217.15	\$ 1,809.20
89862	SONOMA VERDE PH 1B, BLOCK D, LOT 15	4	PREPAID IN FULL	
89863	SONOMA VERDE PH 1B, BLOCK D, LOT 16	4	\$ 26,217.15	\$ 1,809.20
89864	SONOMA VERDE PH 1B, BLOCK D, LOT 17	4	\$ 26,217.15	\$ 1,809.20
89865	SONOMA VERDE PH 1B, BLOCK D, LOT 18	4	\$ 26,217.15	\$ 1,809.20
89866	SONOMA VERDE PH 1B, BLOCK D, LOT 19	4	\$ 26,217.15	\$ 1,809.20
89867	SONOMA VERDE PH 1B, BLOCK D, LOT 20	4	\$ 26,217.15	\$ 1,809.20
89868	SONOMA VERDE PH 1B, BLOCK D, LOT 21	4	\$ 26,217.15	\$ 1,809.20
89869	SONOMA VERDE PH 1B, BLOCK D, LOT 22	4	\$ 26,217.15	\$ 1,809.20
89870	SONOMA VERDE PH 1B, BLOCK D, LOT 23	4	\$ 26,217.15	\$ 1,809.20
89871	SONOMA VERDE PH 1B, BLOCK E, LOT 6	4	\$ 26,217.15	\$ 1,809.20
89872	SONOMA VERDE PH 1B, BLOCK E, LOT 7	4	\$ 26,217.15	\$ 1,809.20
89873	SONOMA VERDE PH 1B, BLOCK E, LOT 8	4	\$ 26,217.15	\$ 1,809.20
89874	SONOMA VERDE PH 1B, BLOCK E, LOT 9	4	\$ 26,217.15	\$ 1,809.20
89875	SONOMA VERDE PH 1B, BLOCK E, LOT 10	4	\$ 26,217.15	\$ 1,809.20
89876	SONOMA VERDE PH 1B, BLOCK E, LOT 11	4	\$ 26,217.15	\$ 1,809.20
89877	SONOMA VERDE PH 1B, BLOCK E, LOT 12	4	\$ 26,217.15	\$ 1,809.20
89878	SONOMA VERDE PH 1B, BLOCK E, LOT 13	4	\$ 26,217.15	\$ 1,809.20
89879	SONOMA VERDE PH 1B, BLOCK E, LOT 14	4	\$ 26,217.15	\$ 1,809.20
89880	SONOMA VERDE PH 1B, BLOCK E, LOT 15	4	\$ 26,217.15	\$ 1,809.20
89881	SONOMA VERDE PH 1B, BLOCK E, LOT 16	4	\$ 26,217.15	\$ 1,809.20
89882	SONOMA VERDE PH 1B, BLOCK E, LOT 17	4	\$ 26,217.15	\$ 1,809.20
89883	SONOMA VERDE PH 1B, BLOCK E, LOT 18	4	\$ 26,217.15	\$ 1,809.20
89884	SONOMA VERDE PH 1B, BLOCK E, LOT 19	4	\$ 26,217.15	\$ 1,809.20
89885	SONOMA VERDE PH 1B, BLOCK E, LOT 20	4	\$ 26,217.15	\$ 1,809.20

Property ID	Legal Description	Lot Type	Phase 1 ¹	
			Outstanding Assessment ²	Annual Installment Due 1/31/2022
89886	SONOMA VERDE PH 1B, BLOCK E, LOT 21	4	\$ 26,217.15	\$ 1,809.20
89887	SONOMA VERDE PH 1B, BLOCK E, LOT 22	4	\$ 26,217.15	\$ 1,809.20
89888	SONOMA VERDE PH 1B, BLOCK E, LOT 23	4	\$ 26,217.15	\$ 1,809.20
89889	SONOMA VERDE PH 1B, BLOCK E, LOT 24	4	\$ 26,217.15	\$ 1,809.20
89890	SONOMA VERDE PH 1B, BLOCK E, LOT 25	4	\$ 26,217.15	\$ 1,809.20
89891	SONOMA VERDE PH 1B, BLOCK F, LOT 16	4	\$ 26,217.15	\$ 1,809.20
89892	SONOMA VERDE PH 1B, BLOCK F, LOT 17	4	\$ 26,217.15	\$ 1,809.20
89893	SONOMA VERDE PH 1B, BLOCK F, LOT 18	4	\$ 26,217.15	\$ 1,809.20
89894	SONOMA VERDE PH 1B, BLOCK F, LOT 19	4	\$ 26,217.15	\$ 1,809.20
89895	SONOMA VERDE PH 1B, BLOCK F, LOT 20	4	\$ 26,217.15	\$ 1,809.20
89896	SONOMA VERDE PH 1B, BLOCK F, LOT 21	4	\$ 26,217.15	\$ 1,809.20
89897	SONOMA VERDE PH 1B, BLOCK F, LOT 22	4	\$ 26,217.15	\$ 1,809.20
89898	SONOMA VERDE PH 1B, BLOCK F, LOT 23	4	\$ 26,217.15	\$ 1,809.20
89899	SONOMA VERDE PH 1B, BLOCK F, LOT 24	4	\$ 26,217.15	\$ 1,809.20
89900	SONOMA VERDE PH 1B, BLOCK F, LOT 25	4	\$ 26,217.15	\$ 1,809.20
89901	SONOMA VERDE PH 1B, BLOCK F, LOT 26	4	\$ 26,217.15	\$ 1,809.20
89902	SONOMA VERDE PH 1B, BLOCK G, LOT 31	5	\$ 20,792.91	\$ 1,447.72
89903	SONOMA VERDE PH 1B, BLOCK G, LOT 32	5	\$ 20,792.91	\$ 1,447.72
89904	SONOMA VERDE PH 1B, BLOCK G, LOT 33	5	\$ 20,792.91	\$ 1,447.72
89905	SONOMA VERDE PH 1B, BLOCK G, LOT 34	5	\$ 20,792.91	\$ 1,447.72
89906	SONOMA VERDE PH 1B, BLOCK G, LOT 35	5	\$ 20,792.91	\$ 1,447.72
89907	SONOMA VERDE PH 1B, BLOCK G, LOT 36	5	\$ 20,792.91	\$ 1,447.72
89908	SONOMA VERDE PH 1B, BLOCK G, LOT 37	5	\$ 20,792.91	\$ 1,447.72
89909	SONOMA VERDE PH 1B, BLOCK G, LOT 38	5	\$ 20,792.91	\$ 1,447.72
89910	SONOMA VERDE PH 1B, BLOCK G, LOT 39	5	\$ 20,792.91	\$ 1,447.72
89911	SONOMA VERDE PH 1B, BLOCK G, LOT 40	5	\$ 20,792.91	\$ 1,447.72
89912	SONOMA VERDE PH 1B, BLOCK G, LOT 41	5	\$ 20,792.91	\$ 1,447.72
89913	SONOMA VERDE PH 1B, BLOCK G, LOT 42	5	\$ 20,792.91	\$ 1,447.72
89914	SONOMA VERDE PH 1B, BLOCK G, LOT 43	5	\$ 20,792.91	\$ 1,447.72
89915	SONOMA VERDE PH 1B, BLOCK G, LOT 44	5	\$ 20,792.91	\$ 1,447.72
89916	SONOMA VERDE PH 1B, BLOCK K, LOT 1	5	\$ 20,792.91	\$ 1,447.72
89917	SONOMA VERDE PH 1B, BLOCK K, LOT 2	5	\$ 20,792.91	\$ 1,447.72
89918	SONOMA VERDE PH 1B, BLOCK K, LOT 3	5	\$ 20,792.91	\$ 1,447.72
89919	SONOMA VERDE PH 1B, BLOCK K, LOT 4	5	\$ 20,792.91	\$ 1,447.72
89920	SONOMA VERDE PH 1B, BLOCK K, LOT 5	5	\$ 20,792.91	\$ 1,447.72
89921	SONOMA VERDE PH 1B, BLOCK K, LOT 6	5	\$ 20,792.91	\$ 1,447.72
89922	SONOMA VERDE PH 1B, BLOCK K, LOT 7	5	\$ 20,792.91	\$ 1,447.72
89923	SONOMA VERDE PH 1B, BLOCK K, LOT 8	5	\$ 20,792.91	\$ 1,447.72
89924	SONOMA VERDE PH 1B, BLOCK K, LOT 9	5	\$ 20,792.91	\$ 1,447.72
89925	SONOMA VERDE PH 1B, BLOCK K, LOT 10	5	\$ 20,792.91	\$ 1,447.72
89926	SONOMA VERDE PH 1B, BLOCK K, LOT 11	5	\$ 20,792.91	\$ 1,447.72
89927	SONOMA VERDE PH 1B, BLOCK K, LOT 12	5	\$ 20,792.91	\$ 1,447.72
89928	SONOMA VERDE PH 1B, BLOCK K, LOT 13	5	\$ 20,792.91	\$ 1,447.72
89929	SONOMA VERDE PH 1B, BLOCK K, LOT 14	5	\$ 20,792.91	\$ 1,447.72
89930	SONOMA VERDE PH 1B, BLOCK K, LOT 15	5	\$ 20,792.91	\$ 1,447.72
89931	SONOMA VERDE PH 1B, BLOCK L, LOT 1	5	\$ 20,792.91	\$ 1,447.72
89932	SONOMA VERDE PH 1B, BLOCK L, LOT 2	5	\$ 20,792.91	\$ 1,447.72
89933	SONOMA VERDE PH 1B, BLOCK L, LOT 3	5	\$ 20,792.91	\$ 1,447.72
89934	SONOMA VERDE PH 1B, BLOCK L, LOT 4	5	\$ 20,792.91	\$ 1,447.72
89935	SONOMA VERDE PH 1B, BLOCK L, LOT 5	5	\$ 20,792.91	\$ 1,447.72
89936	SONOMA VERDE PH 1B, BLOCK L, LOT 6	5	\$ 20,792.91	\$ 1,447.72
89937	SONOMA VERDE PH 1B, BLOCK L, LOT 7	5	\$ 20,792.91	\$ 1,447.72
89938	SONOMA VERDE PH 1B, BLOCK L, LOT 8	5	\$ 20,792.91	\$ 1,447.72
89939	SONOMA VERDE PH 1B, BLOCK L, LOT 9	5	\$ 20,792.91	\$ 1,447.72
89940	SONOMA VERDE PH 1B, BLOCK L, LOT 10	5	\$ 20,792.91	\$ 1,447.72

Property ID	Legal Description	Lot Type	Phase 1 ¹	
			Outstanding Assessment ²	Annual Installment Due 1/31/2022
89941	SONOMA VERDE PH 1B, BLOCK L, LOT 11	5	\$ 20,792.91	\$ 1,447.72
89942	SONOMA VERDE PH 1B, BLOCK L, LOT 12	5	\$ 20,792.91	\$ 1,447.72
89943	SONOMA VERDE PH 1B, BLOCK L, LOT 13	5	\$ 20,792.91	\$ 1,447.72
89944	SONOMA VERDE PH 1B, BLOCK L, LOT 14	5	\$ 20,792.91	\$ 1,447.72
89945	SONOMA VERDE PH 1B, BLOCK L, LOT 15	5	\$ 20,792.91	\$ 1,447.72
89946	SONOMA VERDE PH 1B, BLOCK L, LOT 16	5	\$ 20,792.91	\$ 1,447.72
89947	SONOMA VERDE PH 1B, BLOCK L, LOT 17	5	\$ 20,792.91	\$ 1,447.72
89948	SONOMA VERDE PH 1B, BLOCK L, LOT 18	5	\$ 20,792.91	\$ 1,447.72
89949	SONOMA VERDE PH 1B, BLOCK L, LOT 19	5	\$ 20,792.91	\$ 1,447.72
89950	SONOMA VERDE PH 1B, BLOCK L, LOT 20	5	\$ 20,792.91	\$ 1,447.72
89951	SONOMA VERDE PH 1B, BLOCK L, LOT 21	5	\$ 20,792.91	\$ 1,447.72
89952	SONOMA VERDE PH 1B, BLOCK L, LOT 22	5	\$ 20,792.91	\$ 1,447.72
89953	SONOMA VERDE PH 1B, BLOCK L, LOT 23	5	\$ 20,792.91	\$ 1,447.72
89954	SONOMA VERDE PH 1B, BLOCK L, LOT 24	5	\$ 20,792.91	\$ 1,447.72
89955	SONOMA VERDE PH 1B, BLOCK L, LOT 25	5	\$ 20,792.91	\$ 1,447.72
89956	SONOMA VERDE PH 1B, BLOCK L, LOT 26	5	\$ 20,792.91	\$ 1,447.72
89957	SONOMA VERDE PH 1B, BLOCK L, LOT 27	5	\$ 20,792.91	\$ 1,447.72
89958	SONOMA VERDE PH 1B, BLOCK L, LOT 28	5	\$ 20,792.91	\$ 1,447.72
89959	SONOMA VERDE PH 1B, BLOCK L, LOT 29	5	\$ 20,792.91	\$ 1,447.72
89960	SONOMA VERDE PH 1B, BLOCK L, LOT 30	5	\$ 20,792.91	\$ 1,447.72
89961	SONOMA VERDE PH 1B, BLOCK L, LOT 31	5	\$ 20,792.91	\$ 1,447.72
89962	SONOMA VERDE PH 1B, BLOCK L, LOT 32	5	\$ 20,792.91	\$ 1,447.72
89963	SONOMA VERDE PH 1B, BLOCK L, LOT 33	5	\$ 20,792.91	\$ 1,447.72
89964	SONOMA VERDE PH 1B, BLOCK L, LOT 34	5	\$ 20,792.91	\$ 1,447.72
89965	SONOMA VERDE PH 1B, BLOCK L, LOT 35	5	\$ 20,792.91	\$ 1,447.72
89966	SONOMA VERDE PH 1B, BLOCK L, LOT 36	5	\$ 20,792.91	\$ 1,447.72
89967	SONOMA VERDE PH 1B, BLOCK L, LOT 37	5	\$ 20,792.91	\$ 1,447.72
89968	SONOMA VERDE PH 1B, BLOCK L, LOT 38	5	\$ 20,792.91	\$ 1,447.72
89969	SONOMA VERDE PH 1B, BLOCK L, LOT 39	5	\$ 20,792.91	\$ 1,447.72
89970	SONOMA VERDE PH 1B, BLOCK L, LOT 40	5	\$ 20,792.91	\$ 1,447.72
89971	SONOMA VERDE PH 1B, BLOCK L, LOT 41	5	\$ 20,792.91	\$ 1,447.72
89972	SONOMA VERDE PH 1B, BLOCK L, LOT 42	5	\$ 20,792.91	\$ 1,447.72
89973	SONOMA VERDE PH 1B, BLOCK L, LOT 43	5	\$ 20,792.91	\$ 1,447.72
89974	SONOMA VERDE PH 1B, BLOCK L, LOT 44	5	\$ 20,792.91	\$ 1,447.72
89975	SONOMA VERDE PH 1B, BLOCK L, LOT 45	5	\$ 20,792.91	\$ 1,447.72
89976	SONOMA VERDE PH 1B, BLOCK L, LOT 46	5	\$ 20,792.91	\$ 1,447.72
89977	SONOMA VERDE PH 1B, BLOCK L, LOT 47	5	\$ 20,792.91	\$ 1,447.72
89978	SONOMA VERDE PH 1B, BLOCK L, LOT 48	5	\$ 20,792.91	\$ 1,447.72
89979	SONOMA VERDE PH 1B, BLOCK L, LOT 49	5	\$ 20,792.91	\$ 1,447.72
89980	SONOMA VERDE PH 1B, BLOCK L, LOT 50	5	\$ 20,792.91	\$ 1,447.72
89981	SONOMA VERDE PH 1B, BLOCK L, LOT 51	5	\$ 20,792.91	\$ 1,447.72
89982	SONOMA VERDE PH 1B, BLOCK L, LOT 52	5	\$ 20,792.91	\$ 1,447.72
89983	SONOMA VERDE PH 1B, BLOCK L, LOT 53	5	\$ 20,792.91	\$ 1,447.72
89984	SONOMA VERDE PH 1B, BLOCK M, LOT 1	5	\$ 20,792.91	\$ 1,447.72
89985	SONOMA VERDE PH 1B, BLOCK M, LOT 2	5	\$ 20,792.91	\$ 1,447.72
89986	SONOMA VERDE PH 1B, BLOCK M, LOT 3	5	\$ 20,792.91	\$ 1,447.72
89987	SONOMA VERDE PH 1B, BLOCK M, LOT 4	5	\$ 20,792.91	\$ 1,447.72
89988	SONOMA VERDE PH 1B, BLOCK M, LOT 5	5	\$ 20,792.91	\$ 1,447.72
89989	SONOMA VERDE PH 1B, BLOCK M, LOT 6	5	\$ 20,792.91	\$ 1,447.72
89990	SONOMA VERDE PH 1B, BLOCK M, LOT 7	5	\$ 20,792.91	\$ 1,447.72
89991	SONOMA VERDE PH 1B, BLOCK M, LOT 8	5	\$ 20,792.91	\$ 1,447.72
89992	SONOMA VERDE PH 1B, BLOCK M, LOT 9	5	\$ 20,792.91	\$ 1,447.72
89993	SONOMA VERDE PH 1B, BLOCK M, LOT 10	5	\$ 20,792.91	\$ 1,447.72
89994	SONOMA VERDE PH 1B, BLOCK M, LOT 11	5	\$ 20,792.91	\$ 1,447.72
89995	SONOMA VERDE PH 1B, BLOCK M, LOT 12	5	\$ 20,792.91	\$ 1,447.72

Property ID	Legal Description	Lot Type	Phase 1 ¹	
			Outstanding Assessment ²	Annual Installment Due 1/31/2022
89996	SONOMA VERDE PH 1B, BLOCK M, LOT 13	5	\$ 20,792.91	\$ 1,447.72
89997	SONOMA VERDE PH 1B, BLOCK M, LOT 14	5	\$ 20,792.91	\$ 1,447.72
89998	SONOMA VERDE PH 1B, BLOCK M, LOT 15	5	\$ 20,792.91	\$ 1,447.72
89999	SONOMA VERDE PH 1B, BLOCK M, LOT 16	5	\$ 20,792.91	\$ 1,447.72
90000	SONOMA VERDE PH 1B, BLOCK M, LOT 17	5	\$ 20,792.91	\$ 1,447.72
90001	SONOMA VERDE PH 1B, BLOCK M, LOT 18	5	\$ 20,792.91	\$ 1,447.72
90002	SONOMA VERDE PH 1B, BLOCK M, LOT 19	5	\$ 20,792.91	\$ 1,447.72
90003	SONOMA VERDE PH 1B, BLOCK M, LOT 20	5	\$ 20,792.91	\$ 1,447.72
90004	SONOMA VERDE PH 1B, BLOCK M, LOT 21	5	\$ 20,792.91	\$ 1,447.72
90005	SONOMA VERDE PH 1B, BLOCK M, LOT 22	5	\$ 20,792.91	\$ 1,447.72
90006	SONOMA VERDE PH 1B, BLOCK N, LOT 48	5	\$ 20,792.91	\$ 1,447.72
90007	SONOMA VERDE PH 1B, BLOCK N, LOT 49	5	\$ 20,792.91	\$ 1,447.72
90008	SONOMA VERDE PH 1B, BLOCK N, LOT 50	5	\$ 20,792.91	\$ 1,447.72
90009	SONOMA VERDE PH 1B, BLOCK N, LOT 51	5	\$ 20,792.91	\$ 1,447.72
90010	SONOMA VERDE PH 1B, BLOCK N, LOT 52	5	\$ 20,792.91	\$ 1,447.72
90011	SONOMA VERDE PH 1B, BLOCK N, LOT 53	5	\$ 20,792.91	\$ 1,447.72
90012	SONOMA VERDE PH 1B, BLOCK O, LOT 9	5	\$ 20,792.91	\$ 1,447.72
90013	SONOMA VERDE PH 1B, BLOCK O, LOT 10	5	\$ 20,792.91	\$ 1,447.72
90014	SONOMA VERDE PH 1B, BLOCK O, LOT 11	5	\$ 20,792.91	\$ 1,447.72
90015	SONOMA VERDE PH 1B, BLOCK O, LOT 12	5	\$ 20,792.91	\$ 1,447.72
90016	SONOMA VERDE PH 1B, BLOCK O, LOT 13	5	\$ 20,792.91	\$ 1,447.72
90017	SONOMA VERDE PH 1B, BLOCK O, LOT 14	5	\$ 20,792.91	\$ 1,447.72
90018	SONOMA VERDE PH 1B, BLOCK O, LOT 15	5	\$ 20,792.91	\$ 1,447.72
90019	SONOMA VERDE PH 1B, BLOCK O, LOT 16	5	\$ 20,792.91	\$ 1,447.72
90020	SONOMA VERDE PH 1B, BLOCK P, LOT 4	5	\$ 20,792.91	\$ 1,447.72
90021	SONOMA VERDE PH 1B, BLOCK P, LOT 5	5	\$ 20,792.91	\$ 1,447.72
90022	SONOMA VERDE PH 1B, BLOCK P, LOT 6	5	\$ 20,792.91	\$ 1,447.72
90023	SONOMA VERDE PH 1B, BLOCK P, LOT 7	5	\$ 20,792.91	\$ 1,447.72
90024	SONOMA VERDE PH 1B, BLOCK X, LOT 5	4	\$ 26,217.15	\$ 1,809.20
90025	SONOMA VERDE PH 1B, BLOCK X, LOT 6	4	\$ 26,217.15	\$ 1,809.20
90026	SONOMA VERDE PH 1B, BLOCK X, LOT 7	4	\$ 26,217.15	\$ 1,809.20
90027	SONOMA VERDE PH 1B, BLOCK X, LOT 8	4	\$ 26,217.15	\$ 1,809.20
90028	SONOMA VERDE PH 1B, BLOCK Y, LOT 12	4	\$ 26,217.15	\$ 1,809.20
90029	SONOMA VERDE PH 1B, BLOCK Y, LOT 13	4	\$ 26,217.15	\$ 1,809.20
90030	SONOMA VERDE PH 1B, BLOCK Y, LOT 14	4	\$ 26,217.15	\$ 1,809.20
90031	SONOMA VERDE PH 1B, BLOCK Y, LOT 15	4	\$ 26,217.15	\$ 1,809.20
90032	SONOMA VERDE PH 1B, BLOCK Y, LOT 16	4	\$ 26,217.15	\$ 1,809.20
90033	SONOMA VERDE PH 1B, BLOCK Y, LOT 17	4	\$ 26,217.15	\$ 1,809.20
90034	SONOMA VERDE PH 1B, BLOCK Y, LOT 18	4	\$ 26,217.15	\$ 1,809.20
90035	SONOMA VERDE PH 1B, BLOCK Y, LOT 19	4	\$ 26,217.15	\$ 1,809.20
90036	SONOMA VERDE PH 1B, BLOCK Y, LOT 20	4	\$ 26,217.15	\$ 1,809.20
90037	SONOMA VERDE PH 1B, BLOCK Y, LOT 21	4	\$ 26,217.15	\$ 1,809.20
90038	SONOMA VERDE PH 1B, BLOCK Y, LOT 22, OPEN SPACE	Non Benefitted	\$ -	\$ -
101862	SONOMA VERDE PHASE 1, BLOCK B, LOT 1R2, ACRES 0.037, (REPLAT 2019)	Non Benefitted	\$ -	\$ -
Total			\$ 9,029,999.92	\$ 624,236.30

Footnotes:

- 1) Totals may not match the total Outstanding Assessment or Annual Installment due to rounding.
- 2) Outstanding Assessment prior to 1/31/2022 Annual Installment.

EXHIBIT E-2 – PHASE 1 ANNUAL INSTALLMENTS

Installment Due 1/31	Administrative Expenses				
	Principal	Interest	Administrative Costs	Maintenance and Operation Costs	Total
2022	\$ 255,000.00	\$ 298,850.00	\$ 47,942.27	\$ 22,444.00	\$ 624,236.27
2023	\$ 265,000.00	\$ 288,650.00	\$ 48,901.11	\$ 22,444.00	\$ 624,995.11
2024	\$ 275,000.00	\$ 278,050.00	\$ 49,879.14	\$ 22,444.00	\$ 625,373.14
2025	\$ 285,000.00	\$ 267,050.00	\$ 50,876.72	\$ 22,444.00	\$ 625,370.72
2026	\$ 295,000.00	\$ 255,650.00	\$ 51,894.25	\$ 22,444.00	\$ 624,988.25
2027	\$ 305,000.00	\$ 243,850.00	\$ 52,932.14	\$ 22,444.00	\$ 624,226.14
2028	\$ 320,000.00	\$ 231,650.00	\$ 53,990.78	\$ 22,444.00	\$ 628,084.78
2029	\$ 330,000.00	\$ 218,850.00	\$ 55,070.60	\$ 22,444.00	\$ 626,364.60
2030	\$ 340,000.00	\$ 205,650.00	\$ 56,172.01	\$ 22,444.00	\$ 624,266.01
2031	\$ 355,000.00	\$ 192,050.00	\$ 57,295.45	\$ 22,444.00	\$ 626,789.45
2032	\$ 360,000.00	\$ 183,175.00	\$ 58,441.36	\$ 22,444.00	\$ 624,060.36
2033	\$ 370,000.00	\$ 174,175.00	\$ 59,610.18	\$ 22,444.00	\$ 626,229.18
2034	\$ 375,000.00	\$ 164,925.00	\$ 60,802.39	\$ 22,444.00	\$ 623,171.39
2035	\$ 385,000.00	\$ 155,550.00	\$ 62,018.44	\$ 22,444.00	\$ 625,012.44
2036	\$ 395,000.00	\$ 145,925.00	\$ 63,258.80	\$ 22,444.00	\$ 626,627.80
2037	\$ 405,000.00	\$ 132,100.00	\$ 64,523.98	\$ 22,444.00	\$ 624,067.98
2038	\$ 420,000.00	\$ 117,925.00	\$ 65,814.46	\$ 22,444.00	\$ 626,183.46
2039	\$ 430,000.00	\$ 103,225.00	\$ 67,130.75	\$ 22,444.00	\$ 622,799.75
2040	\$ 445,000.00	\$ 88,175.00	\$ 68,473.36	\$ 22,444.00	\$ 624,092.36
2041	\$ 460,000.00	\$ 72,600.00	\$ 69,842.83	\$ 22,444.00	\$ 624,886.83
2042	\$ 470,000.00	\$ 58,800.00	\$ 71,239.69	\$ 22,444.00	\$ 622,483.69
2043	\$ 485,000.00	\$ 44,700.00	\$ 72,664.48	\$ 22,444.00	\$ 624,808.48
2044	\$ 495,000.00	\$ 30,150.00	\$ 74,117.77	\$ 22,444.00	\$ 621,711.77
2045	\$ 510,000.00	\$ 15,300.00	\$ 75,600.13	\$ 22,444.00	\$ 623,344.13
Total	\$ 9,030,000.00	\$ 3,967,025.00	\$ 1,458,493.08	\$ 538,656.00	\$ 14,994,174.08

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Interest earnings, or other available offsets could increase or decrease the amounts shown. Interest is calculated at an average coupon of 3.18%.

EXHIBIT F-1 –IMPROVEMENT AREA #1C ASSESSMENT ROLL

Property ID	Legal Description	Lot Type	Improvement Area #1C ¹	
			Outstanding Assessment ²	Annual Installment Due 1/31/2022
95434	SONOMA VERDE PH 1C, BLOCK C, LOT 34	4	\$ 31,182.98	\$ 3,316.63
95435	SONOMA VERDE PH 1C, BLOCK C, LOT 35	4	\$ 31,182.98	\$ 3,316.63
95436	SONOMA VERDE PH 1C, BLOCK C, LOT 36	4	\$ 31,182.98	\$ 3,316.63
95437	SONOMA VERDE PH 1C, BLOCK C, LOT 37	4	\$ 31,182.98	\$ 3,316.63
95438	SONOMA VERDE PH 1C, BLOCK C, LOT 38	4	\$ 31,182.98	\$ 3,316.63
95439	SONOMA VERDE PH 1C, BLOCK C, LOT 39	4	\$ 31,182.98	\$ 3,316.63
95440	SONOMA VERDE PH 1C, BLOCK C, LOT 40	4	\$ 31,182.98	\$ 3,316.63
95441	SONOMA VERDE PH 1C, BLOCK C, LOT 41	4	\$ 31,182.98	\$ 3,316.63
95442	SONOMA VERDE PH 1C, BLOCK C, LOT 42	4	\$ 31,182.98	\$ 3,316.63
95443	SONOMA VERDE PH 1C, BLOCK C, LOT 43	4	\$ 31,182.98	\$ 3,316.63
95444	SONOMA VERDE PH 1C, BLOCK C, LOT 44	4	\$ 31,182.98	\$ 3,316.63
95445	SONOMA VERDE PH 1C, BLOCK C, LOT 45	4	\$ 31,182.98	\$ 3,316.63
95446	SONOMA VERDE PH 1C, BLOCK C, LOT 46	4	\$ 31,182.98	\$ 3,316.63
95447	SONOMA VERDE PH 1C, BLOCK X, LOT 1	4	\$ 31,182.98	\$ 3,316.63
95448	SONOMA VERDE PH 1C, BLOCK X, LOT 2	4	\$ 31,182.98	\$ 3,316.63
95449	SONOMA VERDE PH 1C, BLOCK X, LOT 3	4	\$ 31,182.98	\$ 3,316.63
95450	SONOMA VERDE PH 1C, BLOCK X, LOT 4	4	\$ 31,182.98	\$ 3,316.63
95451	SONOMA VERDE PH 1C, BLOCK Y, LOT 1	4	\$ 31,182.98	\$ 3,316.63
95452	SONOMA VERDE PH 1C, BLOCK Y, LOT 2	4	\$ 31,182.98	\$ 3,316.63
95453	SONOMA VERDE PH 1C, BLOCK Y, LOT 8	4	\$ 31,182.98	\$ 3,316.63
95454	SONOMA VERDE PH 1C, BLOCK Y, LOT 9	4	\$ 31,182.98	\$ 3,316.63
95455	SONOMA VERDE PH 1C, BLOCK Y, LOT 10	4	\$ 31,182.98	\$ 3,316.63
95456	SONOMA VERDE PH 1C, BLOCK Y, LOT 11	4	\$ 31,182.98	\$ 3,316.63
95457	SONOMA VERDE PH 1C, BLOCK Z, LOT 1	4	\$ 31,182.98	\$ 3,316.63
95458	SONOMA VERDE PH 1C, BLOCK Z, LOT 2	4	\$ 31,182.98	\$ 3,316.63
95459	SONOMA VERDE PH 1C, BLOCK Z, LOT 3	4	\$ 31,182.98	\$ 3,316.63
95460	SONOMA VERDE PH 1C, BLOCK Z, LOT 4	4	\$ 31,182.98	\$ 3,316.63
95461	SONOMA VERDE PH 1C, BLOCK Z, LOT 5	4	\$ 31,182.98	\$ 3,316.63
95462	SONOMA VERDE PH 1C, BLOCK Z, LOT 6	4	\$ 31,182.98	\$ 3,316.63
95463	SONOMA VERDE PH 1C, BLOCK Z, LOT 7	4	\$ 31,182.98	\$ 3,316.63
95464	SONOMA VERDE PH 1C, BLOCK Z, LOT 8	4	\$ 31,182.98	\$ 3,316.63
95465	SONOMA VERDE PH 1C, BLOCK Z, LOT 9	4	\$ 31,182.98	\$ 3,316.63
95466	SONOMA VERDE PH 1C, BLOCK Z, LOT 10	4	\$ 31,182.98	\$ 3,316.63
95467	SONOMA VERDE PH 1C, BLOCK Z, LOT 11	4	\$ 31,182.98	\$ 3,316.63
95468	SONOMA VERDE PH 1C, BLOCK Z, LOT 14	4	\$ 31,182.98	\$ 3,316.63
95469	SONOMA VERDE PH 1C, BLOCK Z, LOT 15	4	\$ 31,182.98	\$ 3,316.63
95470	SONOMA VERDE PH 1C, BLOCK Z, LOT 16	4	\$ 31,182.98	\$ 3,316.63
95471	SONOMA VERDE PH 1C, BLOCK Z, LOT 17	4	\$ 31,182.98	\$ 3,316.63
95472	SONOMA VERDE PH 1C, BLOCK Z, LOT 18	4	\$ 31,182.98	\$ 3,316.63
95473	SONOMA VERDE PH 1C, BLOCK Z, LOT 19	4	\$ 31,182.98	\$ 3,316.63
95474	SONOMA VERDE PH 1C, BLOCK Z, LOT 20	4	\$ 31,182.98	\$ 3,316.63
Total			\$ 1,278,502.18	\$ 135,981.83

Footnotes:

- 1) Totals may not match the total Outstanding Assessment or Annual Installment due to rounding.
- 2) Outstanding Assessment prior to 1/31/2022 Annual Installment.

EXHIBIT F-2 –IMPROVEMENT AREA #1C ANNUAL INSTALLMENTS

Administrative Expenses						
Installment Due 1/31	Principal	Interest	Administrative Costs	Maintenance and Operation Costs	Total Annual Installment	
2022	\$ 12,609.75	\$ 114,042.41	\$ 6,787.85	\$ 2,542.00	\$ 135,982.01	
2023	\$ 13,734.54	\$ 112,917.62	\$ 6,923.61	\$ 2,542.00	\$ 136,117.77	
2024	\$ 23,081.10	\$ 74,127.75	\$ 7,062.08	\$ 2,542.00	\$ 106,812.94	
2025	\$ 24,447.50	\$ 72,761.35	\$ 7,203.32	\$ 2,542.00	\$ 106,954.18	
2026	\$ 25,894.79	\$ 71,314.06	\$ 7,347.39	\$ 2,542.00	\$ 107,098.25	
2027	\$ 27,427.77	\$ 69,781.09	\$ 7,494.34	\$ 2,542.00	\$ 107,245.19	
2028	\$ 29,051.49	\$ 68,157.37	\$ 7,644.22	\$ 2,542.00	\$ 107,395.08	
2029	\$ 30,771.34	\$ 66,437.52	\$ 7,797.11	\$ 2,542.00	\$ 107,547.96	
2030	\$ 32,593.00	\$ 64,615.85	\$ 7,953.05	\$ 2,542.00	\$ 107,703.91	
2031	\$ 34,522.51	\$ 62,686.35	\$ 8,112.11	\$ 2,542.00	\$ 107,862.97	
2032	\$ 36,566.24	\$ 60,642.62	\$ 8,274.35	\$ 2,542.00	\$ 108,025.21	
2033	\$ 38,730.96	\$ 58,477.89	\$ 8,439.84	\$ 2,542.00	\$ 108,190.70	
2034	\$ 41,023.83	\$ 56,185.02	\$ 8,608.64	\$ 2,542.00	\$ 108,359.49	
2035	\$ 43,452.45	\$ 53,756.41	\$ 8,780.81	\$ 2,542.00	\$ 108,531.67	
2036	\$ 46,024.83	\$ 51,184.03	\$ 8,956.43	\$ 2,542.00	\$ 108,707.28	
2037	\$ 48,749.50	\$ 48,459.36	\$ 9,135.55	\$ 2,542.00	\$ 108,886.41	
2038	\$ 51,635.47	\$ 45,573.39	\$ 9,318.27	\$ 2,542.00	\$ 109,069.12	
2039	\$ 54,692.29	\$ 42,516.57	\$ 9,504.63	\$ 2,542.00	\$ 109,255.49	
2040	\$ 57,930.07	\$ 39,278.78	\$ 9,694.72	\$ 2,542.00	\$ 109,445.58	
2041	\$ 61,359.53	\$ 35,849.32	\$ 9,888.62	\$ 2,542.00	\$ 109,639.47	
2042	\$ 64,992.02	\$ 32,216.84	\$ 10,086.39	\$ 2,542.00	\$ 109,837.25	
2043	\$ 68,839.55	\$ 28,369.31	\$ 10,288.12	\$ 2,542.00	\$ 110,038.97	
2044	\$ 72,914.85	\$ 24,294.01	\$ 10,493.88	\$ 2,542.00	\$ 110,244.74	
2045	\$ 77,231.41	\$ 19,977.45	\$ 10,703.76	\$ 2,542.00	\$ 110,454.61	
2046	\$ 81,803.51	\$ 15,405.35	\$ 10,917.83	\$ 2,542.00	\$ 110,668.69	
2047	\$ 86,646.27	\$ 10,562.58	\$ 11,136.19	\$ 2,542.00	\$ 110,887.05	
2048	\$ 91,775.73	\$ 5,433.12	\$ 11,358.91	\$ 2,542.00	\$ 111,109.77	
Total	\$ 1,278,502.31	\$ 1,405,023.41	\$ 239,912.03	\$ 68,634.00	\$ 2,992,071.75	

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Interest is calculated at an interest rate of 8.92% for years 1-5, and 5.92% for years 25-30.

EXHIBIT G-1 –IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID	Legal Description	Lot Type	Improvement Area #2 ¹	
			Outstanding Assessment ²	Installment Due 1/31/22
101420	SONOMA VERDE PHASE 2, BLOCK M, LOT 23	5	\$ 25,623.73	\$ 1,891.48
101421	SONOMA VERDE PHASE 2, BLOCK M, LOT 24	5	\$ 25,623.73	\$ 1,891.48
101422	SONOMA VERDE PHASE 2, BLOCK N, LOT 43	5	\$ 25,623.73	\$ 1,891.48
101423	SONOMA VERDE PHASE 2, BLOCK N, LOT 44	5 - Prepaid	PREPAID IN FULL	
101424	SONOMA VERDE PHASE 2, BLOCK N, LOT 45		\$ 25,623.73	\$ 1,891.48
101425	SONOMA VERDE PHASE 2, BLOCK N, LOT 46	5	\$ 25,623.73	\$ 1,891.48
101426	SONOMA VERDE PHASE 2, BLOCK N, LOT 47	5	\$ 25,623.73	\$ 1,891.48
101427	SONOMA VERDE PHASE 2, BLOCK N, LOT 54	5	\$ 25,623.73	\$ 1,891.48
101428	SONOMA VERDE PHASE 2, BLOCK N, LOT 55	5	\$ 25,623.73	\$ 1,891.48
101429	SONOMA VERDE PHASE 2, BLOCK N, LOT 56	5	\$ 25,623.73	\$ 1,891.48
101430	SONOMA VERDE PHASE 2, BLOCK N, LOT 57	5	\$ 25,623.73	\$ 1,891.48
101431	SONOMA VERDE PHASE 2, BLOCK N, LOT 58	5	\$ 25,623.73	\$ 1,891.48
101432	SONOMA VERDE PHASE 2, BLOCK N, LOT 59	5	\$ 25,623.73	\$ 1,891.48
101433	SONOMA VERDE PHASE 2, BLOCK N, LOT 60	5	\$ 25,623.73	\$ 1,891.48
101434	SONOMA VERDE PHASE 2, BLOCK N, LOT 61	5	\$ 25,623.73	\$ 1,891.48
101435	SONOMA VERDE PHASE 2, BLOCK N, LOT 62	5	\$ 25,623.73	\$ 1,891.48
101436	SONOMA VERDE PHASE 2, BLOCK N, LOT 63	5	\$ 25,623.73	\$ 1,891.48
101437	SONOMA VERDE PHASE 2, BLOCK N, LOT 64	5	\$ 25,623.73	\$ 1,891.48
101438	SONOMA VERDE PHASE 2, BLOCK N, LOT 65	5	\$ 25,623.73	\$ 1,891.48
101439	SONOMA VERDE PHASE 2, BLOCK N, LOT 66	5	\$ 25,623.73	\$ 1,891.48
101440	SONOMA VERDE PHASE 2, BLOCK N, LOT 67	5	\$ 25,623.73	\$ 1,891.48
101441	SONOMA VERDE PHASE 2, BLOCK N, LOT 68	5	\$ 25,623.73	\$ 1,891.48
101442	SONOMA VERDE PHASE 2, BLOCK N, LOT 69	5	\$ 25,623.73	\$ 1,891.48
101443	SONOMA VERDE PHASE 2, BLOCK N, LOT 70	5	\$ 25,623.73	\$ 1,891.48
101444	SONOMA VERDE PHASE 2, BLOCK N, LOT 71	5	\$ 25,623.73	\$ 1,891.48
101445	SONOMA VERDE PHASE 2, BLOCK N, LOT 72	5	\$ 25,623.73	\$ 1,891.48
101446	SONOMA VERDE PHASE 2, BLOCK N, LOT 73	5	\$ 25,623.73	\$ 1,891.48
101447	SONOMA VERDE PHASE 2, BLOCK N, LOT 74	5	\$ 25,623.73	\$ 1,891.48
101448	SONOMA VERDE PHASE 2, BLOCK N, LOT 75	5	\$ 25,623.73	\$ 1,891.48
101449	SONOMA VERDE PHASE 2, BLOCK N, LOT 76	5	\$ 25,623.73	\$ 1,891.48
101450	SONOMA VERDE PHASE 2, BLOCK N, LOT 77	5	\$ 25,623.73	\$ 1,891.48
101451	SONOMA VERDE PHASE 2, BLOCK N, LOT 78	5	\$ 25,623.73	\$ 1,891.48
101452	SONOMA VERDE PHASE 2, BLOCK N, LOT 79	5	\$ 25,623.73	\$ 1,891.48
101453	SONOMA VERDE PHASE 2, BLOCK N, LOT 80	5	\$ 25,623.73	\$ 1,891.48
101454	SONOMA VERDE PHASE 2, BLOCK N, LOT 81	5	\$ 25,623.73	\$ 1,891.48
101455	SONOMA VERDE PHASE 2, BLOCK N, LOT 82	5	\$ 25,623.73	\$ 1,891.48
101456	SONOMA VERDE PHASE 2, BLOCK N, LOT 83	5	\$ 25,623.73	\$ 1,891.48
101457	SONOMA VERDE PHASE 2, BLOCK N, LOT 84	5	\$ 25,623.73	\$ 1,891.48
101458	SONOMA VERDE PHASE 2, BLOCK N, LOT 85	5	\$ 25,623.73	\$ 1,891.48
101459	SONOMA VERDE PHASE 2, BLOCK N, LOT 86	5	\$ 25,623.73	\$ 1,891.48
101460	SONOMA VERDE PHASE 2, BLOCK O, LOT 1	5	\$ 25,623.73	\$ 1,891.48
101461	SONOMA VERDE PHASE 2, BLOCK O, LOT 2	5	\$ 25,623.73	\$ 1,891.48
101462	SONOMA VERDE PHASE 2, BLOCK O, LOT 3	5	\$ 25,623.73	\$ 1,891.48
101463	SONOMA VERDE PHASE 2, BLOCK O, LOT 4	5	\$ 25,623.73	\$ 1,891.48
101464	SONOMA VERDE PHASE 2, BLOCK O, LOT 5	5	\$ 25,623.73	\$ 1,891.48
101465	SONOMA VERDE PHASE 2, BLOCK O, LOT 6	5	\$ 25,623.73	\$ 1,891.48
101466	SONOMA VERDE PHASE 2, BLOCK O, LOT 7	5	\$ 25,623.73	\$ 1,891.48
101467	SONOMA VERDE PHASE 2, BLOCK O, LOT 8	5	\$ 25,623.73	\$ 1,891.48
101468	SONOMA VERDE PHASE 2, BLOCK P, LOT 1	5	\$ 25,623.73	\$ 1,891.48
101469	SONOMA VERDE PHASE 2, BLOCK P, LOT 2	5	\$ 25,623.73	\$ 1,891.48

Property ID	Legal Description	Lot Type	Improvement Area #2 ¹	
			Outstanding Assessment ²	Installment Due 1/31/22
101470	SONOMA VERDE PHASE 2, BLOCK P, LOT 3	5	\$ 25,623.73	\$ 1,891.48
101471	SONOMA VERDE PHASE 2, BLOCK P, LOT 8	5	\$ 25,623.73	\$ 1,891.48
101472	SONOMA VERDE PHASE 2, BLOCK P, LOT 9	5	\$ 25,623.73	\$ 1,891.48
101473	SONOMA VERDE PHASE 2, BLOCK P, LOT 10	5	\$ 25,623.73	\$ 1,891.48
101474	SONOMA VERDE PHASE 2, BLOCK P, LOT 11	5	\$ 25,623.73	\$ 1,891.48
101475	SONOMA VERDE PHASE 2, BLOCK Q, LOT 1	5	\$ 25,623.73	\$ 1,891.48
101476	SONOMA VERDE PHASE 2, BLOCK Q, LOT 2	5	\$ 25,623.73	\$ 1,891.48
101477	SONOMA VERDE PHASE 2, BLOCK Q, LOT 3	5	\$ 25,623.73	\$ 1,891.48
101478	SONOMA VERDE PHASE 2, BLOCK Q, LOT 4	5	\$ 25,623.73	\$ 1,891.48
101479	SONOMA VERDE PHASE 2, BLOCK Q, LOT 5	5	\$ 25,623.73	\$ 1,891.48
101480	SONOMA VERDE PHASE 2, BLOCK Q, LOT 6	5	\$ 25,623.73	\$ 1,891.48
101481	SONOMA VERDE PHASE 2, BLOCK Q, LOT 7	5	\$ 25,623.73	\$ 1,891.48
101482	SONOMA VERDE PHASE 2, BLOCK Q, LOT 8	5	\$ 25,623.73	\$ 1,891.48
101483	SONOMA VERDE PHASE 2, BLOCK Q, LOT 9	5	\$ 25,623.73	\$ 1,891.48
101484	SONOMA VERDE PHASE 2, BLOCK R, LOT 1	5	\$ 25,623.73	\$ 1,891.48
101485	SONOMA VERDE PHASE 2, BLOCK R, LOT 2	5	\$ 25,623.73	\$ 1,891.48
101486	SONOMA VERDE PHASE 2, BLOCK R, LOT 3	5	\$ 25,623.73	\$ 1,891.48
101487	SONOMA VERDE PHASE 2, BLOCK R, LOT 4	5	\$ 25,623.73	\$ 1,891.48
101488	SONOMA VERDE PHASE 2, BLOCK R, LOT 5	5	\$ 25,623.73	\$ 1,891.48
101489	SONOMA VERDE PHASE 2, BLOCK R, LOT 6	5	\$ 25,623.73	\$ 1,891.48
101490	SONOMA VERDE PHASE 2, BLOCK R, LOT 7	5	\$ 25,623.73	\$ 1,891.48
101491	SONOMA VERDE PHASE 2, BLOCK R, LOT 8	5	\$ 25,623.73	\$ 1,891.48
101492	SONOMA VERDE PHASE 2, BLOCK R, LOT 9	5	\$ 25,623.73	\$ 1,891.48
101493	SONOMA VERDE PHASE 2, BLOCK R, LOT 10	5	\$ 25,623.73	\$ 1,891.48
101494	SONOMA VERDE PHASE 2, BLOCK S, LOT 1	5	\$ 25,623.73	\$ 1,891.48
101495	SONOMA VERDE PHASE 2, BLOCK S, LOT 2	5	\$ 25,623.73	\$ 1,891.48
101496	SONOMA VERDE PHASE 2, BLOCK S, LOT 3	5	\$ 25,623.73	\$ 1,891.48
101497	SONOMA VERDE PHASE 2, BLOCK S, LOT 4	5	\$ 25,623.73	\$ 1,891.48
101498	SONOMA VERDE PHASE 2, BLOCK S, LOT 5	5	\$ 25,623.73	\$ 1,891.48
101499	SONOMA VERDE PHASE 2, BLOCK T, LOT 1	5	\$ 25,623.73	\$ 1,891.48
101500	SONOMA VERDE PHASE 2, BLOCK T, LOT 2	5	\$ 25,623.73	\$ 1,891.48
101501	SONOMA VERDE PHASE 2, BLOCK T, LOT 3	5	\$ 25,623.73	\$ 1,891.48
101502	SONOMA VERDE PHASE 2, BLOCK T, LOT 4	5	\$ 25,623.73	\$ 1,891.48
101503	SONOMA VERDE PHASE 2, BLOCK T, LOT 5	5	\$ 25,623.73	\$ 1,891.48
101504	SONOMA VERDE PHASE 2, BLOCK T, LOT 6	5	\$ 25,623.73	\$ 1,891.48
101505	SONOMA VERDE PHASE 2, BLOCK T, LOT 7	5	\$ 25,623.73	\$ 1,891.48
101506	SONOMA VERDE PHASE 2, BLOCK T, LOT 8	5	\$ 25,623.73	\$ 1,891.48
101507	SONOMA VERDE PHASE 2, BLOCK T, LOT 9	5	\$ 25,623.73	\$ 1,891.48
101508	SONOMA VERDE PHASE 2, BLOCK T, LOT 10	5	\$ 25,623.73	\$ 1,891.48
101509	SONOMA VERDE PHASE 2, BLOCK T, LOT 11	5	\$ 25,623.73	\$ 1,891.48
101510	SONOMA VERDE PHASE 2, BLOCK T, LOT 12	5	\$ 25,623.73	\$ 1,891.48
101511	SONOMA VERDE PHASE 2, BLOCK T, LOT 13	5	\$ 25,623.73	\$ 1,891.48
101512	SONOMA VERDE PHASE 2, BLOCK T, LOT 14	5	\$ 25,623.73	\$ 1,891.48
101513	SONOMA VERDE PHASE 2, BLOCK T, LOT 15	5	\$ 25,623.73	\$ 1,891.48
101514	SONOMA VERDE PHASE 2, BLOCK T, LOT 16	5	\$ 25,623.73	\$ 1,891.48
101515	SONOMA VERDE PHASE 2, BLOCK T, LOT 17	5	\$ 25,623.73	\$ 1,891.48
101516	SONOMA VERDE PHASE 2, BLOCK T, LOT 18	5	\$ 25,623.73	\$ 1,891.48
101517	SONOMA VERDE PHASE 2, BLOCK T, LOT 19	5	\$ 25,623.73	\$ 1,891.48
101518	SONOMA VERDE PHASE 2, BLOCK T, LOT 20	5	\$ 25,623.73	\$ 1,891.48
101519	SONOMA VERDE PHASE 2, BLOCK T, LOT 21	5	\$ 25,623.73	\$ 1,891.48

Property ID	Legal Description	Lot Type	Improvement Area #2 ¹	
			Outstanding Assessment ²	Installment Due 1/31/22
101520	SONOMA VERDE PHASE 2, BLOCK U, LOT 1	3	\$ 35,650.40	\$ 2,605.46
101521	SONOMA VERDE PHASE 2, BLOCK U, LOT 2	3	\$ 35,650.40	\$ 2,605.46
101522	SONOMA VERDE PHASE 2, BLOCK U, LOT 3	3	\$ 35,650.40	\$ 2,605.46
101523	SONOMA VERDE PHASE 2, BLOCK U, LOT 4	3	\$ 35,650.40	\$ 2,605.46
101524	SONOMA VERDE PHASE 2, BLOCK U, LOT 5	3	\$ 35,650.40	\$ 2,605.46
101525	SONOMA VERDE PHASE 2, BLOCK U, LOT 6	3	\$ 35,650.40	\$ 2,605.46
101526	SONOMA VERDE PHASE 2, BLOCK U, LOT 7	3	\$ 35,650.40	\$ 2,605.46
101527	SONOMA VERDE PHASE 2, BLOCK U, LOT 8	3	\$ 35,650.40	\$ 2,605.46
101528	SONOMA VERDE PHASE 2, BLOCK V, LOT 1	2	\$ 46,234.11	\$ 3,360.55
101529	SONOMA VERDE PHASE 2, BLOCK V, LOT 2	2	\$ 46,234.11	\$ 3,360.55
101530	SONOMA VERDE PHASE 2, BLOCK V, LOT 3	2	\$ 46,234.11	\$ 3,360.55
101531	SONOMA VERDE PHASE 2, BLOCK V, LOT 4	2	\$ 46,234.11	\$ 3,360.55
101532	SONOMA VERDE PHASE 2, BLOCK V, LOT 5	2	\$ 46,234.11	\$ 3,360.55
101533	SONOMA VERDE PHASE 2, BLOCK V, LOT 6	2	\$ 46,234.11	\$ 3,360.55
101534	SONOMA VERDE PHASE 2, BLOCK V, LOT 7	2	\$ 46,234.11	\$ 3,360.55
101535	SONOMA VERDE PHASE 2, BLOCK V, LOT 8	2	\$ 46,234.11	\$ 3,360.55
101536	SONOMA VERDE PHASE 2, BLOCK V, LOT 9	2	\$ 46,234.11	\$ 3,360.55
101537	SONOMA VERDE PHASE 2, BLOCK V, LOT 10	2	\$ 46,234.11	\$ 3,360.55
101538	SONOMA VERDE PHASE 2, BLOCK V, LOT 11	2	\$ 46,234.11	\$ 3,360.55
101539	SONOMA VERDE PHASE 2, BLOCK V, LOT 12	2	\$ 46,234.11	\$ 3,360.55
101540	SONOMA VERDE PHASE 2, BLOCK W, LOT 1	10	\$ 29,165.64	\$ 2,144.48
101541	SONOMA VERDE PHASE 2, BLOCK W, LOT 2	10	\$ 29,165.64	\$ 2,144.48
101542	SONOMA VERDE PHASE 2, BLOCK W, LOT 3	10	\$ 29,165.64	\$ 2,144.48
101543	SONOMA VERDE PHASE 2, BLOCK W, LOT 4	10	\$ 29,165.64	\$ 2,144.48
101544	SONOMA VERDE PHASE 2, BLOCK W, LOT 5	10	\$ 29,165.64	\$ 2,144.48
101545	SONOMA VERDE PHASE 2, BLOCK W, LOT 6	10	\$ 29,165.64	\$ 2,144.48
101546	SONOMA VERDE PHASE 2, BLOCK W, LOT 7	10	\$ 29,165.64	\$ 2,144.48
101547	SONOMA VERDE PHASE 2, BLOCK W, LOT 8	10	\$ 29,165.64	\$ 2,144.48
101548	SONOMA VERDE PHASE 2, BLOCK W, LOT 9	10	\$ 29,165.64	\$ 2,144.48
101549	SONOMA VERDE PHASE 2, BLOCK W, LOT 10	10	\$ 29,165.64	\$ 2,144.48
101550	SONOMA VERDE PHASE 2, BLOCK W, LOT 11	10	\$ 29,165.64	\$ 2,144.48
101551	SONOMA VERDE PHASE 2, BLOCK W, LOT 12	10	\$ 29,165.64	\$ 2,144.48
101552	SONOMA VERDE PHASE 2, BLOCK W, LOT 13	10 - Prepaid	PREPAID IN FULL	
101553	SONOMA VERDE PHASE 2, BLOCK W, LOT 14	10	\$ 29,165.64	\$ 2,144.48
101554	SONOMA VERDE PHASE 2, BLOCK W, LOT 15	10	\$ 29,165.64	\$ 2,144.48
101555	SONOMA VERDE PHASE 2, BLOCK W, LOT 16	10	\$ 29,165.64	\$ 2,144.48
101556	SONOMA VERDE PHASE 2, BLOCK W, LOT 17	10	\$ 29,165.64	\$ 2,144.48
101557	SONOMA VERDE PHASE 2, BLOCK W, LOT 18	10	\$ 29,165.64	\$ 2,144.48
101558	SONOMA VERDE PHASE 2, BLOCK W, LOT 19	10	\$ 29,165.64	\$ 2,144.48
101559	SONOMA VERDE PHASE 2, BLOCK W, LOT 20	10	\$ 29,165.64	\$ 2,144.48
101560	SONOMA VERDE PHASE 2, BLOCK W, LOT 21	10	\$ 29,165.64	\$ 2,144.48
101561	SONOMA VERDE PHASE 2, BLOCK W, LOT 22	10	\$ 29,165.64	\$ 2,144.48
101562	SONOMA VERDE PHASE 2, BLOCK W, LOT 23	10	\$ 29,165.64	\$ 2,144.48
101563	SONOMA VERDE PHASE 2, BLOCK W, LOT 24	10	\$ 29,165.64	\$ 2,144.48
101564	SONOMA VERDE PHASE 2, BLOCK W, LOT 25	10	\$ 29,165.64	\$ 2,144.48
101565	SONOMA VERDE PHASE 2, BLOCK W, LOT 26	10	\$ 29,165.64	\$ 2,144.48
101566	SONOMA VERDE PHASE 2, BLOCK W, LOT 27	10	\$ 29,165.64	\$ 2,144.48
101567	SONOMA VERDE PHASE 2, BLOCK W, LOT 28	10	\$ 29,165.64	\$ 2,144.48
101568	SONOMA VERDE PHASE 2, BLOCK W, LOT 29	10	\$ 29,165.64	\$ 2,144.48
101569	SONOMA VERDE PHASE 2, BLOCK W, LOT 30	10	\$ 29,165.64	\$ 2,144.48

Property ID	Legal Description	Lot Type	Improvement Area #2 ¹	
			Outstanding Assessment ²	Installment Due 1/31/22
101570	SONOMA VERDE PHASE 2, BLOCK W, LOT 31	10	\$ 29,165.64	\$ 2,144.48
101571	SONOMA VERDE PHASE 2, BLOCK W, LOT 32	10	\$ 29,165.64	\$ 2,144.48
101572	SONOMA VERDE PHASE 2, BLOCK W, LOT 33	10	\$ 29,165.64	\$ 2,144.48
101573	SONOMA VERDE PHASE 2, BLOCK W, LOT 34	10	\$ 29,165.64	\$ 2,144.48
101574	SONOMA VERDE PHASE 2, BLOCK W, LOT 35	10	\$ 29,165.64	\$ 2,144.48
101575	SONOMA VERDE PHASE 2, BLOCK W, LOT 36	10	\$ 29,165.64	\$ 2,144.48
101576	SONOMA VERDE PHASE 2, BLOCK W, LOT 37	10	\$ 29,165.64	\$ 2,144.48
101577	SONOMA VERDE PHASE 2, BLOCK W, LOT 38	10	\$ 29,165.64	\$ 2,144.48
101578	SONOMA VERDE PHASE 2, BLOCK W, LOT 39	10	\$ 29,165.64	\$ 2,144.48
101579	SONOMA VERDE PHASE 2, BLOCK W, LOT 40	10	\$ 29,165.64	\$ 2,144.48
101580	SONOMA VERDE PHASE 2, BLOCK W, LOT 41	10	\$ 29,165.64	\$ 2,144.48
101581	SONOMA VERDE PHASE 2, BLOCK W, LOT 42	10	\$ 29,165.64	\$ 2,144.48
101582	SONOMA VERDE PHASE 2, BLOCK W, LOT 43	10	\$ 29,165.64	\$ 2,144.48
101583	SONOMA VERDE PHASE 2, BLOCK W, LOT 44	10	\$ 29,165.64	\$ 2,144.48
101584	SONOMA VERDE PHASE 2, BLOCK X, LOT 1	10	\$ 29,165.64	\$ 2,144.48
101585	SONOMA VERDE PHASE 2, BLOCK X, LOT 2	10	\$ 29,165.64	\$ 2,144.48
101586	SONOMA VERDE PHASE 2, BLOCK X, LOT 3	10	\$ 29,165.64	\$ 2,144.48
101587	SONOMA VERDE PHASE 2, BLOCK X, LOT 4	10	\$ 29,165.64	\$ 2,144.48
101588	SONOMA VERDE PHASE 2, BLOCK X, LOT 5	10	\$ 29,165.64	\$ 2,144.48
101589	SONOMA VERDE PHASE 2, BLOCK X, LOT 6	10	\$ 29,165.64	\$ 2,144.48
101590	SONOMA VERDE PHASE 2, BLOCK X, LOT 7	10	\$ 29,165.64	\$ 2,144.48
101591	SONOMA VERDE PHASE 2, BLOCK X, LOT 8	10	\$ 29,165.64	\$ 2,144.48
101592	SONOMA VERDE PHASE 2, BLOCK X, LOT 9	10	\$ 29,165.64	\$ 2,144.48
101593	SONOMA VERDE PHASE 2, BLOCK X, LOT 10	10	\$ 29,165.64	\$ 2,144.48
101594	SONOMA VERDE PHASE 2, BLOCK X, LOT 11	10	\$ 29,165.64	\$ 2,144.48
101595	SONOMA VERDE PHASE 2, BLOCK X, LOT 12	10	\$ 29,165.64	\$ 2,144.48
101596	SONOMA VERDE PHASE 2, BLOCK X, LOT 13	10	\$ 29,165.64	\$ 2,144.48
101597	SONOMA VERDE PHASE 2, BLOCK X, LOT 14	10	\$ 29,165.64	\$ 2,144.48
101598	SONOMA VERDE PHASE 2, BLOCK X, LOT 15	10	\$ 29,165.64	\$ 2,144.48
101599	SONOMA VERDE PHASE 2, BLOCK X, LOT 16	10	\$ 29,165.64	\$ 2,144.48
101600	SONOMA VERDE PHASE 2, BLOCK X, LOT 17	10	\$ 29,165.64	\$ 2,144.48
101601	SONOMA VERDE PHASE 2, BLOCK X, LOT 18	10	\$ 29,165.64	\$ 2,144.48
101602	SONOMA VERDE PHASE 2, BLOCK X, LOT 19	10	\$ 29,165.64	\$ 2,144.48
101603	SONOMA VERDE PHASE 2, BLOCK X, LOT 20	10	\$ 29,165.64	\$ 2,144.48
101604	SONOMA VERDE PHASE 2, BLOCK X, LOT 21	10	\$ 29,165.64	\$ 2,144.48
101605	SONOMA VERDE PHASE 2, BLOCK X, LOT 22	10	\$ 29,165.64	\$ 2,144.48
101606	SONOMA VERDE PHASE 2, BLOCK X, LOT 23	10	\$ 29,165.64	\$ 2,144.48
101607	SONOMA VERDE PHASE 2, BLOCK Y, LOT 1	10	\$ 29,165.64	\$ 2,144.48
101608	SONOMA VERDE PHASE 2, BLOCK Y, LOT 2	10	\$ 29,165.64	\$ 2,144.48
101609	SONOMA VERDE PHASE 2, BLOCK Y, LOT 3	10	\$ 29,165.64	\$ 2,144.48
101610	SONOMA VERDE PHASE 2, BLOCK Y, LOT 4	10	\$ 29,165.64	\$ 2,144.48
101611	SONOMA VERDE PHASE 2, BLOCK Y, LOT 5	10	\$ 29,165.64	\$ 2,144.48
101612	SONOMA VERDE PHASE 2, BLOCK Y, LOT 6	10	\$ 29,165.64	\$ 2,144.48
101613	SONOMA VERDE PHASE 2, BLOCK Y, LOT 7	10	\$ 29,165.64	\$ 2,144.48
101614	SONOMA VERDE PHASE 2, BLOCK Y, LOT 8	10	\$ 29,165.64	\$ 2,144.48
101615	SONOMA VERDE PHASE 2, BLOCK Y, LOT 9	10	\$ 29,165.64	\$ 2,144.48
101616	SONOMA VERDE PHASE 2, BLOCK Y, LOT 10	10	\$ 29,165.64	\$ 2,144.48
101617	SONOMA VERDE PHASE 2, BLOCK Y, LOT 11	10	\$ 29,165.64	\$ 2,144.48
101618	SONOMA VERDE PHASE 2, BLOCK Z, LOT 1	10	\$ 29,165.64	\$ 2,144.48
101619	SONOMA VERDE PHASE 2, BLOCK Z, LOT 2	10	\$ 29,165.64	\$ 2,144.48

Property ID	Legal Description	Lot Type	Improvement Area #2 ¹	
			Outstanding Assessment ²	Installment Due 1/31/22
101620	SONOMA VERDE PHASE 2, BLOCK Z, LOT 3	10	\$ 29,165.64	\$ 2,144.48
101621	SONOMA VERDE PHASE 2, BLOCK Z, LOT 4	10	\$ 29,165.64	\$ 2,144.48
101622	SONOMA VERDE PHASE 2, BLOCK Z, LOT 5	10	\$ 29,165.64	\$ 2,144.48
101623	SONOMA VERDE PHASE 2, BLOCK Z, LOT 6	10	\$ 29,165.64	\$ 2,144.48
101624	SONOMA VERDE PHASE 2, BLOCK Z, LOT 7	10	\$ 29,165.64	\$ 2,144.48
101625	SONOMA VERDE PHASE 2, BLOCK Z, LOT 8	10	\$ 29,165.64	\$ 2,144.48
101626	SONOMA VERDE PHASE 2, BLOCK Z, LOT 9	10	\$ 29,165.64	\$ 2,144.48
101627	SONOMA VERDE PHASE 2, BLOCK Z, LOT 10	10	\$ 29,165.64	\$ 2,144.48
101628	SONOMA VERDE PHASE 2, BLOCK Z, LOT 11	10	\$ 29,165.64	\$ 2,144.48
101629	SONOMA VERDE PHASE 2, BLOCK Z, LOT 12	10	\$ 29,165.64	\$ 2,144.48
101630	SONOMA VERDE PHASE 2, BLOCK Z, LOT 13	10	\$ 29,165.64	\$ 2,144.48
101631	SONOMA VERDE PHASE 2, BLOCK Z, LOT 14	10	\$ 29,165.64	\$ 2,144.48
101632	SONOMA VERDE PHASE 2, BLOCK Z, LOT 15	10	\$ 29,165.64	\$ 2,144.48
101633	SONOMA VERDE PHASE 2, LOT 1X	Non-Benefitted	\$ -	\$ -
101634	SONOMA VERDE PHASE 2, LOT 1X	Non-Benefitted	\$ -	\$ -
Total			\$ 6,060,000.67	\$ 445,718.96

Footnotes:

- 1) Totals may not match the total Outstanding Assessment or Annual Installment due to rounding.
- 2) Outstanding Assessment prior to 1/31/2022 Annual Installment.

EXHIBIT G-2 –IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Administrative Expenses							
Annual Installment Due 1/31	Principal	Interest	Additional Interest	Administrative Costs	Maintenance and Operation Costs	Total Annual Installment	
2022	\$ 115,000.00	\$ 255,162.50	\$ 30,300.00	\$ 32,173.88	\$ 13,082.00	\$ 445,718.38	
2023	\$ 120,000.00	\$ 251,137.50	\$ 29,725.00	\$ 32,817.36	\$ 13,082.00	\$ 446,761.86	
2024	\$ 125,000.00	\$ 246,937.50	\$ 29,125.00	\$ 33,473.71	\$ 13,082.00	\$ 447,618.21	
2025	\$ 130,000.00	\$ 242,562.50	\$ 28,500.00	\$ 34,143.18	\$ 13,082.00	\$ 448,287.68	
2026	\$ 135,000.00	\$ 237,687.50	\$ 27,850.00	\$ 34,826.04	\$ 13,082.00	\$ 448,445.54	
2027	\$ 140,000.00	\$ 232,625.00	\$ 27,175.00	\$ 35,522.56	\$ 13,082.00	\$ 448,404.56	
2028	\$ 145,000.00	\$ 227,375.00	\$ 26,475.00	\$ 36,233.02	\$ 13,082.00	\$ 448,165.02	
2029	\$ 150,000.00	\$ 221,937.50	\$ 25,750.00	\$ 36,957.68	\$ 13,082.00	\$ 447,727.18	
2030	\$ 160,000.00	\$ 216,312.50	\$ 25,000.00	\$ 37,696.83	\$ 13,082.00	\$ 452,091.33	
2031	\$ 165,000.00	\$ 209,512.50	\$ 24,200.00	\$ 38,450.77	\$ 13,082.00	\$ 450,245.27	
2032	\$ 175,000.00	\$ 202,500.00	\$ 23,375.00	\$ 39,219.78	\$ 13,082.00	\$ 453,176.78	
2033	\$ 180,000.00	\$ 195,062.50	\$ 22,500.00	\$ 40,004.18	\$ 13,082.00	\$ 450,648.68	
2034	\$ 190,000.00	\$ 187,412.50	\$ 21,600.00	\$ 40,804.26	\$ 13,082.00	\$ 452,898.76	
2035	\$ 200,000.00	\$ 179,337.50	\$ 20,650.00	\$ 41,620.35	\$ 13,082.00	\$ 454,689.85	
2036	\$ 210,000.00	\$ 170,837.50	\$ 19,650.00	\$ 42,452.75	\$ 13,082.00	\$ 456,022.25	
2037	\$ 215,000.00	\$ 161,912.50	\$ 18,600.00	\$ 43,301.81	\$ 13,082.00	\$ 451,896.31	
2038	\$ 225,000.00	\$ 152,775.00	\$ 17,525.00	\$ 44,167.84	\$ 13,082.00	\$ 452,549.84	
2039	\$ 230,000.00	\$ 143,212.50	\$ 16,400.00	\$ 45,051.20	\$ 13,082.00	\$ 447,745.70	
2040	\$ 245,000.00	\$ 133,437.50	\$ 15,250.00	\$ 45,952.22	\$ 13,082.00	\$ 452,721.72	
2041	\$ 255,000.00	\$ 122,718.74	\$ 14,025.00	\$ 46,871.27	\$ 13,082.00	\$ 451,697.01	
2042	\$ 270,000.00	\$ 111,562.50	\$ 12,750.00	\$ 47,808.69	\$ 13,082.00	\$ 455,203.19	
2043	\$ 280,000.00	\$ 99,750.00	\$ 11,400.00	\$ 48,764.87	\$ 13,082.00	\$ 452,996.87	
2044	\$ 295,000.00	\$ 87,500.00	\$ 10,000.00	\$ 49,740.17	\$ 13,082.00	\$ 455,322.17	
2045	\$ 310,000.00	\$ 74,593.74	\$ 8,525.00	\$ 50,734.97	\$ 13,082.00	\$ 456,935.71	
2046	\$ 325,000.00	\$ 61,031.26	\$ 6,975.00	\$ 51,749.67	\$ 13,082.00	\$ 457,837.93	
2047	\$ 340,000.00	\$ 46,812.50	\$ 5,350.00	\$ 52,784.66	\$ 13,082.00	\$ 458,029.16	
2048	\$ 355,000.00	\$ 31,937.50	\$ 3,650.00	\$ 53,840.35	\$ 13,082.00	\$ 457,509.85	
2049	\$ 375,000.00	\$ 16,406.24	\$ 1,875.00	\$ 54,917.16	\$ 13,082.00	\$ 461,280.40	
Total	\$ 6,060,000.00	\$ 4,520,049.98	\$ 524,200.00	\$ 1,192,081.22	\$ 366,296.00	\$ 12,662,627.20	

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Additional Interest, Interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H-1 –IMPROVEMENT AREA #3 ASSESSMENT ROLL

Property ID ¹	Improvement Area #3 ²	
	Outstanding Assessment ³	Annual Installment Due 1/31/2022
Improvement Area #3 Initial Parcel	\$ 5,935,000.00	\$ 483,170.00
Total	\$ 5,935,000.00	\$ 483,170.00

Footnotes:

- 1) The Improvement Area #3 Initial Parcel is wholly contained within Property ID 79963.
- 2) Totals may not match the total Outstanding Assessment or Annual Installment due to rounding.
- 3) Outstanding Assessment prior to 1/31/2022 Annual Installment.

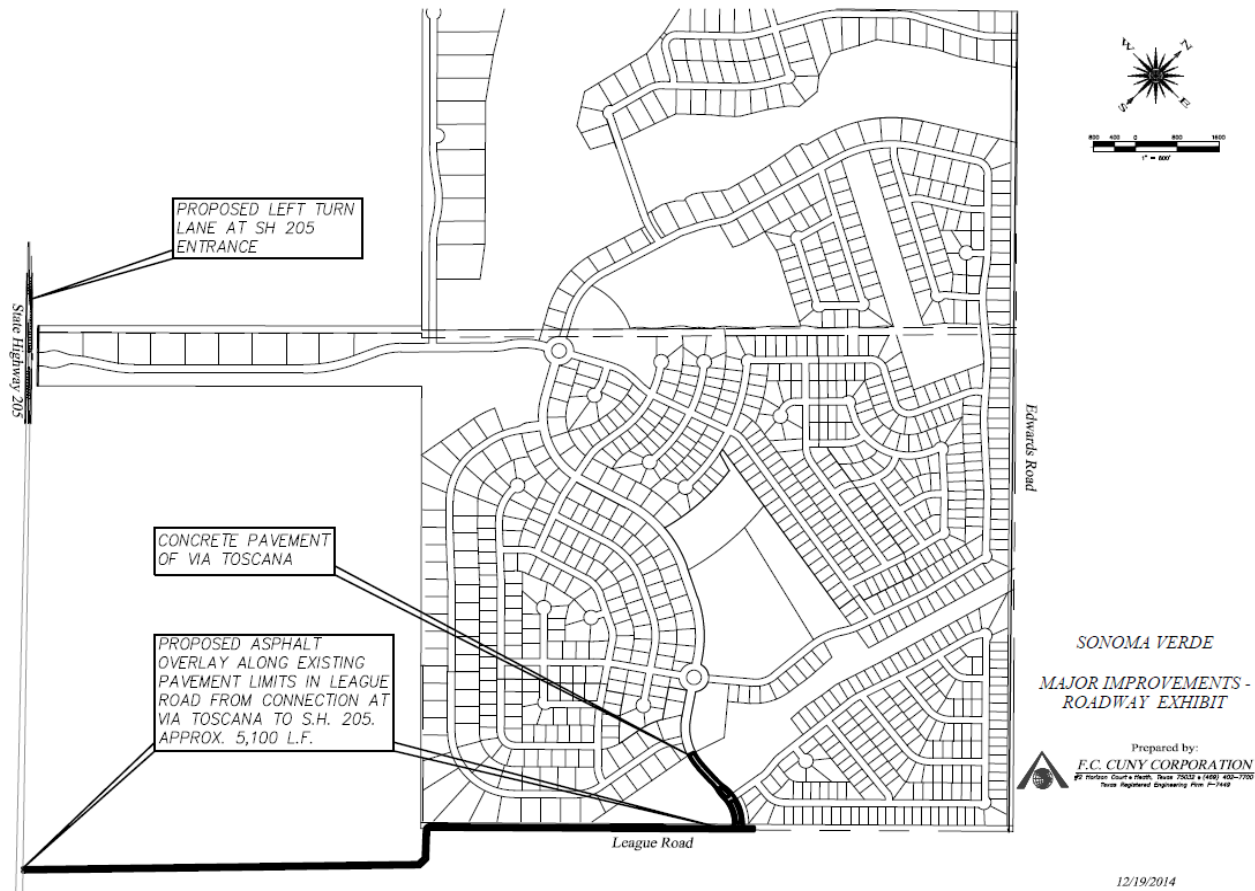
EXHIBIT H-2 –IMPROVEMENT AREA #3 ANNUAL INSTALLMENTS

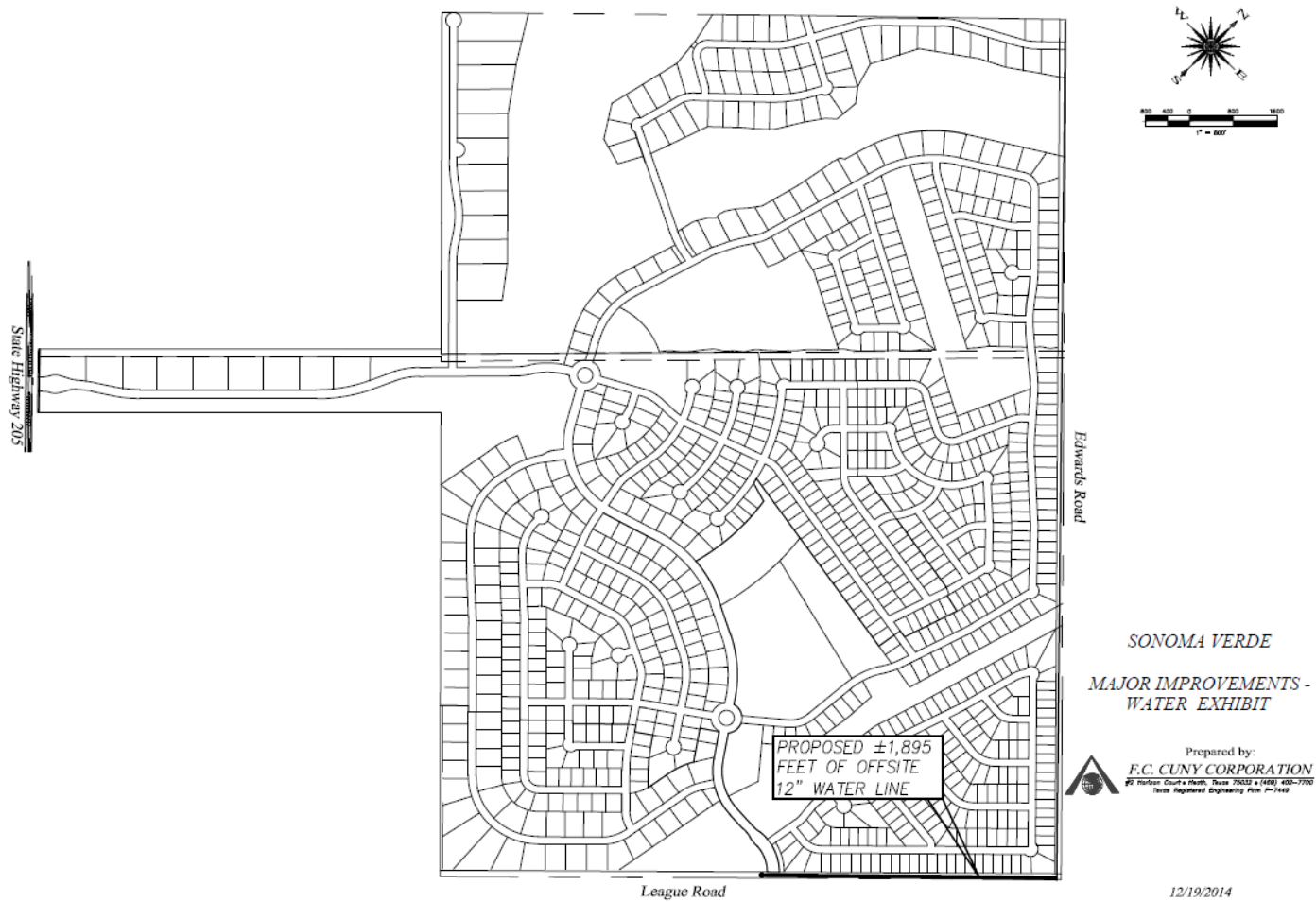
Annual Installment Due 1/31	Administrative Expenses							
	Principal	Interest	Capitalized Interest	Additional Interest	Administrative Costs	Maintenance and Operation Costs	Reserve Fund	Total Annual Installment
2021 ^[a]	\$ -	\$ 181,347.22	\$ (181,347.22)	\$ -	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00
2022	\$ 85,000.00	\$ 326,425.00	\$ -	\$ 29,675.00	\$ 30,600.00	\$ 11,470.00	\$ -	\$ 483,170.00
2023	\$ 85,000.00	\$ 321,750.00	\$ -	\$ 29,250.00	\$ 31,212.00	\$ 11,470.00	\$ -	\$ 478,682.00
2024	\$ 90,000.00	\$ 317,075.00	\$ -	\$ 28,825.00	\$ 31,836.24	\$ 11,470.00	\$ -	\$ 479,206.24
2025	\$ 95,000.00	\$ 312,125.00	\$ -	\$ 28,375.00	\$ 32,472.96	\$ 11,470.00	\$ -	\$ 479,442.96
2026	\$ 100,000.00	\$ 306,900.00	\$ -	\$ 27,900.00	\$ 33,122.42	\$ 11,470.00	\$ -	\$ 479,392.42
2027	\$ 105,000.00	\$ 301,400.00	\$ -	\$ 27,400.00	\$ 33,784.87	\$ 11,470.00	\$ -	\$ 479,054.87
2028	\$ 115,000.00	\$ 295,625.00	\$ -	\$ 26,875.00	\$ 34,460.57	\$ 11,470.00	\$ -	\$ 483,430.57
2029	\$ 120,000.00	\$ 289,300.00	\$ -	\$ 26,300.00	\$ 35,149.78	\$ 11,470.00	\$ -	\$ 482,219.78
2030	\$ 125,000.00	\$ 282,700.00	\$ -	\$ 25,700.00	\$ 35,852.78	\$ 11,470.00	\$ -	\$ 480,722.78
2031	\$ 130,000.00	\$ 275,825.00	\$ -	\$ 25,075.00	\$ 36,569.83	\$ 11,470.00	\$ -	\$ 478,939.83
2032	\$ 140,000.00	\$ 268,675.00	\$ -	\$ 24,425.00	\$ 37,301.23	\$ 11,470.00	\$ -	\$ 481,871.23
2033	\$ 145,000.00	\$ 260,975.00	\$ -	\$ 23,725.00	\$ 38,047.25	\$ 11,470.00	\$ -	\$ 479,217.25
2034	\$ 155,000.00	\$ 253,000.00	\$ -	\$ 23,000.00	\$ 38,808.20	\$ 11,470.00	\$ -	\$ 481,278.20
2035	\$ 165,000.00	\$ 244,475.00	\$ -	\$ 22,225.00	\$ 39,584.36	\$ 11,470.00	\$ -	\$ 482,754.36
2036	\$ 175,000.00	\$ 235,400.00	\$ -	\$ 21,400.00	\$ 40,376.05	\$ 11,470.00	\$ -	\$ 483,646.05
2037	\$ 180,000.00	\$ 225,775.00	\$ -	\$ 20,525.00	\$ 41,183.57	\$ 11,470.00	\$ -	\$ 478,953.57
2038	\$ 190,000.00	\$ 215,875.00	\$ -	\$ 19,625.00	\$ 42,007.24	\$ 11,470.00	\$ -	\$ 478,977.24
2039	\$ 205,000.00	\$ 205,425.00	\$ -	\$ 18,675.00	\$ 42,847.39	\$ 11,470.00	\$ -	\$ 483,417.39
2040	\$ 215,000.00	\$ 194,150.00	\$ -	\$ 17,650.00	\$ 43,704.34	\$ 11,470.00	\$ -	\$ 481,974.34
2041	\$ 225,000.00	\$ 182,325.00	\$ -	\$ 16,575.00	\$ 44,578.42	\$ 11,470.00	\$ -	\$ 479,948.42
2042	\$ 240,000.00	\$ 169,950.00	\$ -	\$ 15,450.00	\$ 45,469.99	\$ 11,470.00	\$ -	\$ 482,339.99
2043	\$ 255,000.00	\$ 156,750.00	\$ -	\$ 14,250.00	\$ 46,379.39	\$ 11,470.00	\$ -	\$ 483,849.39
2044	\$ 265,000.00	\$ 142,725.00	\$ -	\$ 12,975.00	\$ 47,306.98	\$ 11,470.00	\$ -	\$ 479,476.98
2045	\$ 280,000.00	\$ 128,150.00	\$ -	\$ 11,650.00	\$ 48,253.12	\$ 11,470.00	\$ -	\$ 479,523.12
2046	\$ 300,000.00	\$ 112,750.00	\$ -	\$ 10,250.00	\$ 49,218.18	\$ 11,470.00	\$ -	\$ 483,688.18
2047	\$ 315,000.00	\$ 96,250.00	\$ -	\$ 8,750.00	\$ 50,202.54	\$ 11,470.00	\$ -	\$ 481,672.54
2048	\$ 330,000.00	\$ 78,925.00	\$ -	\$ 7,175.00	\$ 51,206.59	\$ 11,470.00	\$ -	\$ 478,776.59
2049	\$ 350,000.00	\$ 60,775.00	\$ -	\$ 5,525.00	\$ 52,230.73	\$ 11,470.00	\$ -	\$ 480,000.73
2050	\$ 370,000.00	\$ 41,525.00	\$ -	\$ 3,775.00	\$ 53,275.34	\$ 11,470.00	\$ -	\$ 480,045.34
2051	\$ 385,000.00	\$ 21,175.00	\$ -	\$ 1,925.00	\$ 54,340.85	\$ 11,470.00	\$ (412,750.00)	\$ 61,160.85
Total	\$ 5,935,000.00	\$ 6,505,522.22	\$ (181,347.22)	\$ 574,925.00	\$ 1,271,383.22	\$ 344,100.00	\$ (412,750.00)	\$ 14,036,833.22

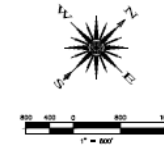
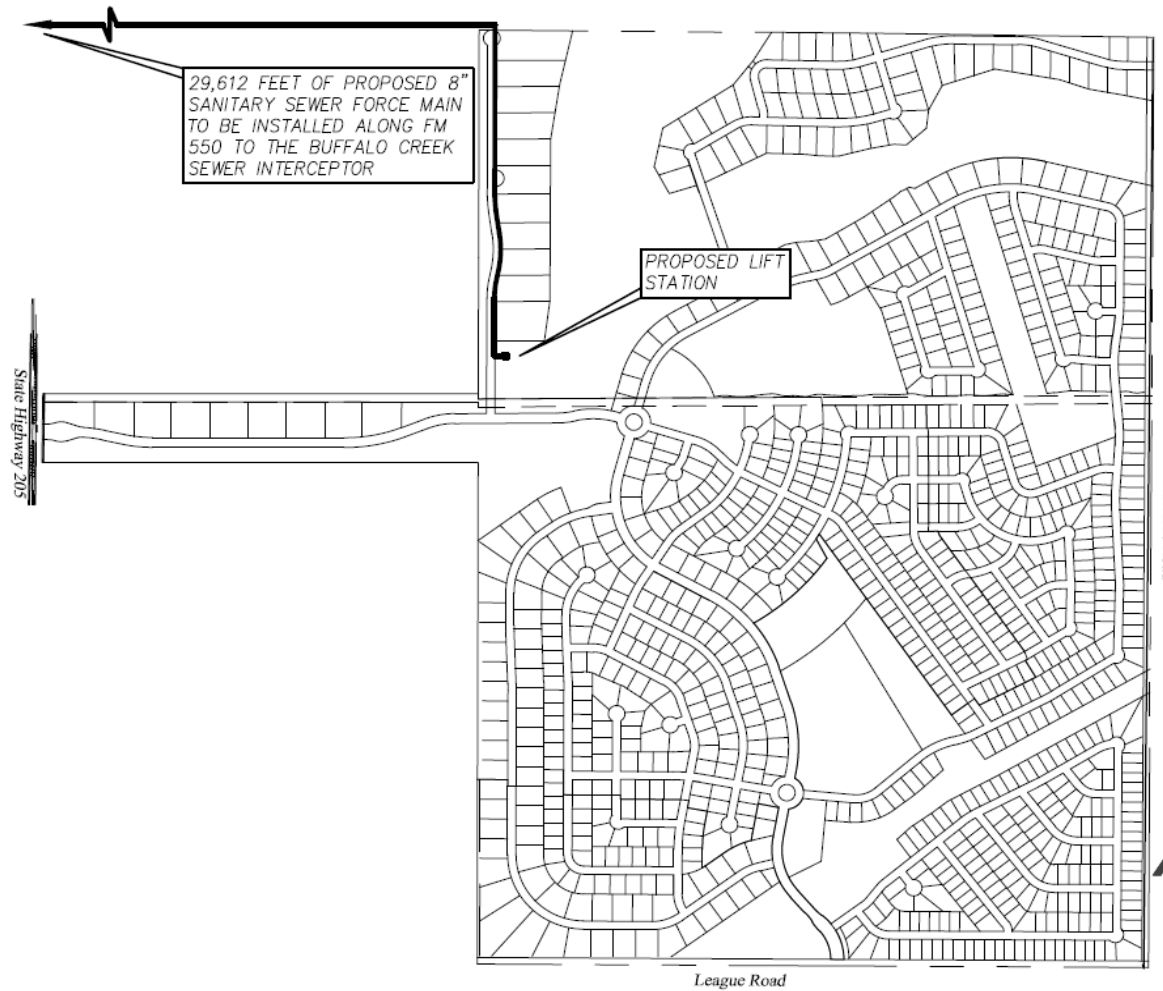
Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, reserve fund requirements, interest earning, or other available offsets could increase or decrease the amounts shown. Interest is shown at 5.5% for illustrative purposes only.

[a] Capitalized Interest and Administrative Expenses due January 31, 2021 will be paid from bond proceeds.

EXHIBIT I-1 – MAPS OF MAJOR IMPROVEMENTS



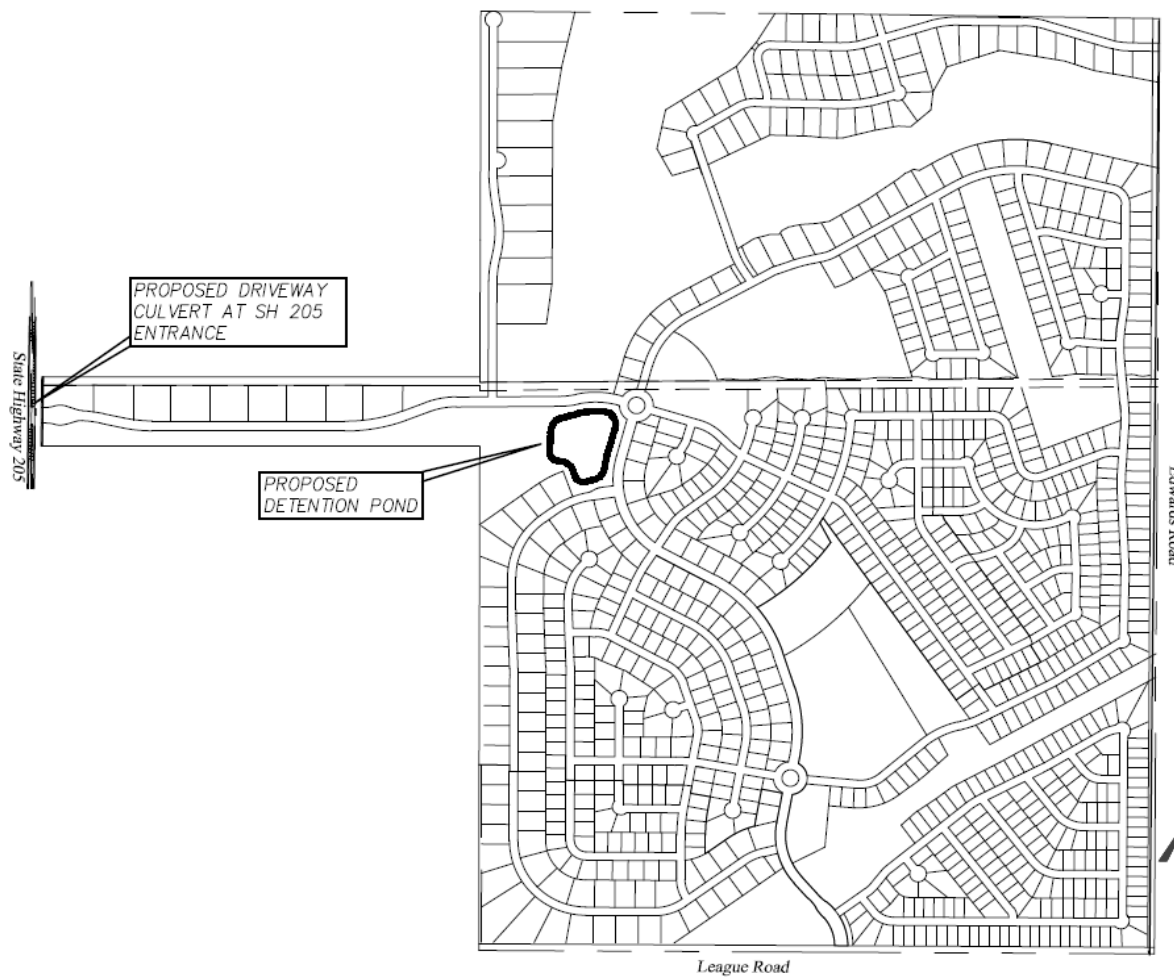




SONOMA VERDE
**MAJOR IMPROVEMENTS -
WASTE WATER EXHIBIT**

Prepared by:
F.C. CUNY CORPORATION
201 Wolfson Court • North • Suite 200 • 4080 • 4080-1700
Texas Registered Engineering Firm #1410

12/19/2014

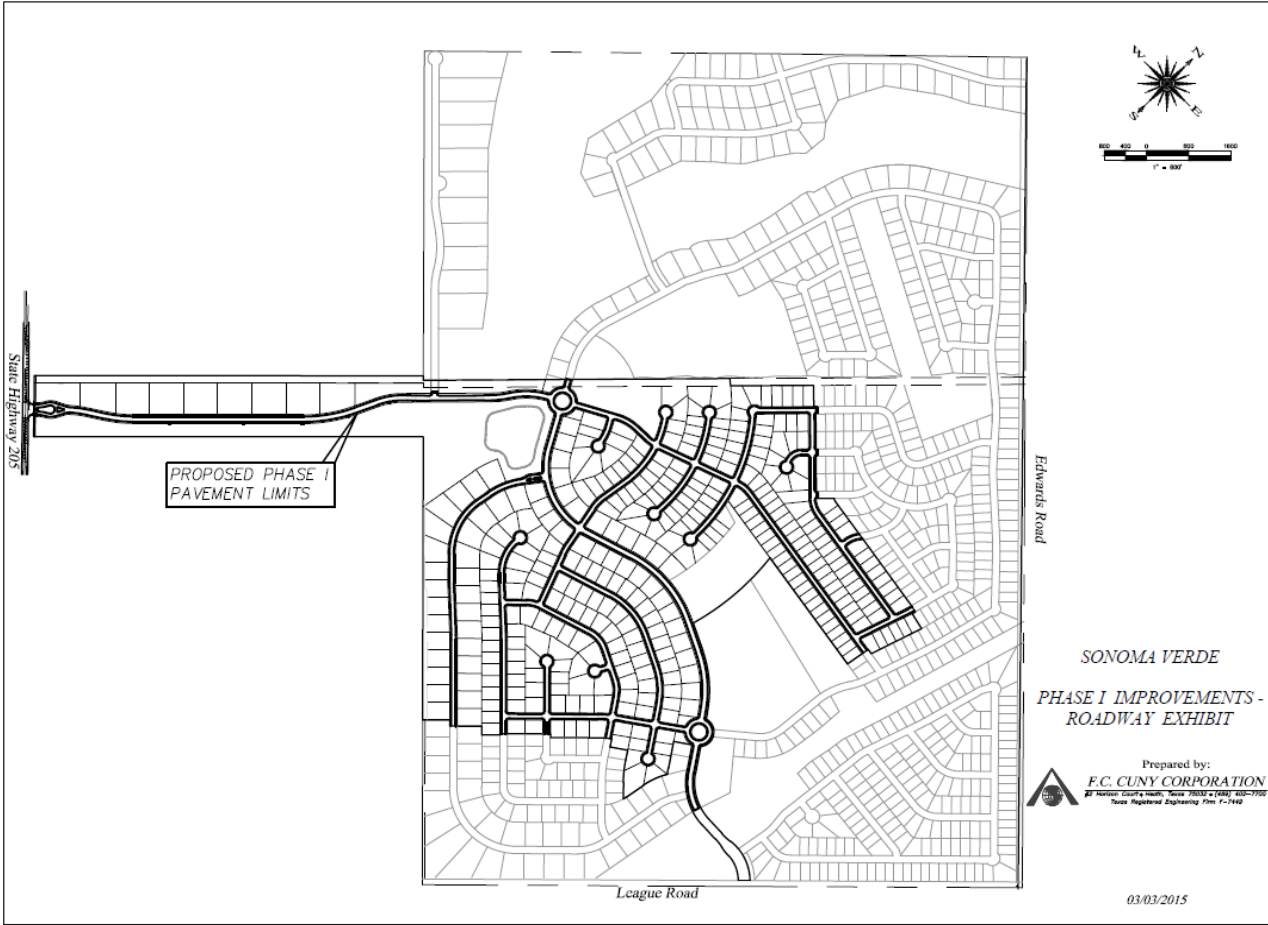


SONOMA VERDE
MAJOR IMPROVEMENTS -
DRAINAGE EXHIBIT

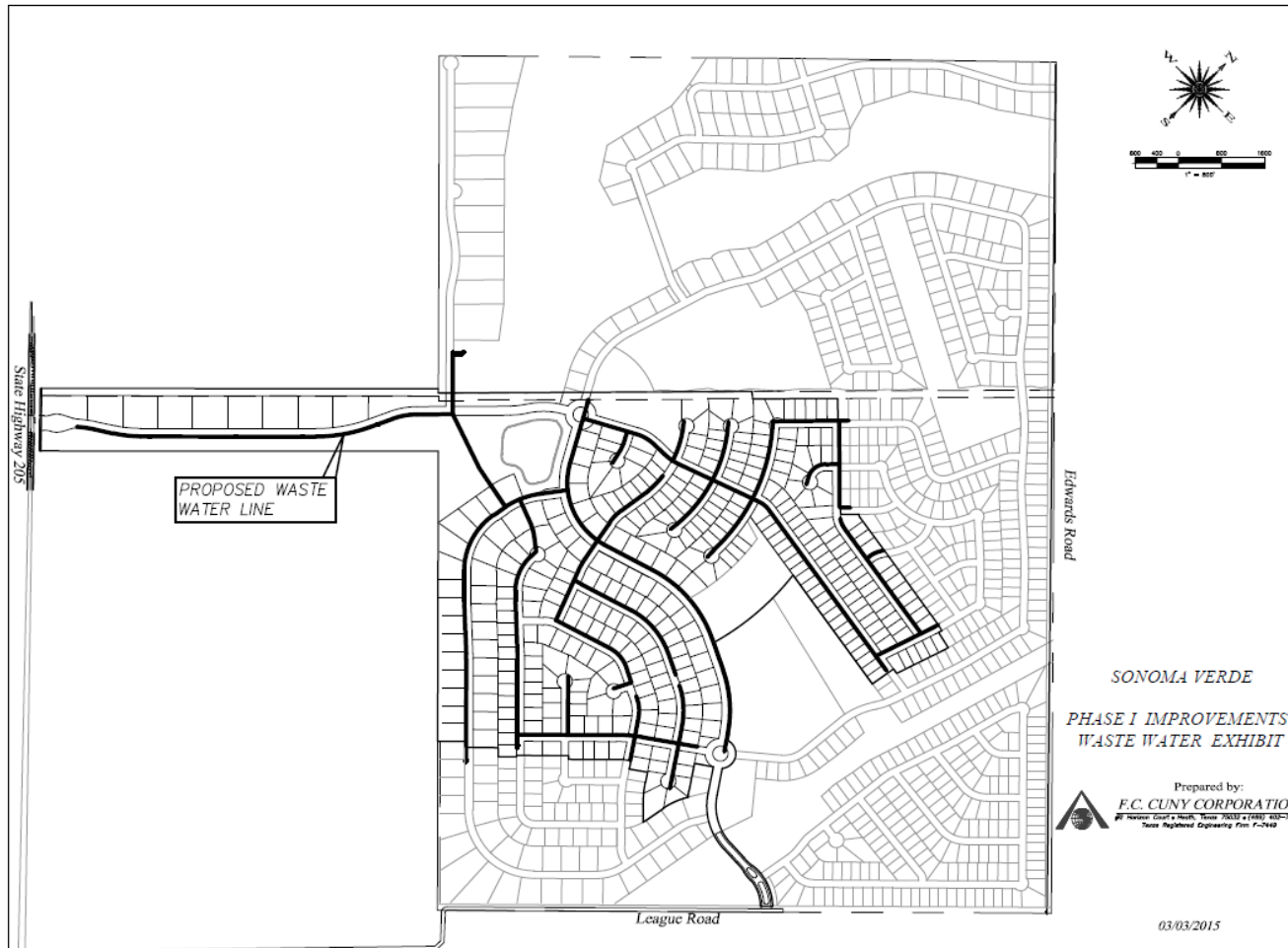
Prepared by:
F.C. CUNY CORPORATION
Professional Engineer License No. 70552 & 14880
Texas Registered Engineering Firm #7419

12/19/2014

EXHIBIT I-2 – MAPS OF PHASE 1 IMPROVEMENTS







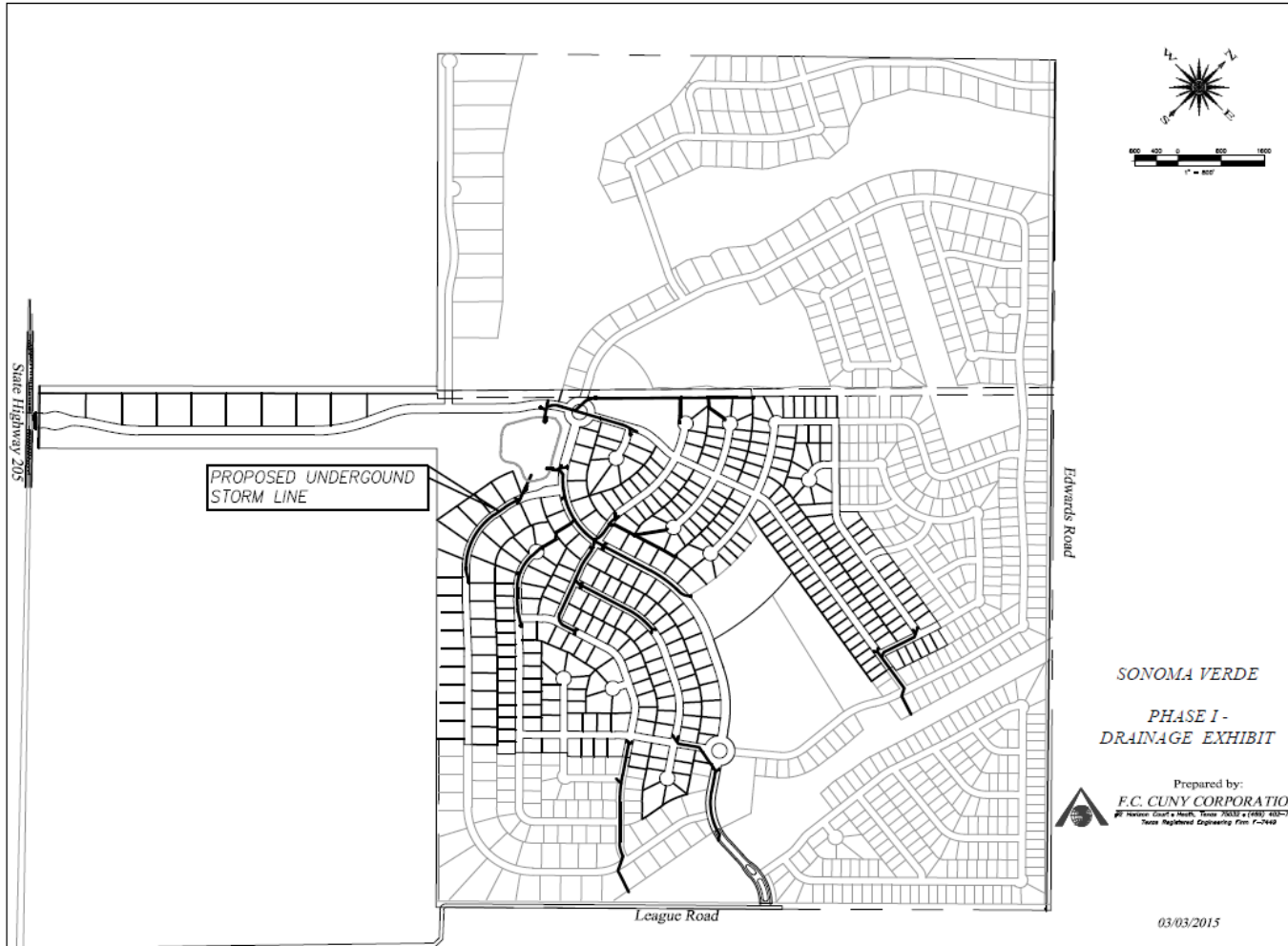
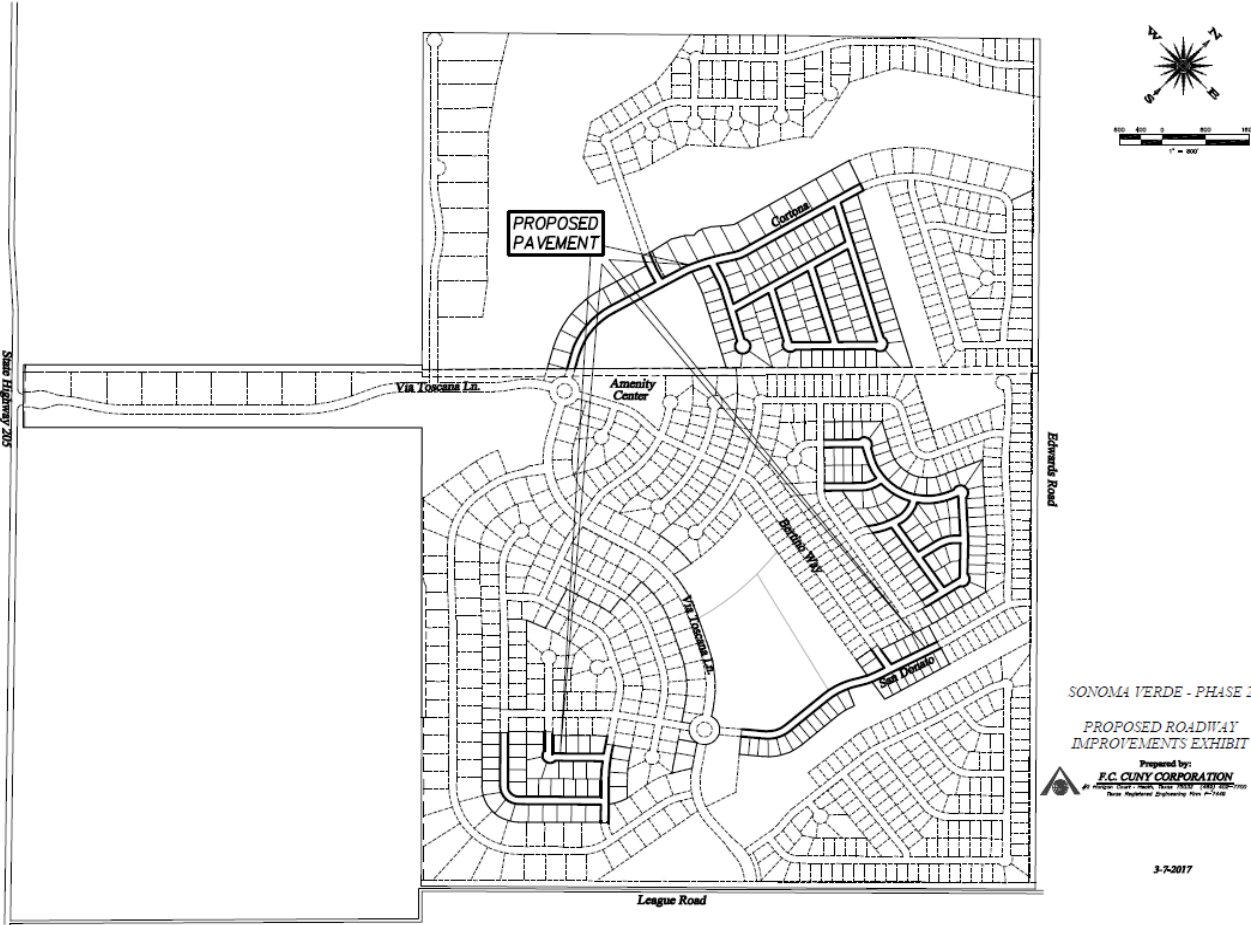
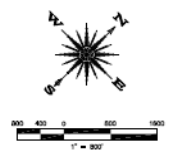
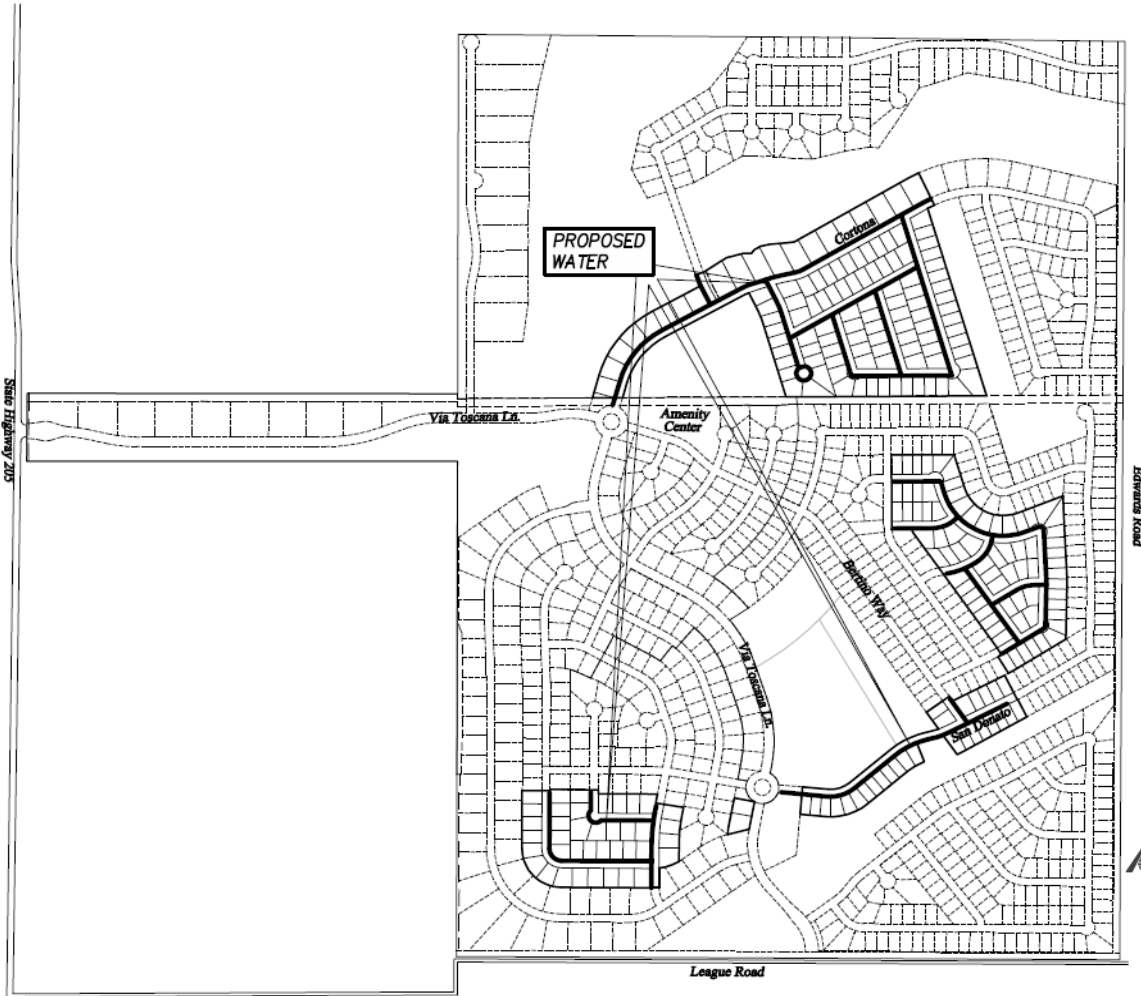


EXHIBIT I-3 – MAPS OF PHASE 2 IMPROVEMENTS

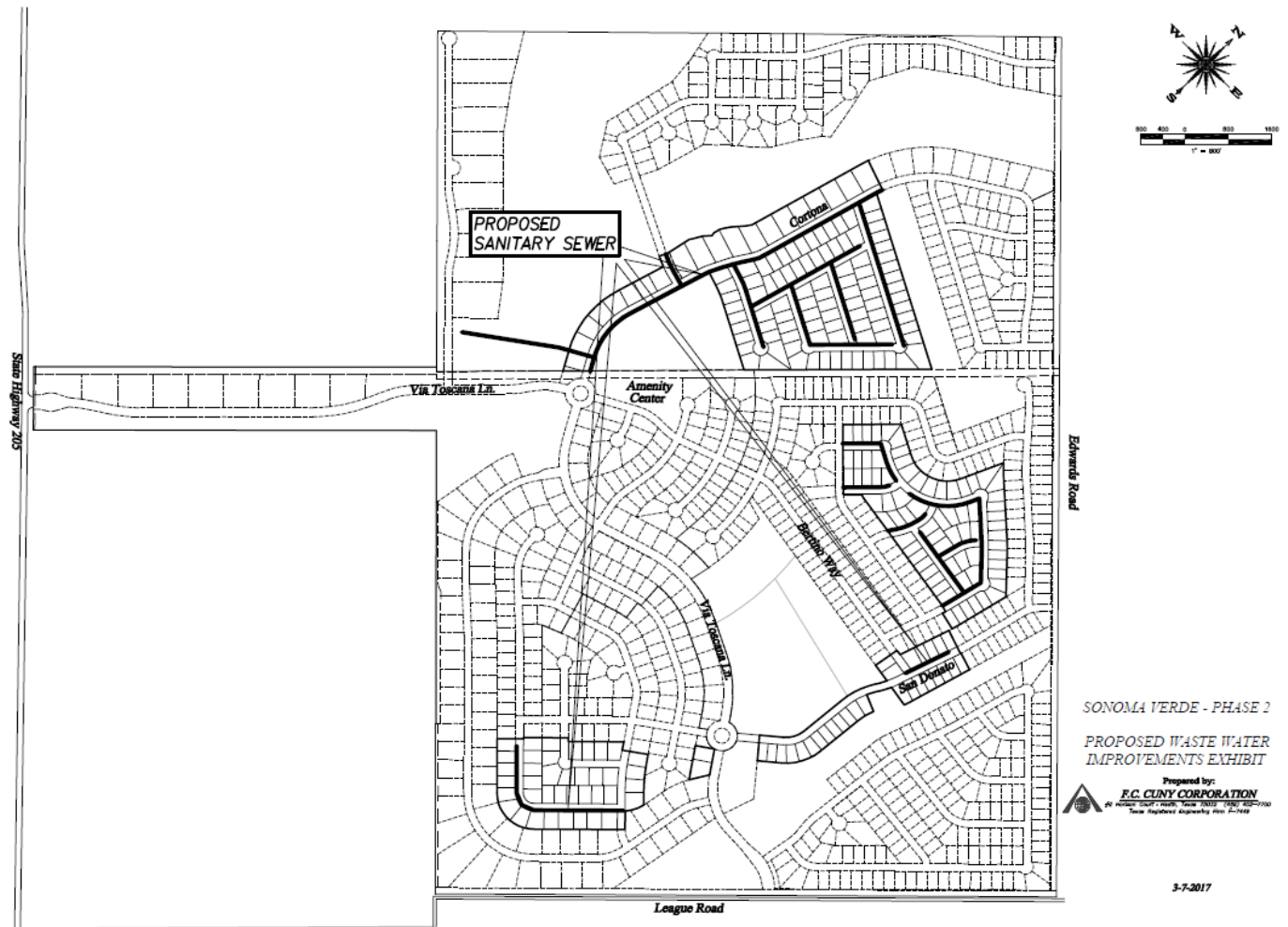




SONOMA VERDE - PHASE 2
 PROPOSED WATER
 IMPROVEMENTS EXHIBIT

Prepared by:
F.C. CUNY CORPORATION
41 HANCOCK STREET SUITE 200 WEST PALM BEACH, FL 33411
 Texas Registered Engineering Firm P-7148

3-7-2017



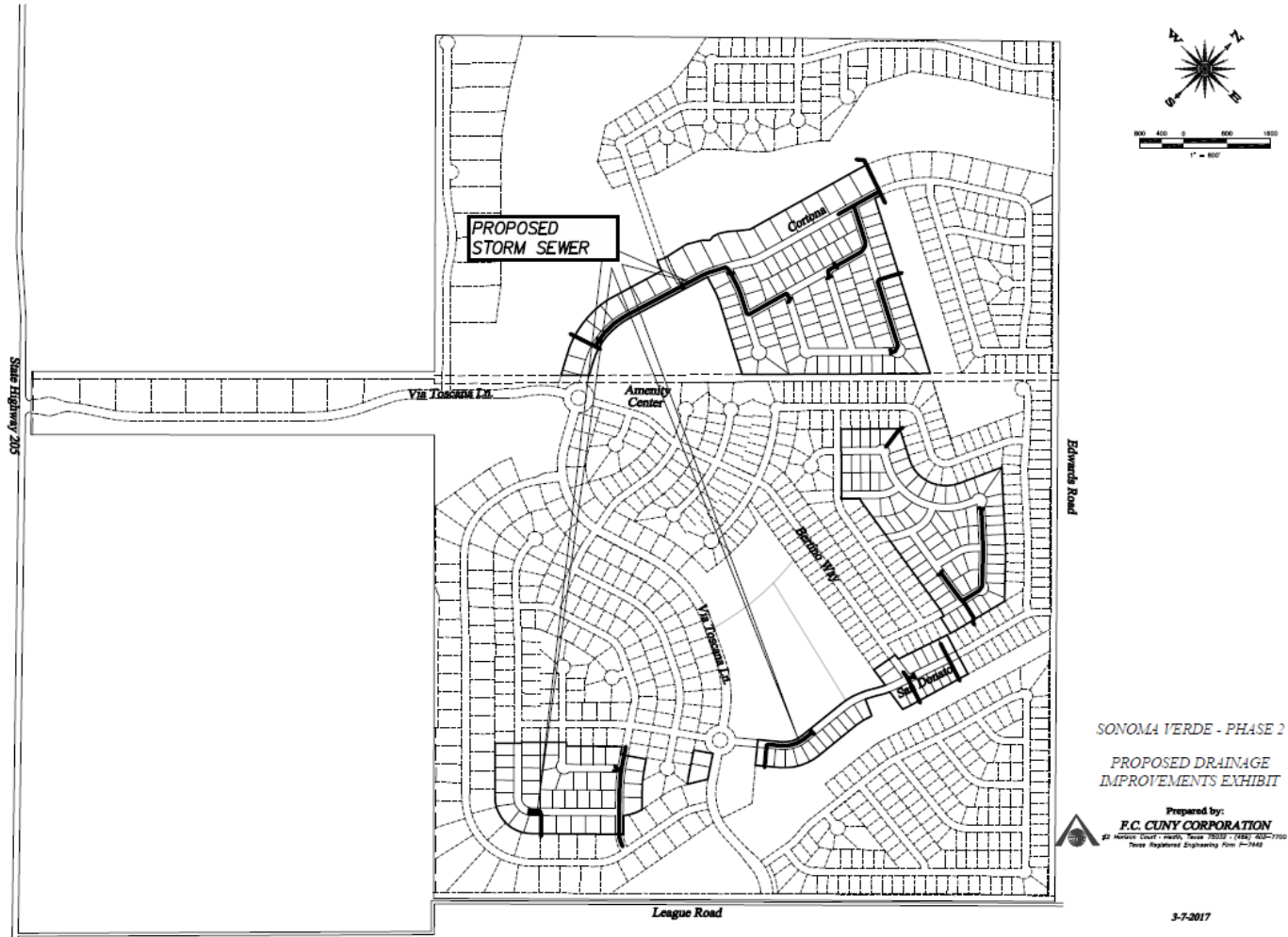
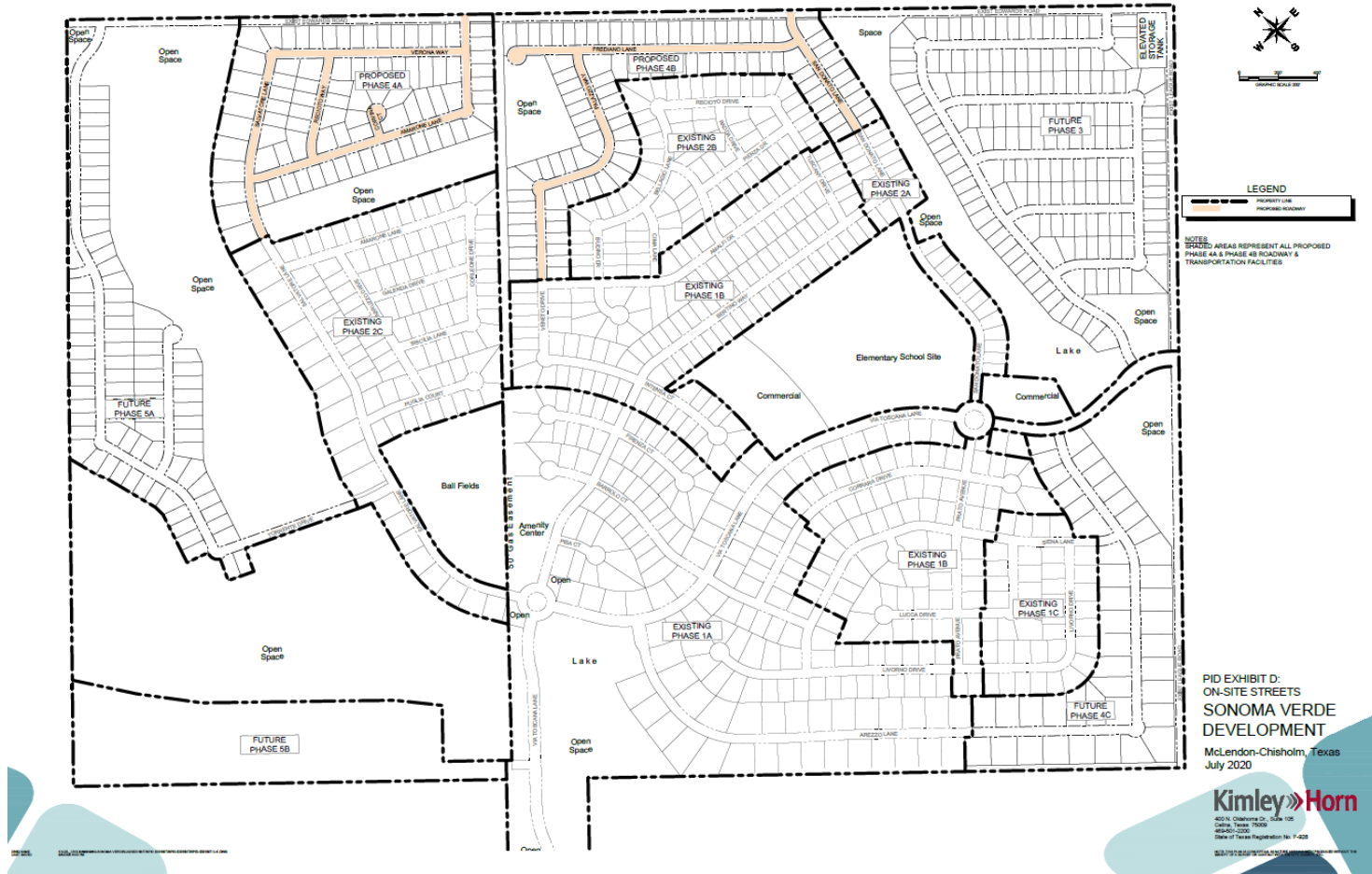
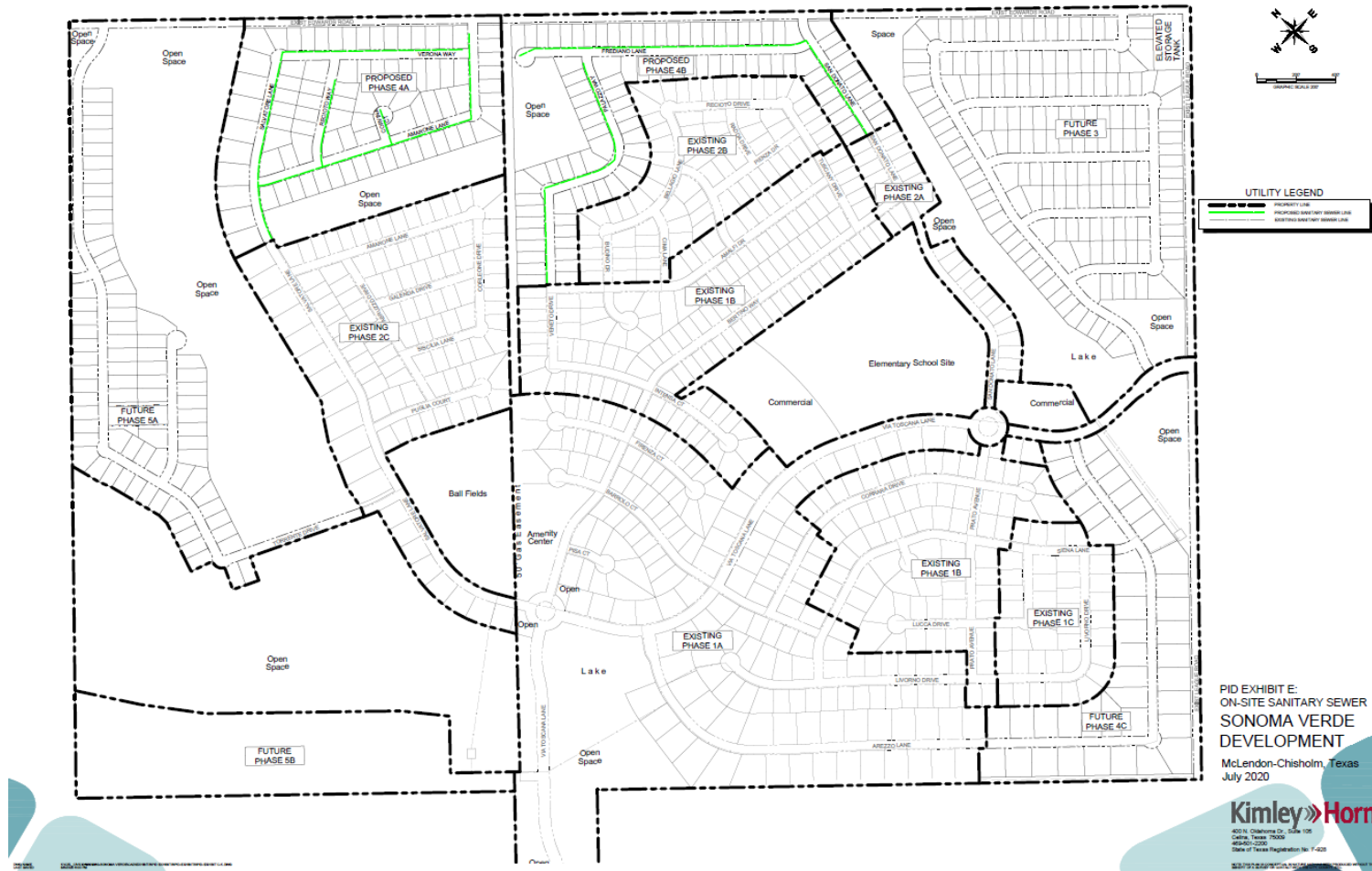


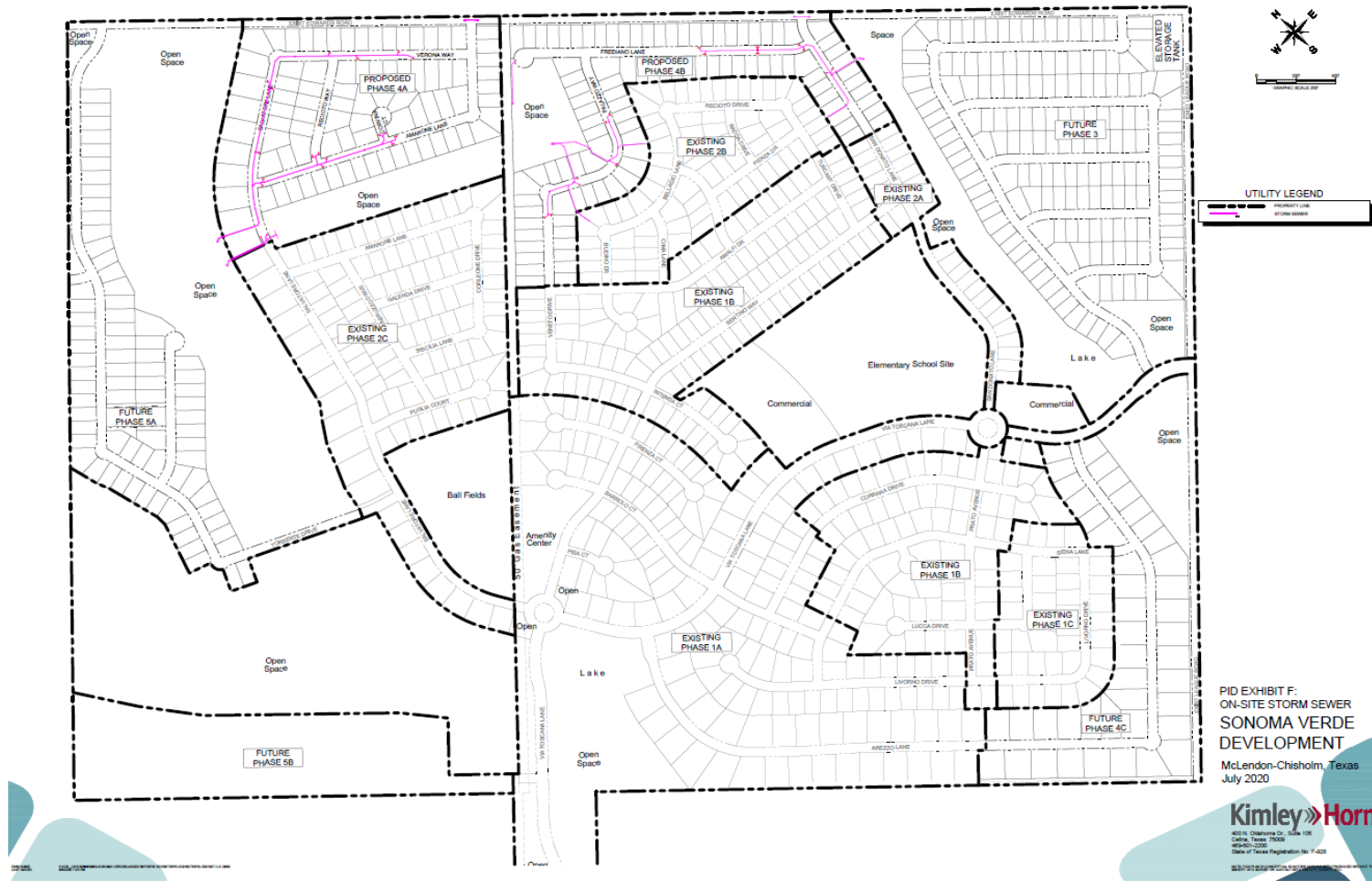
EXHIBIT I-4 – MAPS OF IMPROVEMENT AREA #3 IMPROVEMENTS





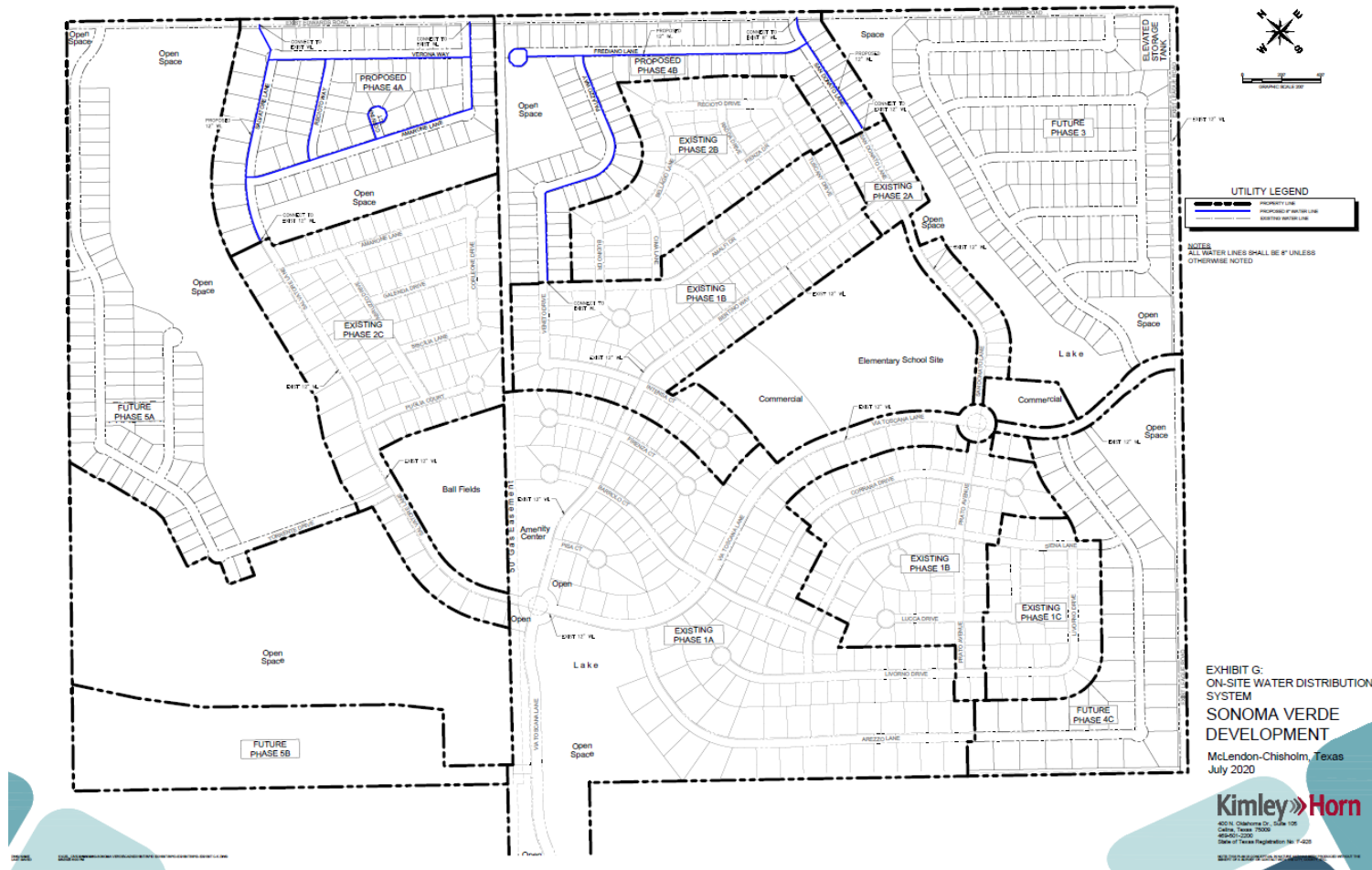
PID EXHIBIT E:
ON-SITE SANITARY SEWER
SONOMA VERDE
DEVELOPMENT
McLendon-Chisholm, Texas
July 2020

Kimley»Horn
4001 N. Glenview Dr., Suite 100
Cedar, Texas 75009
409.440.1234
State of Texas Registration No. T-4228



PID EXHIBIT F:
ON-SITE STORM SEWER
SONOMA VERDE
DEVELOPMENT
McLendon-Chisholm, Texas
July 2020

Kimley»Horn
4001 N. Chisholm Dr., Suite 100
Dallas, Texas 75205
972.440.1234
State of Texas Registration No. F-4228



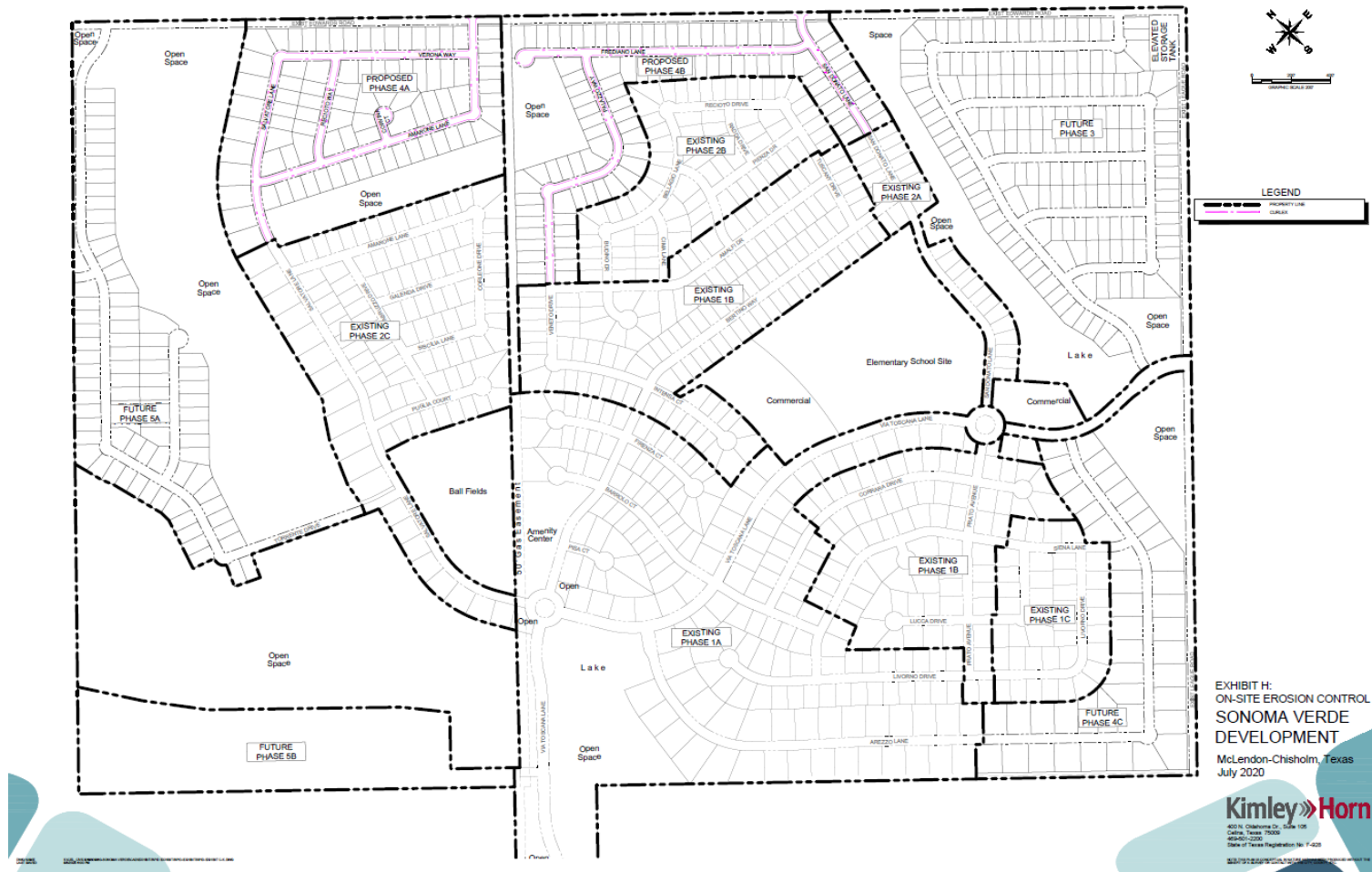


EXHIBIT H:
ON-SITE EROSION CONTROL
SONOMA VERDE
DEVELOPMENT
McLendon-Chisholm, Texas
July 2020

Kimley»Horn
400 N. Oaklawn Dr., Suite 100
Dallas, Texas 75209
(972) 441-1234
State of Texas Registration No. T-4223
S:\Projects\2020\SONOMA VERDE DEVELOPMENT\EXHIBIT H\ON-SITE EROSION CONTROL\SONOMA VERDE DEVELOPMENT EXHIBIT H.dwg

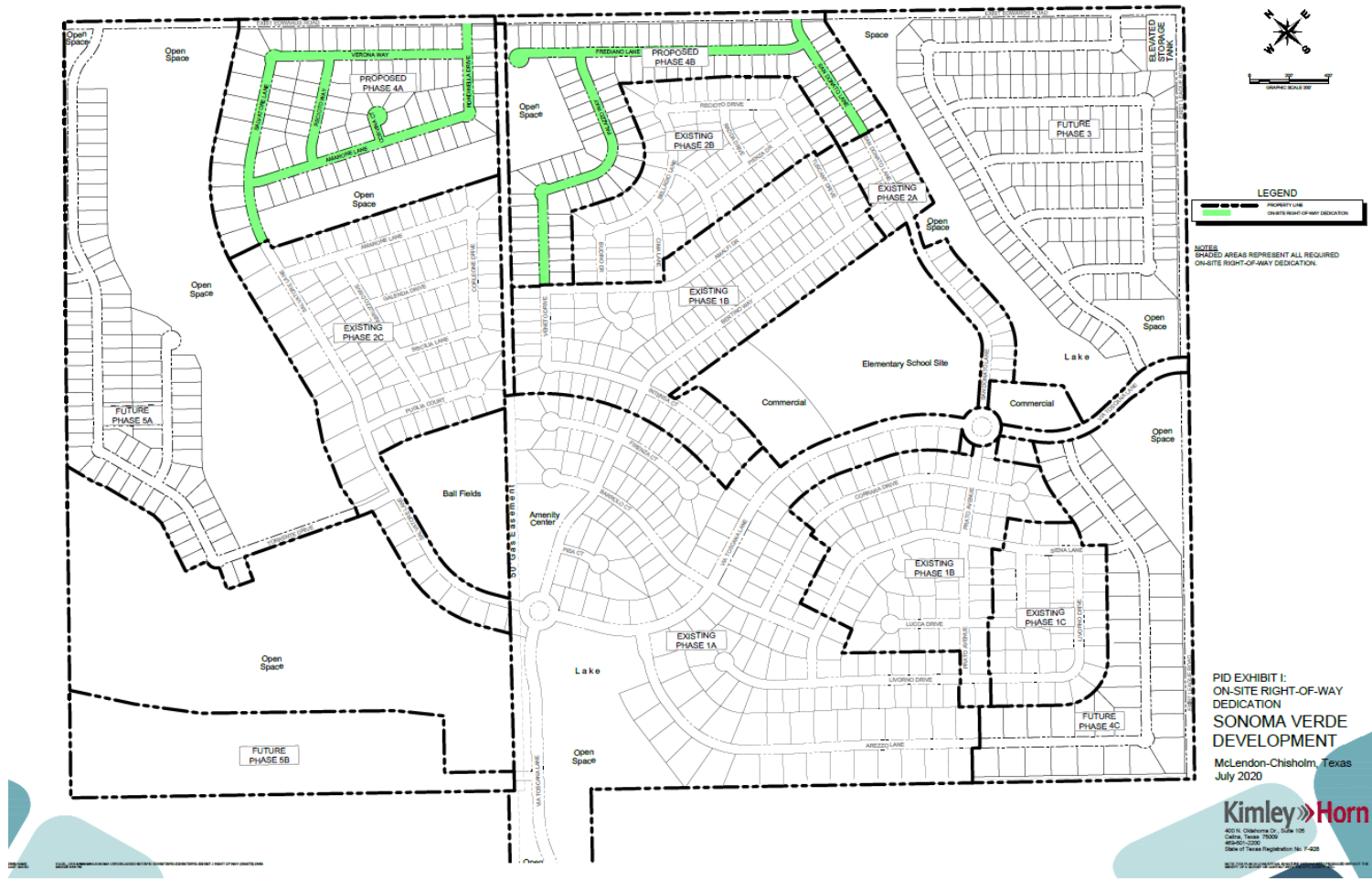


EXHIBIT J-1 – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units	Units After Prepayments	Estimated Buildout Value Per Unit	Total Estimated Buildout Value	Assessment	Maximum Assessment per unit	Average Annual Installment	Average Annual Installment per Unit	PID TRE
<i>Phase 1</i>									
2	29	29	\$ 440,000	\$ 12,760,000	\$ 1,088,011.71	\$ 37,517.65	\$ 75,296.75	\$ 2,596.44	
3	30	30	\$ 340,000	\$ 10,200,000	\$ 867,878.06	\$ 28,929.27	\$ 60,062.22	\$ 2,002.07	
4	122	120	\$ 310,000	\$ 37,200,000	\$ 3,146,057.97	\$ 26,217.15	\$ 217,725.55	\$ 1,814.38	
5	175	175	\$ 245,000	\$ 42,875,000	\$ 3,638,759.57	\$ 20,792.91	\$ 251,823.37	\$ 1,438.99	
6	8	8	\$ 425,000	\$ 3,400,000	\$ 289,292.69	\$ 36,161.59	\$ 20,020.74	\$ 2,502.59	
Phase 1 Total	364	362		\$ 106,435,000	\$ 9,030,000.00		\$ 624,928.63		0.587146
<i>Improvement Area #1C</i>									
4	41	41	\$ 310,000	\$ 12,710,000	\$ 1,278,502.31	\$ 31,182.98	\$ 111,707.79	\$ 2,724.58	
Improvement Area #1C Total	41	41		\$ 12,710,000	\$ 1,278,502.31		\$ 111,707.79		0.878897
<i>Improvement Area #2</i>									
2	12	12	\$ 440,000	\$ 5,280,000	\$ 554,809.33	\$ 46,234.11	\$ 41,379.65	\$ 3,448.30	
3	8	8	\$ 340,000	\$ 2,720,000	\$ 285,203.18	\$ 35,650.40	\$ 21,271.46	\$ 2,658.93	
5	100	99	\$ 245,000	\$ 24,255,000	\$ 2,536,748.85	\$ 25,623.73	\$ 189,199.72	\$ 1,911.11	
10	93	92	\$ 277,500	\$ 25,530,000	\$ 2,683,238.64	\$ 29,165.64	\$ 200,125.45	\$ 2,175.28	
Improvement Area #2 Total	213	211		\$ 57,785,000	\$ 6,060,000.00		\$ 451,976.28		0.782169
<i>Improvement Area #3</i>									
1	99	99	\$ 353,000	\$ 34,947,000	\$ 3,002,858.58	\$ 30,331.90	\$ 243,307.57	\$ 2,457.65	
2	77	77	\$ 388,000	\$ 29,876,000	\$ 2,567,127.45	\$ 33,339.32	\$ 208,002.31	\$ 2,701.33	
3	9	9	\$ 472,000	\$ 4,248,000	\$ 365,013.97	\$ 40,557.11	\$ 29,575.37	\$ 3,286.15	
Improvement Area #3 Total	185	185		\$ 69,071,000	\$ 5,935,000.00		\$ 480,885.25		\$ 0.6962
Total	803	799		\$ 246,001,000.00	\$ 22,303,502.31		\$ 1,669,497.96		

EXHIBIT J-2 – LAND USE CLASS TO LOT TYPE CONVERSION

Lot Type	Land Use Class	Front Footage/Acreage/Use	Estimated Buildout Value per Unit	Outstanding Assessment per Unit
Phase 1, Lot Type 2	Land Use Class 2	Residential - One-Half Acre	\$ 440,000.00	\$ 37,517.65
Phase 1, Lot Type 3	Land Use Class 3	Residential - 90' Lot	\$ 340,000.00	\$ 28,929.27
Phase 1, Lot Type 4	Land Use Class 4	Residential - 80' Lot	\$ 310,000.00	\$ 26,217.15
Phase 1, Lot Type 5	Land Use Class 5	Residential - 60' Lot	\$ 245,000.00	\$ 20,792.91
Phase 1, Lot Type 6	Land Use Class 6	Office Lot	\$ 425,000.00	\$ 36,161.59
Improvement Area #1C, Lot Type 4	Land Use Class 4	Residential - 80' Lot	\$ 310,000.00	\$ 31,182.98
Improvement Area #2, Lot Type 2	Land Use Class 2	Residential - One-Half Acre	\$ 440,000.00	\$ 46,234.11
Improvement Area #2, Lot Type 3	Land Use Class 3	Residential - 90' Lot	\$ 340,000.00	\$ 35,650.40
Improvement Area #2, Lot Type 5	Land Use Class 5	Residential - 60' Lot	\$ 245,000.00	\$ 25,623.73
Improvement Area #2, Lot Type 10	Land Use Class 10	Residential - 70' Lot	\$ 277,500.00	\$ 29,165.64
Improvement Area #3, Lot Type 1	N/A	Residential - 60' Lot	\$ 353,000.00	\$ 30,331.90
Improvement Area #3, Lot Type 2	N/A	Residential - 70' Lot	\$ 388,000.00	\$ 33,339.32
Improvement Area #3, Lot Type 3	N/A	Residential - 120' Lot	\$ 472,000.00	\$ 40,557.11

EXHIBIT K – FORM OF NOTICE OF PID ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Rockwall County Clerk's Office
Honorable [County Clerk]
1111 E Yellowjacket Lane
Suite 100
Rockwall, TX 75087

Re: City of McLendon-Chisholm Lien Release documents for filing

Dear Ms./Mr. [County Clerk],

Enclosed is a lien release that the City of McLendon-Chisholm is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of McLendon-Chisholm
Attn: City Secretary
1371 West FM 550
McLendon-Chisholm, TX 75032

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

**City Secretary
1371 West FM 550
McLendon-Chisholm, TX 75032**

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of McLendon-Chisholm, Texas, a Texas general law municipality (the "City").

WHEREAS, on or about June 23, 2017, the City Council approved Ordinance No. 2017-09, (hereinafter referred to as the "Phase 2 Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property (defined below) within the District; and

WHEREAS, on or about February 9, 2021, the City Council approved Ordinance No. 2021-____, (hereinafter referred to as the "Phase 3 Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property (defined below) within the District; and

WHEREAS, the [Phase 1/Phase 2/Phase 3] Assessment Ordinance imposed an assessment (the "Lien") in the amount of [amount] (hereinafter referred to as the "Lien Amount") for the following property "the "Property": [legal description], a subdivision in Rockwall County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Rockwall County, Texas; and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Rockwall County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said Lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

CITY OF MCLENDON-CHISHOLM, TEXAS,
A Texas general law municipality,

By: _____
[Name], City Manager

ATTEST:

[Name], City Secretary

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [Name], City Manager for the City of McLendon-Chisholm, Texas, a Texas general law municipality, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT L-1 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #2 BONDS

[Updated schedule to be provided by FA w/ refunding due to prepayment included.]

EXHIBIT L-2 – DEBT SERVICE SCHEDULE FOR PHASE 1 REFUNDING AND IMPROVEMENT BONDS

FINAL

City of McLendon-Chisholm

Special Assessment Revenue Refunding and Improvement Bonds, Series 2020
(Sonoma PID Phase 1)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2020	-	-	-	-
09/30/2021	230,000.00	4.000%	329,442.36	559,442.36
09/30/2022	255,000.00	4.000%	298,850.00	553,850.00
09/30/2023	265,000.00	4.000%	288,650.00	553,650.00
09/30/2024	275,000.00	4.000%	278,050.00	553,050.00
09/30/2025	285,000.00	4.000%	267,050.00	552,050.00
09/30/2026	295,000.00	4.000%	255,650.00	550,650.00
09/30/2027	305,000.00	4.000%	243,850.00	548,850.00
09/30/2028	320,000.00	4.000%	231,650.00	551,650.00
09/30/2029	330,000.00	4.000%	218,850.00	548,850.00
09/30/2030	340,000.00	4.000%	205,650.00	545,650.00
09/30/2031	355,000.00	2.500%	192,050.00	547,050.00
09/30/2032	360,000.00	2.500%	183,175.00	543,175.00
09/30/2033	370,000.00	2.500%	174,175.00	544,175.00
09/30/2034	375,000.00	2.500%	164,925.00	539,925.00
09/30/2035	385,000.00	2.500%	155,550.00	540,550.00
09/30/2036	395,000.00	3.500%	145,925.00	540,925.00
09/30/2037	405,000.00	3.500%	132,100.00	537,100.00
09/30/2038	420,000.00	3.500%	117,925.00	537,925.00
09/30/2039	430,000.00	3.500%	103,225.00	533,225.00
09/30/2040	445,000.00	3.500%	88,175.00	533,175.00
09/30/2041	460,000.00	3.000%	72,600.00	532,600.00
09/30/2042	470,000.00	3.000%	58,800.00	528,800.00
09/30/2043	485,000.00	3.000%	44,700.00	529,700.00
09/30/2044	495,000.00	3.000%	30,150.00	525,150.00
09/30/2045	510,000.00	3.000%	15,300.00	525,300.00
Total	\$9,260,000.00	-	\$4,296,467.36	\$13,556,467.36

Yield Statistics

Bond Year Dollars	\$135,218.06
Average Life	14.602 Years
Average Coupon	3.1774361%
Net Interest Cost (NIC)	3.0338233%
True Interest Cost (TIC)	3.0043750%
Bond Yield for Arbitrage Purposes	2.5310947%
All Inclusive Cost (AIC)	3.7031130%

IRS Form 8038

Net Interest Cost	2.7342892%
Weighted Average Maturity	14.372 Years

Bid to underwrite | Issue Summary | 10/ 8/2020 | 6:57 PM

Hilltop Securities Inc.
Public Finance

Page 1

EXHIBIT L-3 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #3 BONDS

[To be included after issuance of Improvement Area #3 Bonds.]

EXHIBIT M – HOMEBUYER DISCLOSURES

Homebuyer Disclosures for the following Lot Types are found in this Exhibit:

- Phase 1, Lot Type 2
- Phase 1, Lot Type 3
- Phase 1, Lot Type 4
- Phase 1, Lot Type 5
- Phase 1, Lot Type 6
- Improvement Area #1C, Lot Type 4
- Improvement Area #2, Lot Type 2
- Improvement Area #2, Lot Type 3
- Improvement Area #2, Lot Type 5
- Improvement Area #2, Lot Type 10
- Improvement Area #3, Lot Type 1
- Improvement Area #3, Lot Type 2
- Improvement Area #3, Lot Type 3

EXHIBIT M-1 - HOMEBUYER DISCLOSURE FOR PHASE 1, LOT TYPE 2

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS TO THE CITY OF MCLENDON-CHISHOLM, TEXAS

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL PHASE 1, LOT TYPE 2 ASSESSMENT: \$37,517.65

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the “*Authorized Improvements*”) undertaken for the benefit of the property within “*Sonoma Public Improvement District*” (the “*District*”) created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE PHASE 1, LOT TYPE 2 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$37,517.65 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – PHASE 1, LOT TYPE 2

			Administrative Expenses		
Installment Due 1/31			Administrative	Maintenance and	
	Principal	Interest	Costs	Operation Costs	Total
2022	\$ 1,059.47	\$ 1,241.66	\$ 199.19	\$ 62.00	\$ 2,562.31
2023	\$ 1,101.02	\$ 1,199.28	\$ 203.17	\$ 62.00	\$ 2,565.47
2024	\$ 1,142.56	\$ 1,155.24	\$ 207.24	\$ 62.00	\$ 2,567.04
2025	\$ 1,184.11	\$ 1,109.53	\$ 211.38	\$ 62.00	\$ 2,567.03
2026	\$ 1,225.66	\$ 1,062.17	\$ 215.61	\$ 62.00	\$ 2,565.44
2027	\$ 1,267.21	\$ 1,013.14	\$ 219.92	\$ 62.00	\$ 2,562.27
2028	\$ 1,329.53	\$ 962.45	\$ 224.32	\$ 62.00	\$ 2,578.30
2029	\$ 1,371.08	\$ 909.27	\$ 228.81	\$ 62.00	\$ 2,571.16
2030	\$ 1,412.62	\$ 854.43	\$ 233.38	\$ 62.00	\$ 2,562.44
2031	\$ 1,474.95	\$ 797.93	\$ 238.05	\$ 62.00	\$ 2,572.92
2032	\$ 1,495.72	\$ 761.05	\$ 242.81	\$ 62.00	\$ 2,561.58
2033	\$ 1,537.27	\$ 723.66	\$ 247.67	\$ 62.00	\$ 2,570.59
2034	\$ 1,558.04	\$ 685.23	\$ 252.62	\$ 62.00	\$ 2,557.89
2035	\$ 1,599.59	\$ 646.28	\$ 257.67	\$ 62.00	\$ 2,565.54
2036	\$ 1,641.14	\$ 606.29	\$ 262.83	\$ 62.00	\$ 2,572.25
2037	\$ 1,682.69	\$ 548.85	\$ 268.08	\$ 62.00	\$ 2,561.61
2038	\$ 1,745.01	\$ 489.95	\$ 273.44	\$ 62.00	\$ 2,570.40
2039	\$ 1,786.55	\$ 428.88	\$ 278.91	\$ 62.00	\$ 2,556.34
2040	\$ 1,848.88	\$ 366.35	\$ 284.49	\$ 62.00	\$ 2,561.72
2041	\$ 1,911.20	\$ 301.64	\$ 290.18	\$ 62.00	\$ 2,565.02
2042	\$ 1,952.75	\$ 244.30	\$ 295.99	\$ 62.00	\$ 2,555.03
2043	\$ 2,015.07	\$ 185.72	\$ 301.90	\$ 62.00	\$ 2,564.69
2044	\$ 2,056.62	\$ 125.27	\$ 307.94	\$ 62.00	\$ 2,551.82
2045	\$ 2,118.94	\$ 63.57	\$ 314.10	\$ 62.00	\$ 2,558.61
Total	\$ 37,517.65	\$ 16,482.11	\$ 6,059.71	\$ 1,488.00	\$ 61,547.47

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Interest earnings, or other available offsets could increase or decrease the amounts shown. Interest is calculated at an average coupon of 3.18%.

EXHIBIT M-2 - HOMEBUYER DISCLOSURE FOR PHASE 1, LOT TYPE 3

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL PHASE 1, LOT TYPE 3 ASSESSMENT: \$28,929.27

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "***Authorized Improvements***") undertaken for the benefit of the property within "***Sonoma Public Improvement District***" (the "***District***") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE PHASE 1, LOT TYPE 3 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$28,929.27 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – PHASE 1, LOT TYPE 3

			Administrative Expenses		
Installment Due 1/31	Principal	Interest	Administrative Costs	Maintenance and Operation Costs	Total
2022	\$ 816.94	\$ 957.42	\$ 153.59	\$ 62.00	\$ 1,989.95
2023	\$ 848.98	\$ 924.74	\$ 156.66	\$ 62.00	\$ 1,992.38
2024	\$ 881.01	\$ 890.78	\$ 159.80	\$ 62.00	\$ 1,993.59
2025	\$ 913.05	\$ 855.54	\$ 162.99	\$ 62.00	\$ 1,993.59
2026	\$ 945.09	\$ 819.02	\$ 166.25	\$ 62.00	\$ 1,992.36
2027	\$ 977.12	\$ 781.22	\$ 169.58	\$ 62.00	\$ 1,989.92
2028	\$ 1,025.18	\$ 742.13	\$ 172.97	\$ 62.00	\$ 2,002.28
2029	\$ 1,057.22	\$ 701.13	\$ 176.43	\$ 62.00	\$ 1,996.77
2030	\$ 1,089.25	\$ 658.84	\$ 179.96	\$ 62.00	\$ 1,990.05
2031	\$ 1,137.31	\$ 615.27	\$ 183.56	\$ 62.00	\$ 1,998.13
2032	\$ 1,153.33	\$ 586.83	\$ 187.23	\$ 62.00	\$ 1,989.39
2033	\$ 1,185.36	\$ 558.00	\$ 190.97	\$ 62.00	\$ 1,996.34
2034	\$ 1,201.38	\$ 528.37	\$ 194.79	\$ 62.00	\$ 1,986.54
2035	\$ 1,233.42	\$ 498.33	\$ 198.69	\$ 62.00	\$ 1,992.44
2036	\$ 1,265.46	\$ 467.50	\$ 202.66	\$ 62.00	\$ 1,997.61
2037	\$ 1,297.49	\$ 423.21	\$ 206.71	\$ 62.00	\$ 1,989.41
2038	\$ 1,345.55	\$ 377.79	\$ 210.85	\$ 62.00	\$ 1,996.19
2039	\$ 1,377.58	\$ 330.70	\$ 215.07	\$ 62.00	\$ 1,985.35
2040	\$ 1,425.64	\$ 282.48	\$ 219.37	\$ 62.00	\$ 1,989.49
2041	\$ 1,473.69	\$ 232.59	\$ 223.75	\$ 62.00	\$ 1,992.04
2042	\$ 1,505.73	\$ 188.38	\$ 228.23	\$ 62.00	\$ 1,984.34
2043	\$ 1,553.79	\$ 143.20	\$ 232.79	\$ 62.00	\$ 1,991.79
2044	\$ 1,585.82	\$ 96.59	\$ 237.45	\$ 62.00	\$ 1,981.86
2045	\$ 1,633.88	\$ 49.02	\$ 242.20	\$ 62.00	\$ 1,987.09
Total	\$ 28,929.27	\$ 12,709.10	\$ 4,672.55	\$ 1,488.00	\$ 47,798.92

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Interest earnings, or other available offsets could increase or decrease the amounts shown. Interest is calculated at an average coupon of 3.18%.

EXHIBIT M-3 - HOMEBUYER DISCLOSURE FOR PHASE 1, LOT TYPE 4

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL PHASE 1, LOT TYPE 4 ASSESSMENT: \$26,217.15

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the “*Authorized Improvements*”) undertaken for the benefit of the property within “*Sonoma Public Improvement District*” (the “*District*”) created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE PHASE 1, LOT TYPE 4 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$26,217.15 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – PHASE 1, LOT TYPE 4

			Administrative Expenses		
Installment Due 1/31	Principal	Interest	Administrative Costs	Maintenance and Operation Costs	Total
2022	\$ 740.35	\$ 867.66	\$ 139.19	\$ 62.00	\$ 1,809.21
2023	\$ 769.38	\$ 838.05	\$ 141.98	\$ 62.00	\$ 1,811.41
2024	\$ 798.42	\$ 807.27	\$ 144.82	\$ 62.00	\$ 1,812.51
2025	\$ 827.45	\$ 775.34	\$ 147.71	\$ 62.00	\$ 1,812.50
2026	\$ 856.48	\$ 742.24	\$ 150.67	\$ 62.00	\$ 1,811.39
2027	\$ 885.52	\$ 707.98	\$ 153.68	\$ 62.00	\$ 1,809.18
2028	\$ 929.07	\$ 672.56	\$ 156.75	\$ 62.00	\$ 1,820.38
2029	\$ 958.10	\$ 635.40	\$ 159.89	\$ 62.00	\$ 1,815.39
2030	\$ 987.14	\$ 597.07	\$ 163.09	\$ 62.00	\$ 1,809.29
2031	\$ 1,030.69	\$ 557.59	\$ 166.35	\$ 62.00	\$ 1,816.62
2032	\$ 1,045.20	\$ 531.82	\$ 169.68	\$ 62.00	\$ 1,808.70
2033	\$ 1,074.24	\$ 505.69	\$ 173.07	\$ 62.00	\$ 1,814.99
2034	\$ 1,088.75	\$ 478.83	\$ 176.53	\$ 62.00	\$ 1,806.12
2035	\$ 1,117.79	\$ 451.61	\$ 180.06	\$ 62.00	\$ 1,811.46
2036	\$ 1,146.82	\$ 423.67	\$ 183.66	\$ 62.00	\$ 1,816.15
2037	\$ 1,175.85	\$ 383.53	\$ 187.33	\$ 62.00	\$ 1,808.72
2038	\$ 1,219.40	\$ 342.38	\$ 191.08	\$ 62.00	\$ 1,814.86
2039	\$ 1,248.44	\$ 299.70	\$ 194.90	\$ 62.00	\$ 1,805.04
2040	\$ 1,291.99	\$ 256.00	\$ 198.80	\$ 62.00	\$ 1,808.79
2041	\$ 1,335.54	\$ 210.78	\$ 202.78	\$ 62.00	\$ 1,811.10
2042	\$ 1,364.57	\$ 170.72	\$ 206.83	\$ 62.00	\$ 1,804.12
2043	\$ 1,408.12	\$ 129.78	\$ 210.97	\$ 62.00	\$ 1,810.87
2044	\$ 1,437.15	\$ 87.54	\$ 215.19	\$ 62.00	\$ 1,801.88
2045	\$ 1,480.70	\$ 44.42	\$ 219.49	\$ 62.00	\$ 1,806.62
Total	\$ 26,217.15	\$ 11,517.62	\$ 4,234.50	\$ 1,488.00	\$ 43,457.27

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Interest earnings, or other available offsets could increase or decrease the amounts shown. Interest is calculated at an average coupon of 3.18%.

EXHIBIT M-4 - HOMEBUYER DISCLOSURE FOR PHASE 1, LOT TYPE 5

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL PHASE 1, LOT TYPE 5 ASSESSMENT: \$20,792.91

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "***Authorized Improvements***") undertaken for the benefit of the property within "***Sonoma Public Improvement District***" (the "***District***") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE PHASE 1, LOT TYPE 5 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$20,792.91 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – PHASE 1, LOT TYPE 5

			Administrative Expenses		
Installment Due 1/31	Principal	Interest	Administrative Costs	Maintenance and Operation Costs	Total
2022	\$ 587.18	\$ 688.15	\$ 110.39	\$ 62.00	\$ 1,447.72
2023	\$ 610.20	\$ 664.66	\$ 112.60	\$ 62.00	\$ 1,449.46
2024	\$ 633.23	\$ 640.25	\$ 114.85	\$ 62.00	\$ 1,450.33
2025	\$ 656.25	\$ 614.92	\$ 117.15	\$ 62.00	\$ 1,450.33
2026	\$ 679.28	\$ 588.67	\$ 119.49	\$ 62.00	\$ 1,449.45
2027	\$ 702.31	\$ 561.50	\$ 121.88	\$ 62.00	\$ 1,447.69
2028	\$ 736.85	\$ 533.41	\$ 124.32	\$ 62.00	\$ 1,456.58
2029	\$ 759.87	\$ 503.93	\$ 126.81	\$ 62.00	\$ 1,452.62
2030	\$ 782.90	\$ 473.54	\$ 129.34	\$ 62.00	\$ 1,447.78
2031	\$ 817.44	\$ 442.22	\$ 131.93	\$ 62.00	\$ 1,453.59
2032	\$ 828.95	\$ 421.79	\$ 134.57	\$ 62.00	\$ 1,447.31
2033	\$ 851.98	\$ 401.06	\$ 137.26	\$ 62.00	\$ 1,452.30
2034	\$ 863.49	\$ 379.76	\$ 140.01	\$ 62.00	\$ 1,445.26
2035	\$ 886.52	\$ 358.18	\$ 142.81	\$ 62.00	\$ 1,449.50
2036	\$ 909.55	\$ 336.01	\$ 145.66	\$ 62.00	\$ 1,453.22
2037	\$ 932.57	\$ 304.18	\$ 148.58	\$ 62.00	\$ 1,447.33
2038	\$ 967.11	\$ 271.54	\$ 151.55	\$ 62.00	\$ 1,452.20
2039	\$ 990.14	\$ 237.69	\$ 154.58	\$ 62.00	\$ 1,444.41
2040	\$ 1,024.68	\$ 203.04	\$ 157.67	\$ 62.00	\$ 1,447.38
2041	\$ 1,059.22	\$ 167.17	\$ 160.82	\$ 62.00	\$ 1,449.21
2042	\$ 1,082.24	\$ 135.40	\$ 164.04	\$ 62.00	\$ 1,443.68
2043	\$ 1,116.78	\$ 102.93	\$ 167.32	\$ 62.00	\$ 1,449.03
2044	\$ 1,139.81	\$ 69.42	\$ 170.67	\$ 62.00	\$ 1,441.90
2045	\$ 1,174.35	\$ 35.23	\$ 174.08	\$ 62.00	\$ 1,445.66
Total	\$ 20,792.91	\$ 9,134.66	\$ 3,358.40	\$ 1,488.00	\$ 34,773.97

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Interest earnings, or other available offsets could increase or decrease the amounts shown. Interest is calculated at an average coupon of 3.18%.

EXHIBIT M-5 - HOMEBUYER DISCLOSURE FOR PHASE 1, LOT TYPE 6

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL PHASE 1, LOT TYPE 6 ASSESSMENT: \$36,161.59

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the ***“Authorized Improvements”***) undertaken for the benefit of the property within ***“Sonoma Public Improvement District”*** (the ***“District”***) created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE PHASE 1, LOT TYPE 6 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$36,161.59 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – PHASE 1, LOT TYPE 6

			Administrative Expenses		
Installment Due 1/31	Principal	Interest	Administrative Costs	Maintenance and Operation Costs	Total
2022	\$ 1,021.17	\$ 1,196.78	\$ 191.99	\$ 62.00	\$ 2,471.94
2023	\$ 1,061.22	\$ 1,155.93	\$ 195.83	\$ 62.00	\$ 2,474.98
2024	\$ 1,101.27	\$ 1,113.48	\$ 199.75	\$ 62.00	\$ 2,476.49
2025	\$ 1,141.31	\$ 1,069.43	\$ 203.74	\$ 62.00	\$ 2,476.48
2026	\$ 1,181.36	\$ 1,023.78	\$ 207.82	\$ 62.00	\$ 2,474.95
2027	\$ 1,221.40	\$ 976.52	\$ 211.97	\$ 62.00	\$ 2,471.90
2028	\$ 1,281.47	\$ 927.67	\$ 216.21	\$ 62.00	\$ 2,487.35
2029	\$ 1,321.52	\$ 876.41	\$ 220.54	\$ 62.00	\$ 2,480.46
2030	\$ 1,361.57	\$ 823.55	\$ 224.95	\$ 62.00	\$ 2,472.06
2031	\$ 1,421.63	\$ 769.08	\$ 229.45	\$ 62.00	\$ 2,482.16
2032	\$ 1,441.66	\$ 733.54	\$ 234.03	\$ 62.00	\$ 2,471.24
2033	\$ 1,481.70	\$ 697.50	\$ 238.72	\$ 62.00	\$ 2,479.92
2034	\$ 1,501.73	\$ 660.46	\$ 243.49	\$ 62.00	\$ 2,467.68
2035	\$ 1,541.77	\$ 622.92	\$ 248.36	\$ 62.00	\$ 2,475.05
2036	\$ 1,581.82	\$ 584.37	\$ 253.33	\$ 62.00	\$ 2,481.52
2037	\$ 1,621.87	\$ 529.01	\$ 258.39	\$ 62.00	\$ 2,471.27
2038	\$ 1,681.93	\$ 472.24	\$ 263.56	\$ 62.00	\$ 2,479.74
2039	\$ 1,721.98	\$ 413.38	\$ 268.83	\$ 62.00	\$ 2,466.19
2040	\$ 1,782.05	\$ 353.11	\$ 274.21	\$ 62.00	\$ 2,471.36
2041	\$ 1,842.12	\$ 290.73	\$ 279.69	\$ 62.00	\$ 2,474.55
2042	\$ 1,882.16	\$ 235.47	\$ 285.29	\$ 62.00	\$ 2,464.92
2043	\$ 1,942.23	\$ 179.01	\$ 290.99	\$ 62.00	\$ 2,474.23
2044	\$ 1,982.28	\$ 120.74	\$ 296.81	\$ 62.00	\$ 2,461.83
2045	\$ 2,042.35	\$ 61.27	\$ 302.75	\$ 62.00	\$ 2,468.37
Total	\$ 36,161.59	\$ 15,886.37	\$ 5,840.69	\$ 1,488.00	\$ 59,376.64

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Interest earnings, or other available offsets could increase or decrease the amounts shown. Interest is calculated at an average coupon of 3.18%.

**EXHIBIT M-6 - HOMEBUYER DISCLOSURE FOR IMPROVEMENT AREA #1C, LOT
TYPE 4**

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL IMPROVEMENT AREA #1C, LOT TYPE 4 ASSESSMENT: \$31,182.98

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "**Authorized Improvements**") undertaken for the benefit of the property within "**Sonoma Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE IMPROVEMENT AREA #1C, LOT TYPE 4 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$31,182.98 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1C, LOT TYPE 4

		Administrative Expenses					
Installment Due 1/31	Principal	Interest	Administrative Costs	Maintenance and Operation Costs	Total Annual Installment		
2022	\$ 307.55	\$ 2,781.52	\$ 165.56	\$ 62.00	\$	\$	3,316.63
2023	\$ 334.99	\$ 2,754.09	\$ 168.87	\$ 62.00	\$	\$	3,319.95
2024	\$ 562.95	\$ 1,807.99	\$ 172.25	\$ 62.00	\$	\$	2,605.19
2025	\$ 596.28	\$ 1,774.67	\$ 175.69	\$ 62.00	\$	\$	2,608.64
2026	\$ 631.58	\$ 1,739.37	\$ 179.20	\$ 62.00	\$	\$	2,612.15
2027	\$ 668.97	\$ 1,701.98	\$ 182.79	\$ 62.00	\$	\$	2,615.74
2028	\$ 708.57	\$ 1,662.37	\$ 186.44	\$ 62.00	\$	\$	2,619.39
2029	\$ 750.52	\$ 1,620.43	\$ 190.17	\$ 62.00	\$	\$	2,623.12
2030	\$ 794.95	\$ 1,576.00	\$ 193.98	\$ 62.00	\$	\$	2,626.92
2031	\$ 842.01	\$ 1,528.94	\$ 197.86	\$ 62.00	\$	\$	2,630.80
2032	\$ 891.86	\$ 1,479.09	\$ 201.81	\$ 62.00	\$	\$	2,634.76
2033	\$ 944.66	\$ 1,426.29	\$ 205.85	\$ 62.00	\$	\$	2,638.80
2034	\$ 1,000.58	\$ 1,370.37	\$ 209.97	\$ 62.00	\$	\$	2,642.91
2035	\$ 1,059.82	\$ 1,311.13	\$ 214.17	\$ 62.00	\$	\$	2,647.11
2036	\$ 1,122.56	\$ 1,248.39	\$ 218.45	\$ 62.00	\$	\$	2,651.40
2037	\$ 1,189.01	\$ 1,181.94	\$ 222.82	\$ 62.00	\$	\$	2,655.77
2038	\$ 1,259.40	\$ 1,111.55	\$ 227.27	\$ 62.00	\$	\$	2,660.22
2039	\$ 1,333.96	\$ 1,036.99	\$ 231.82	\$ 62.00	\$	\$	2,664.77
2040	\$ 1,412.93	\$ 958.02	\$ 236.46	\$ 62.00	\$	\$	2,669.40
2041	\$ 1,496.57	\$ 874.37	\$ 241.19	\$ 62.00	\$	\$	2,674.13
2042	\$ 1,585.17	\$ 785.78	\$ 246.01	\$ 62.00	\$	\$	2,678.96
2043	\$ 1,679.01	\$ 691.93	\$ 250.93	\$ 62.00	\$	\$	2,683.88
2044	\$ 1,778.41	\$ 592.54	\$ 255.95	\$ 62.00	\$	\$	2,688.90
2045	\$ 1,883.69	\$ 487.25	\$ 261.07	\$ 62.00	\$	\$	2,694.01
2046	\$ 1,995.21	\$ 375.74	\$ 266.29	\$ 62.00	\$	\$	2,699.24
2047	\$ 2,113.32	\$ 257.62	\$ 271.61	\$ 62.00	\$	\$	2,704.56
2048	\$ 2,238.43	\$ 132.52	\$ 277.05	\$ 62.00	\$	\$	2,709.99
Total	\$ 31,182.98	\$ 34,268.86	\$ 5,851.51	\$ 1,674.00	\$	\$	72,977.36

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Interest is calculated at an interest rate of 8.92% for years 1-5, and 5.92% for years 25-30.

**EXHIBIT M-7 - HOMEBUYER DISCLOSURE FOR IMPROVEMENT AREA #2, LOT
TYPE 2**

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL IMPROVEMENT AREA #2, LOT TYPE 2 ASSESSMENT: \$46,234.11

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "**Authorized Improvements**") undertaken for the benefit of the property within "**Sonoma Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE IMPROVEMENT AREA #2, LOT TYPE 2 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$46,234.11 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – IMPROVEMENT AREA #2, LOT TYPE 2

Administrative Expenses						
Annual Installment Due 1/31	Principal	Interest	Additional Interest	Administrative Costs	Maintenance and Operation Costs	Total Annual Installment
2022	\$ 877.38	\$ 1,946.73	\$ 231.17	\$ 243.27	\$ 62.00	\$ 3,360.55
2023	\$ 915.53	\$ 1,916.03	\$ 226.78	\$ 248.13	\$ 62.00	\$ 3,368.47
2024	\$ 953.67	\$ 1,883.98	\$ 222.21	\$ 253.10	\$ 62.00	\$ 3,374.96
2025	\$ 991.82	\$ 1,850.60	\$ 217.44	\$ 258.16	\$ 62.00	\$ 3,380.02
2026	\$ 1,029.97	\$ 1,813.41	\$ 212.48	\$ 263.32	\$ 62.00	\$ 3,381.18
2027	\$ 1,068.11	\$ 1,774.79	\$ 207.33	\$ 268.59	\$ 62.00	\$ 3,380.82
2028	\$ 1,106.26	\$ 1,734.73	\$ 201.99	\$ 273.96	\$ 62.00	\$ 3,378.94
2029	\$ 1,144.41	\$ 1,693.25	\$ 196.46	\$ 279.44	\$ 62.00	\$ 3,375.55
2030	\$ 1,220.70	\$ 1,650.33	\$ 190.73	\$ 285.03	\$ 62.00	\$ 3,408.80
2031	\$ 1,258.85	\$ 1,598.45	\$ 184.63	\$ 290.73	\$ 62.00	\$ 3,394.66
2032	\$ 1,335.14	\$ 1,544.95	\$ 178.34	\$ 296.54	\$ 62.00	\$ 3,416.97
2033	\$ 1,373.29	\$ 1,488.21	\$ 171.66	\$ 302.47	\$ 62.00	\$ 3,397.63
2034	\$ 1,449.58	\$ 1,429.84	\$ 164.79	\$ 308.52	\$ 62.00	\$ 3,414.74
2035	\$ 1,525.88	\$ 1,368.24	\$ 157.55	\$ 314.69	\$ 62.00	\$ 3,428.35
2036	\$ 1,602.17	\$ 1,303.39	\$ 149.92	\$ 320.99	\$ 62.00	\$ 3,438.46
2037	\$ 1,640.32	\$ 1,235.29	\$ 141.91	\$ 327.41	\$ 62.00	\$ 3,406.93
2038	\$ 1,716.61	\$ 1,165.58	\$ 133.71	\$ 333.95	\$ 62.00	\$ 3,411.85
2039	\$ 1,754.76	\$ 1,092.62	\$ 125.12	\$ 340.63	\$ 62.00	\$ 3,375.14
2040	\$ 1,869.20	\$ 1,018.05	\$ 116.35	\$ 347.45	\$ 62.00	\$ 3,413.04
2041	\$ 1,945.49	\$ 936.27	\$ 107.00	\$ 354.40	\$ 62.00	\$ 3,405.16
2042	\$ 2,059.94	\$ 851.15	\$ 97.27	\$ 361.48	\$ 62.00	\$ 3,431.85
2043	\$ 2,136.23	\$ 761.03	\$ 86.98	\$ 368.71	\$ 62.00	\$ 3,414.95
2044	\$ 2,250.67	\$ 667.57	\$ 76.29	\$ 376.09	\$ 62.00	\$ 3,432.62
2045	\$ 2,365.11	\$ 569.10	\$ 65.04	\$ 383.61	\$ 62.00	\$ 3,444.87
2046	\$ 2,479.55	\$ 465.63	\$ 53.22	\$ 391.28	\$ 62.00	\$ 3,451.68
2047	\$ 2,593.99	\$ 357.15	\$ 40.82	\$ 399.11	\$ 62.00	\$ 3,453.07
2048	\$ 2,708.43	\$ 243.66	\$ 27.85	\$ 407.09	\$ 62.00	\$ 3,449.03
2049	\$ 2,861.02	\$ 125.17	\$ 14.31	\$ 415.23	\$ 62.00	\$ 3,477.73
Total	\$ 46,234.11	\$ 34,485.23	\$ 3,999.33	\$ 9,013.36	\$ 1,736.00	\$ 95,468.03

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Additional Interest, Interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT M-8 - HOMEBUYER DISCLOSURE FOR IMPROVEMENT AREA #2, LOT
TYPE 3**

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL IMPROVEMENT AREA #2, LOT TYPE 3 ASSESSMENT: \$35,650.40

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "***Authorized Improvements***") undertaken for the benefit of the property within "***Sonoma Public Improvement District***" (the "***District***") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE IMPROVEMENT AREA #2, LOT TYPE 3 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$35,650.40 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – IMPROVEMENT AREA #2, LOT TYPE 3

Administrative Expenses						
Annual Installment Due 1/31	Principal	Interest	Additional Interest	Administrative Costs	Maintenance and Operation Costs	Total Annual Installment
2022	\$ 676.53	\$ 1,501.10	\$ 178.25	\$ 187.58	\$ 62.00	\$ 2,605.46
2023	\$ 705.95	\$ 1,477.42	\$ 174.87	\$ 191.33	\$ 62.00	\$ 2,611.57
2024	\$ 735.36	\$ 1,452.71	\$ 171.34	\$ 195.16	\$ 62.00	\$ 2,616.57
2025	\$ 764.78	\$ 1,426.97	\$ 167.66	\$ 199.06	\$ 62.00	\$ 2,620.47
2026	\$ 794.19	\$ 1,398.29	\$ 163.84	\$ 203.04	\$ 62.00	\$ 2,621.37
2027	\$ 823.61	\$ 1,368.51	\$ 159.87	\$ 207.10	\$ 62.00	\$ 2,621.09
2028	\$ 853.02	\$ 1,337.63	\$ 155.75	\$ 211.25	\$ 62.00	\$ 2,619.64
2029	\$ 882.44	\$ 1,305.64	\$ 151.48	\$ 215.47	\$ 62.00	\$ 2,617.03
2030	\$ 941.26	\$ 1,272.55	\$ 147.07	\$ 219.78	\$ 62.00	\$ 2,642.66
2031	\$ 970.68	\$ 1,232.54	\$ 142.37	\$ 224.18	\$ 62.00	\$ 2,631.76
2032	\$ 1,029.51	\$ 1,191.29	\$ 137.51	\$ 228.66	\$ 62.00	\$ 2,648.97
2033	\$ 1,058.92	\$ 1,147.53	\$ 132.37	\$ 233.23	\$ 62.00	\$ 2,634.05
2034	\$ 1,117.75	\$ 1,102.53	\$ 127.07	\$ 237.90	\$ 62.00	\$ 2,647.25
2035	\$ 1,176.58	\$ 1,055.03	\$ 121.48	\$ 242.65	\$ 62.00	\$ 2,657.74
2036	\$ 1,235.41	\$ 1,005.02	\$ 115.60	\$ 247.51	\$ 62.00	\$ 2,665.54
2037	\$ 1,264.82	\$ 952.52	\$ 109.42	\$ 252.46	\$ 62.00	\$ 2,641.22
2038	\$ 1,323.65	\$ 898.76	\$ 103.10	\$ 257.51	\$ 62.00	\$ 2,645.02
2039	\$ 1,353.07	\$ 842.51	\$ 96.48	\$ 262.66	\$ 62.00	\$ 2,616.71
2040	\$ 1,441.31	\$ 785.00	\$ 89.71	\$ 267.91	\$ 62.00	\$ 2,645.94
2041	\$ 1,500.14	\$ 721.94	\$ 82.51	\$ 273.27	\$ 62.00	\$ 2,639.86
2042	\$ 1,588.38	\$ 656.31	\$ 75.01	\$ 278.73	\$ 62.00	\$ 2,660.44
2043	\$ 1,647.21	\$ 586.82	\$ 67.07	\$ 284.31	\$ 62.00	\$ 2,647.41
2044	\$ 1,735.46	\$ 514.75	\$ 58.83	\$ 289.99	\$ 62.00	\$ 2,661.03
2045	\$ 1,823.70	\$ 438.83	\$ 50.15	\$ 295.79	\$ 62.00	\$ 2,670.47
2046	\$ 1,911.94	\$ 359.04	\$ 41.03	\$ 301.71	\$ 62.00	\$ 2,675.73
2047	\$ 2,000.19	\$ 275.39	\$ 31.47	\$ 307.74	\$ 62.00	\$ 2,676.80
2048	\$ 2,088.43	\$ 187.89	\$ 21.47	\$ 313.90	\$ 62.00	\$ 2,673.69
2049	\$ 2,206.09	\$ 96.52	\$ 11.03	\$ 320.18	\$ 62.00	\$ 2,695.81
Total	\$ 35,650.40	\$ 26,591.02	\$ 3,083.82	\$ 6,950.06	\$ 1,736.00	\$ 74,011.30

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Additional Interest, Interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT M-9 - HOMEBUYER DISCLOSURE FOR IMPROVEMENT AREA #2, LOT
TYPE 5**

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL IMPROVEMENT AREA #2, LOT TYPE 5 ASSESSMENT: \$25,623.73

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "**Authorized Improvements**") undertaken for the benefit of the property within "**Sonoma Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE IMPROVEMENT AREA #2, LOT TYPE 5 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$25,623.73 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – IMPROVEMENT AREA #2, LOT TYPE 5

				Administrative Expenses				
Annual Installment				Additional	Administrative	Maintenance	Total Annual	
Due 1/31	Principal	Interest	Interest	Costs	Costs	and Operation	Costs	Installment
2022	\$ 486.26	\$ 1,078.91	\$ 128.12	\$ 136.18	\$ 62.00	\$	\$	1,891.48
2023	\$ 507.40	\$ 1,061.89	\$ 125.69	\$ 138.91	\$ 62.00	\$	\$	1,895.89
2024	\$ 528.54	\$ 1,044.14	\$ 123.15	\$ 141.69	\$ 62.00	\$	\$	1,899.51
2025	\$ 549.68	\$ 1,025.64	\$ 120.51	\$ 144.52	\$ 62.00	\$	\$	1,902.35
2026	\$ 570.83	\$ 1,005.02	\$ 117.76	\$ 147.41	\$ 62.00	\$	\$	1,903.02
2027	\$ 591.97	\$ 983.62	\$ 114.91	\$ 150.36	\$ 62.00	\$	\$	1,902.85
2028	\$ 613.11	\$ 961.42	\$ 111.95	\$ 153.37	\$ 62.00	\$	\$	1,901.84
2029	\$ 634.25	\$ 938.43	\$ 108.88	\$ 156.43	\$ 62.00	\$	\$	1,899.99
2030	\$ 676.53	\$ 914.64	\$ 105.71	\$ 159.56	\$ 62.00	\$	\$	1,918.45
2031	\$ 697.68	\$ 885.89	\$ 102.33	\$ 162.75	\$ 62.00	\$	\$	1,910.64
2032	\$ 739.96	\$ 856.24	\$ 98.84	\$ 166.01	\$ 62.00	\$	\$	1,923.04
2033	\$ 761.10	\$ 824.79	\$ 95.14	\$ 169.33	\$ 62.00	\$	\$	1,912.36
2034	\$ 803.38	\$ 792.44	\$ 91.33	\$ 172.72	\$ 62.00	\$	\$	1,921.87
2035	\$ 845.67	\$ 758.30	\$ 87.32	\$ 176.17	\$ 62.00	\$	\$	1,929.45
2036	\$ 887.95	\$ 722.36	\$ 83.09	\$ 179.69	\$ 62.00	\$	\$	1,935.09
2037	\$ 909.09	\$ 684.62	\$ 78.65	\$ 183.29	\$ 62.00	\$	\$	1,917.65
2038	\$ 951.38	\$ 645.98	\$ 74.10	\$ 186.95	\$ 62.00	\$	\$	1,920.41
2039	\$ 972.52	\$ 605.55	\$ 69.34	\$ 190.69	\$ 62.00	\$	\$	1,900.10
2040	\$ 1,035.94	\$ 564.22	\$ 64.48	\$ 194.51	\$ 62.00	\$	\$	1,921.15
2041	\$ 1,078.23	\$ 518.90	\$ 59.30	\$ 198.40	\$ 62.00	\$	\$	1,916.82
2042	\$ 1,141.65	\$ 471.72	\$ 53.91	\$ 202.36	\$ 62.00	\$	\$	1,931.65
2043	\$ 1,183.93	\$ 421.78	\$ 48.20	\$ 206.41	\$ 62.00	\$	\$	1,922.33
2044	\$ 1,247.36	\$ 369.98	\$ 42.28	\$ 210.54	\$ 62.00	\$	\$	1,932.16
2045	\$ 1,310.78	\$ 315.41	\$ 36.05	\$ 214.75	\$ 62.00	\$	\$	1,938.99
2046	\$ 1,374.21	\$ 258.06	\$ 29.49	\$ 219.04	\$ 62.00	\$	\$	1,942.81
2047	\$ 1,437.63	\$ 197.94	\$ 22.62	\$ 223.43	\$ 62.00	\$	\$	1,943.62
2048	\$ 1,501.06	\$ 135.04	\$ 15.43	\$ 227.89	\$ 62.00	\$	\$	1,941.43
2049	\$ 1,585.63	\$ 69.37	\$ 7.93	\$ 232.45	\$ 62.00	\$	\$	1,957.38
Total	\$ 25,623.73	\$ 19,112.30	\$ 2,216.49	\$ 5,045.82	\$ 1,736.00	\$	\$	53,734.33

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Additional Interest, Interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT M-10 - HOMEBUYER DISCLOSURE FOR IMPROVEMENT AREA #2, LOT
TYPE 10**

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL IMPROVEMENT AREA #2, LOT TYPE 10 ASSESSMENT: \$29,165.64

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "**Authorized Improvements**") undertaken for the benefit of the property within "**Sonoma Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE IMPROVEMENT AREA #2, LOT TYPE 10 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$29,165.64 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – IMPROVEMENT AREA #2, LOT TYPE 10

Administrative Expenses						
Annual Installment Due 1/31	Principal	Interest	Additional Interest	Administrative Costs	Maintenance and Operation Costs	Total Annual Installment
2022	\$ 553.47	\$ 1,228.05	\$ 145.83	\$ 155.13	\$ 62.00	\$ 2,144.48
2023	\$ 577.54	\$ 1,208.68	\$ 143.06	\$ 158.23	\$ 62.00	\$ 2,149.51
2024	\$ 601.60	\$ 1,188.46	\$ 140.17	\$ 161.39	\$ 62.00	\$ 2,153.63
2025	\$ 625.67	\$ 1,167.41	\$ 137.17	\$ 164.62	\$ 62.00	\$ 2,156.86
2026	\$ 649.73	\$ 1,143.95	\$ 134.04	\$ 167.91	\$ 62.00	\$ 2,157.63
2027	\$ 673.79	\$ 1,119.58	\$ 130.79	\$ 171.27	\$ 62.00	\$ 2,157.44
2028	\$ 697.86	\$ 1,094.31	\$ 127.42	\$ 174.70	\$ 62.00	\$ 2,156.29
2029	\$ 721.92	\$ 1,068.14	\$ 123.93	\$ 178.19	\$ 62.00	\$ 2,154.19
2030	\$ 770.05	\$ 1,041.07	\$ 120.32	\$ 181.76	\$ 62.00	\$ 2,175.20
2031	\$ 794.11	\$ 1,008.34	\$ 116.47	\$ 185.39	\$ 62.00	\$ 2,166.32
2032	\$ 842.24	\$ 974.59	\$ 112.50	\$ 189.10	\$ 62.00	\$ 2,180.44
2033	\$ 866.31	\$ 938.80	\$ 108.29	\$ 192.88	\$ 62.00	\$ 2,168.27
2034	\$ 914.43	\$ 901.98	\$ 103.96	\$ 196.74	\$ 62.00	\$ 2,179.11
2035	\$ 962.56	\$ 863.12	\$ 99.38	\$ 200.67	\$ 62.00	\$ 2,187.74
2036	\$ 1,010.69	\$ 822.21	\$ 94.57	\$ 204.69	\$ 62.00	\$ 2,194.16
2037	\$ 1,034.75	\$ 779.25	\$ 89.52	\$ 208.78	\$ 62.00	\$ 2,174.31
2038	\$ 1,082.88	\$ 735.28	\$ 84.34	\$ 212.96	\$ 62.00	\$ 2,177.46
2039	\$ 1,106.95	\$ 689.25	\$ 78.93	\$ 217.22	\$ 62.00	\$ 2,154.35
2040	\$ 1,179.14	\$ 642.21	\$ 73.40	\$ 221.56	\$ 62.00	\$ 2,178.30
2041	\$ 1,227.27	\$ 590.62	\$ 67.50	\$ 225.99	\$ 62.00	\$ 2,173.38
2042	\$ 1,299.46	\$ 536.93	\$ 61.36	\$ 230.51	\$ 62.00	\$ 2,190.26
2043	\$ 1,347.59	\$ 480.08	\$ 54.87	\$ 235.12	\$ 62.00	\$ 2,179.65
2044	\$ 1,419.78	\$ 421.12	\$ 48.13	\$ 239.82	\$ 62.00	\$ 2,190.85
2045	\$ 1,491.97	\$ 359.01	\$ 41.03	\$ 244.62	\$ 62.00	\$ 2,198.63
2046	\$ 1,564.16	\$ 293.73	\$ 33.57	\$ 249.51	\$ 62.00	\$ 2,202.98
2047	\$ 1,636.36	\$ 225.30	\$ 25.75	\$ 254.50	\$ 62.00	\$ 2,203.91
2048	\$ 1,708.55	\$ 153.71	\$ 17.57	\$ 259.59	\$ 62.00	\$ 2,201.42
2049	\$ 1,804.80	\$ 78.96	\$ 9.02	\$ 264.78	\$ 62.00	\$ 2,219.57
Total	\$ 29,165.64	\$ 21,754.15	\$ 2,522.88	\$ 5,747.66	\$ 1,736.00	\$ 60,926.32

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, Additional Interest, Interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT M-11 - HOMEBUYER DISCLOSURE FOR IMPROVEMENT AREA #3, LOT
TYPE 1**

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL IMPROVEMENT AREA #3, LOT TYPE 1 ASSESSMENT: \$30,331.90

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "**Authorized Improvements**") undertaken for the benefit of the property within "**Sonoma Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE IMPROVEMENT AREA #3, LOT TYPE 1 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$30,331.90 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – IMPROVEMENT AREA #3, LOT TYPE 1

					Administrative Expenses					
Annual Installment Due 1/31			Capitalized Interest	Additional Interest	Maintenance		Reserve Fund	Total Annual Installment		
	Principal	Interest			Administrative Costs	and Operation Costs				
2021 ^[a]	\$ -	\$ 926.81	\$ (926.81)	\$ -	\$ 153.32	\$ -	\$ -	\$ 153.32		
2022	\$ 434.41	\$ 1,668.25	\$ -	\$ 151.66	\$ 156.39	\$ 62.00	\$ -	\$ 2,472.71		
2023	\$ 434.41	\$ 1,644.36	\$ -	\$ 149.49	\$ 159.51	\$ 62.00	\$ -	\$ 2,449.77		
2024	\$ 459.96	\$ 1,620.47	\$ -	\$ 147.32	\$ 162.70	\$ 62.00	\$ -	\$ 2,452.45		
2025	\$ 485.51	\$ 1,595.17	\$ -	\$ 145.02	\$ 165.96	\$ 62.00	\$ -	\$ 2,453.66		
2026	\$ 511.07	\$ 1,568.47	\$ -	\$ 142.59	\$ 169.28	\$ 62.00	\$ -	\$ 2,453.40		
2027	\$ 536.62	\$ 1,540.36	\$ -	\$ 140.03	\$ 172.66	\$ 62.00	\$ -	\$ 2,451.68		
2028	\$ 587.73	\$ 1,510.85	\$ -	\$ 137.35	\$ 176.12	\$ 62.00	\$ -	\$ 2,474.04		
2029	\$ 613.28	\$ 1,478.52	\$ -	\$ 134.41	\$ 179.64	\$ 62.00	\$ -	\$ 2,467.85		
2030	\$ 638.84	\$ 1,444.79	\$ -	\$ 131.34	\$ 183.23	\$ 62.00	\$ -	\$ 2,460.20		
2031	\$ 664.39	\$ 1,409.65	\$ -	\$ 128.15	\$ 186.90	\$ 62.00	\$ -	\$ 2,451.09		
2032	\$ 715.50	\$ 1,373.11	\$ -	\$ 124.83	\$ 190.63	\$ 62.00	\$ -	\$ 2,466.07		
2033	\$ 741.05	\$ 1,333.76	\$ -	\$ 121.25	\$ 194.45	\$ 62.00	\$ -	\$ 2,452.51		
2034	\$ 792.16	\$ 1,293.00	\$ -	\$ 117.55	\$ 198.34	\$ 62.00	\$ -	\$ 2,463.04		
2035	\$ 843.26	\$ 1,249.43	\$ -	\$ 113.58	\$ 202.30	\$ 62.00	\$ -	\$ 2,470.59		
2036	\$ 894.37	\$ 1,203.05	\$ -	\$ 109.37	\$ 206.35	\$ 62.00	\$ -	\$ 2,475.14		
2037	\$ 919.92	\$ 1,153.86	\$ -	\$ 104.90	\$ 210.48	\$ 62.00	\$ -	\$ 2,451.16		
2038	\$ 971.03	\$ 1,103.27	\$ -	\$ 100.30	\$ 214.69	\$ 62.00	\$ -	\$ 2,451.28		
2039	\$ 1,047.69	\$ 1,049.86	\$ -	\$ 95.44	\$ 218.98	\$ 62.00	\$ -	\$ 2,473.97		
2040	\$ 1,098.80	\$ 992.24	\$ -	\$ 90.20	\$ 223.36	\$ 62.00	\$ -	\$ 2,466.60		
2041	\$ 1,149.90	\$ 931.81	\$ -	\$ 84.71	\$ 227.83	\$ 62.00	\$ -	\$ 2,456.24		
2042	\$ 1,226.56	\$ 868.56	\$ -	\$ 78.96	\$ 232.38	\$ 62.00	\$ -	\$ 2,468.47		
2043	\$ 1,303.22	\$ 801.10	\$ -	\$ 72.83	\$ 237.03	\$ 62.00	\$ -	\$ 2,476.18		
2044	\$ 1,354.33	\$ 729.42	\$ -	\$ 66.31	\$ 241.77	\$ 62.00	\$ -	\$ 2,453.84		
2045	\$ 1,430.99	\$ 654.93	\$ -	\$ 59.54	\$ 246.61	\$ 62.00	\$ -	\$ 2,454.07		
2046	\$ 1,533.20	\$ 576.23	\$ -	\$ 52.38	\$ 251.54	\$ 62.00	\$ -	\$ 2,475.36		
2047	\$ 1,609.87	\$ 491.90	\$ -	\$ 44.72	\$ 256.57	\$ 62.00	\$ -	\$ 2,465.06		
2048	\$ 1,686.53	\$ 403.36	\$ -	\$ 36.67	\$ 261.70	\$ 62.00	\$ -	\$ 2,450.26		
2049	\$ 1,788.74	\$ 310.60	\$ -	\$ 28.24	\$ 266.93	\$ 62.00	\$ -	\$ 2,456.51		
2050	\$ 1,890.95	\$ 212.22	\$ -	\$ 19.29	\$ 272.27	\$ 62.00	\$ -	\$ 2,456.74		
2051	\$ 1,967.61	\$ 108.22	\$ -	\$ 9.84	\$ 277.72	\$ 62.00	(2,109.43)	\$ 315.95		
Total	\$ 30,331.90	\$ 33,247.66	\$ (926.81)	\$ 2,938.26	\$ 6,497.64	\$ 1,860.00	\$ (2,109.43)	\$ 71,839.22		

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, reserve fund requirements, interest earning, or other available offsets could increase or decrease the amounts shown. Interest is shown at 5.5% for illustrative purposes only.

[a] Capitalized Interest and Administrative Expenses due January 31, 2021 will be paid from bond proceeds.

**EXHIBIT M-12 - HOMEBUYER DISCLOSURE FOR IMPROVEMENT AREA #3, LOT
TYPE 2**

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL IMPROVEMENT AREA #3, LOT TYPE 2 ASSESSMENT: \$33,339.32

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "**Authorized Improvements**") undertaken for the benefit of the property within "**Sonoma Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE IMPROVEMENT AREA #3, LOT TYPE 2 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$33,339.32 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – IMPROVEMENT AREA #3, LOT TYPE 2

					Administrative Expenses					
Annual Installment Due 1/31	Principal	Interest	Capitalized Interest	Additional Interest	Administrative Costs	Maintenance and Operation		Reserve Fund	Total Annual Installment	
						Costs				
2021 ^(a)	\$ -	\$ 1,018.70	\$ (1,018.70)	\$ -	\$ 168.52	\$ -	\$ -	\$ -	\$ 168.52	
2022	\$ 477.48	\$ 1,833.66	\$ -	\$ 166.70	\$ 171.89	\$ 62.00	\$ -	\$ -	\$ 2,711.73	
2023	\$ 477.48	\$ 1,807.40	\$ -	\$ 164.31	\$ 175.33	\$ 62.00	\$ -	\$ -	\$ 2,686.52	
2024	\$ 505.57	\$ 1,781.14	\$ -	\$ 161.92	\$ 178.84	\$ 62.00	\$ -	\$ -	\$ 2,689.47	
2025	\$ 533.65	\$ 1,753.33	\$ -	\$ 159.39	\$ 182.41	\$ 62.00	\$ -	\$ -	\$ 2,690.80	
2026	\$ 561.74	\$ 1,723.98	\$ -	\$ 156.73	\$ 186.06	\$ 62.00	\$ -	\$ -	\$ 2,690.51	
2027	\$ 589.83	\$ 1,693.09	\$ -	\$ 153.92	\$ 189.78	\$ 62.00	\$ -	\$ -	\$ 2,688.62	
2028	\$ 646.00	\$ 1,660.65	\$ -	\$ 150.97	\$ 193.58	\$ 62.00	\$ -	\$ -	\$ 2,713.20	
2029	\$ 674.09	\$ 1,625.12	\$ -	\$ 147.74	\$ 197.45	\$ 62.00	\$ -	\$ -	\$ 2,706.39	
2030	\$ 702.18	\$ 1,588.04	\$ -	\$ 144.37	\$ 201.40	\$ 62.00	\$ -	\$ -	\$ 2,697.98	
2031	\$ 730.26	\$ 1,549.42	\$ -	\$ 140.86	\$ 205.43	\$ 62.00	\$ -	\$ -	\$ 2,687.97	
2032	\$ 786.44	\$ 1,509.26	\$ -	\$ 137.21	\$ 209.54	\$ 62.00	\$ -	\$ -	\$ 2,704.44	
2033	\$ 814.52	\$ 1,466.00	\$ -	\$ 133.27	\$ 213.73	\$ 62.00	\$ -	\$ -	\$ 2,689.53	
2034	\$ 870.70	\$ 1,421.20	\$ -	\$ 129.20	\$ 218.00	\$ 62.00	\$ -	\$ -	\$ 2,701.10	
2035	\$ 926.87	\$ 1,373.32	\$ -	\$ 124.85	\$ 222.36	\$ 62.00	\$ -	\$ -	\$ 2,709.40	
2036	\$ 983.05	\$ 1,322.34	\$ -	\$ 120.21	\$ 226.81	\$ 62.00	\$ -	\$ -	\$ 2,714.41	
2037	\$ 1,011.13	\$ 1,268.27	\$ -	\$ 115.30	\$ 231.34	\$ 62.00	\$ -	\$ -	\$ 2,688.05	
2038	\$ 1,067.31	\$ 1,212.66	\$ -	\$ 110.24	\$ 235.97	\$ 62.00	\$ -	\$ -	\$ 2,688.18	
2039	\$ 1,151.57	\$ 1,153.96	\$ -	\$ 104.91	\$ 240.69	\$ 62.00	\$ -	\$ -	\$ 2,713.12	
2040	\$ 1,207.74	\$ 1,090.62	\$ -	\$ 99.15	\$ 245.51	\$ 62.00	\$ -	\$ -	\$ 2,705.01	
2041	\$ 1,263.92	\$ 1,024.19	\$ -	\$ 93.11	\$ 250.42	\$ 62.00	\$ -	\$ -	\$ 2,693.63	
2042	\$ 1,348.18	\$ 954.68	\$ -	\$ 86.79	\$ 255.42	\$ 62.00	\$ -	\$ -	\$ 2,707.07	
2043	\$ 1,432.44	\$ 880.53	\$ -	\$ 80.05	\$ 260.53	\$ 62.00	\$ -	\$ -	\$ 2,715.55	
2044	\$ 1,488.61	\$ 801.74	\$ -	\$ 72.89	\$ 265.74	\$ 62.00	\$ -	\$ -	\$ 2,690.99	
2045	\$ 1,572.87	\$ 719.87	\$ -	\$ 65.44	\$ 271.06	\$ 62.00	\$ -	\$ -	\$ 2,691.25	
2046	\$ 1,685.22	\$ 633.36	\$ -	\$ 57.58	\$ 276.48	\$ 62.00	\$ -	\$ -	\$ 2,714.64	
2047	\$ 1,769.48	\$ 540.68	\$ -	\$ 49.15	\$ 282.01	\$ 62.00	\$ -	\$ -	\$ 2,703.32	
2048	\$ 1,853.74	\$ 443.35	\$ -	\$ 40.30	\$ 287.65	\$ 62.00	\$ -	\$ -	\$ 2,687.05	
2049	\$ 1,966.09	\$ 341.40	\$ -	\$ 31.04	\$ 293.40	\$ 62.00	\$ -	\$ -	\$ 2,693.93	
2050	\$ 2,078.44	\$ 233.26	\$ -	\$ 21.21	\$ 299.27	\$ 62.00	\$ -	\$ -	\$ 2,694.18	
2051	\$ 2,162.70	\$ 118.95	\$ -	\$ 10.81	\$ 305.25	\$ 62.00	\$ (2,318.59)	\$ -	\$ 341.13	
Total	\$ 33,339.32	\$ 36,544.17	\$ (1,018.70)	\$ 3,229.59	\$ 7,141.88	\$ 1,860.00	\$ (2,318.59)	\$ -	\$ 78,777.67	

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, reserve fund requirements, interest earning, or other available offsets could increase or decrease the amounts shown. Interest is shown at 5.5% for illustrative purposes only.

[a] Capitalized Interest and Administrative Expenses due January 31, 2021 will be paid from bond proceeds.

**EXHIBIT M-13 - HOMEBUYER DISCLOSURE FOR IMPROVEMENT AREA #3, LOT
TYPE 3**

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MCLENDON-CHISHOLM, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

PRINCIPAL IMPROVEMENT AREA #3, LOT TYPE 3 ASSESSMENT: \$40,557.11

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of McLendon-Chisholm, Texas, for the costs of a portion of public improvements (the "**Authorized Improvements**") undertaken for the benefit of the property within "**Sonoma Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL OF THE IMPROVEMENT AREA #3, LOT TYPE 3 ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$40,557.11 WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of McLendon-Chisholm.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

STATE OF TEXAS

Notary Public, State of Texas

§

§

COUNTY OF ROCKWALL

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – IMPROVEMENT AREA #3, LOT TYPE 3

					Administrative Expenses					
Annual Installment Due 1/31	Principal	Interest	Capitalized Interest	Additional Interest	Maintenance and Operation				Total Annual Installment	
					Administrative Costs	Costs	Reserve Fund			
2021 ^[a]	\$ -	\$ 1,239.24	\$ (1,239.24)	\$ -	\$ 205.01	\$ -	\$ -	\$ -	\$ 205.01	
2022	\$ 580.85	\$ 2,230.64	\$ -	\$ 202.79	\$ 209.11	\$ 62.00	\$ -	\$ -	\$ 3,285.38	
2023	\$ 580.85	\$ 2,198.69	\$ -	\$ 199.88	\$ 213.29	\$ 62.00	\$ -	\$ -	\$ 3,254.72	
2024	\$ 615.02	\$ 2,166.75	\$ -	\$ 196.98	\$ 217.55	\$ 62.00	\$ -	\$ -	\$ 3,258.30	
2025	\$ 649.19	\$ 2,132.92	\$ -	\$ 193.90	\$ 221.91	\$ 62.00	\$ -	\$ -	\$ 3,259.92	
2026	\$ 683.35	\$ 2,097.22	\$ -	\$ 190.66	\$ 226.34	\$ 62.00	\$ -	\$ -	\$ 3,259.57	
2027	\$ 717.52	\$ 2,059.63	\$ -	\$ 187.24	\$ 230.87	\$ 62.00	\$ -	\$ -	\$ 3,257.26	
2028	\$ 785.86	\$ 2,020.17	\$ -	\$ 183.65	\$ 235.49	\$ 62.00	\$ -	\$ -	\$ 3,287.17	
2029	\$ 820.03	\$ 1,976.95	\$ -	\$ 179.72	\$ 240.20	\$ 62.00	\$ -	\$ -	\$ 3,278.89	
2030	\$ 854.19	\$ 1,931.84	\$ -	\$ 175.62	\$ 245.00	\$ 62.00	\$ -	\$ -	\$ 3,268.66	
2031	\$ 888.36	\$ 1,884.86	\$ -	\$ 171.35	\$ 249.90	\$ 62.00	\$ -	\$ -	\$ 3,256.48	
2032	\$ 956.70	\$ 1,836.00	\$ -	\$ 166.91	\$ 254.90	\$ 62.00	\$ -	\$ -	\$ 3,276.51	
2033	\$ 990.86	\$ 1,783.39	\$ -	\$ 162.13	\$ 260.00	\$ 62.00	\$ -	\$ -	\$ 3,258.37	
2034	\$ 1,059.20	\$ 1,728.89	\$ -	\$ 157.17	\$ 265.20	\$ 62.00	\$ -	\$ -	\$ 3,272.46	
2035	\$ 1,127.54	\$ 1,670.63	\$ -	\$ 151.88	\$ 270.50	\$ 62.00	\$ -	\$ -	\$ 3,282.54	
2036	\$ 1,195.87	\$ 1,608.62	\$ -	\$ 146.24	\$ 275.91	\$ 62.00	\$ -	\$ -	\$ 3,288.64	
2037	\$ 1,230.04	\$ 1,542.84	\$ -	\$ 140.26	\$ 281.43	\$ 62.00	\$ -	\$ -	\$ 3,256.57	
2038	\$ 1,298.37	\$ 1,475.19	\$ -	\$ 134.11	\$ 287.06	\$ 62.00	\$ -	\$ -	\$ 3,256.73	
2039	\$ 1,400.88	\$ 1,403.78	\$ -	\$ 127.62	\$ 292.80	\$ 62.00	\$ -	\$ -	\$ 3,287.08	
2040	\$ 1,469.21	\$ 1,326.73	\$ -	\$ 120.61	\$ 298.66	\$ 62.00	\$ -	\$ -	\$ 3,277.21	
2041	\$ 1,537.55	\$ 1,245.93	\$ -	\$ 113.27	\$ 304.63	\$ 62.00	\$ -	\$ -	\$ 3,263.37	
2042	\$ 1,640.05	\$ 1,161.36	\$ -	\$ 105.58	\$ 310.72	\$ 62.00	\$ -	\$ -	\$ 3,279.71	
2043	\$ 1,742.55	\$ 1,071.16	\$ -	\$ 97.38	\$ 316.94	\$ 62.00	\$ -	\$ -	\$ 3,290.03	
2044	\$ 1,810.89	\$ 975.32	\$ -	\$ 88.67	\$ 323.27	\$ 62.00	\$ -	\$ -	\$ 3,260.15	
2045	\$ 1,913.39	\$ 875.72	\$ -	\$ 79.61	\$ 329.74	\$ 62.00	\$ -	\$ -	\$ 3,260.46	
2046	\$ 2,050.06	\$ 770.48	\$ -	\$ 70.04	\$ 336.33	\$ 62.00	\$ -	\$ -	\$ 3,288.93	
2047	\$ 2,152.57	\$ 657.73	\$ -	\$ 59.79	\$ 343.06	\$ 62.00	\$ -	\$ -	\$ 3,275.15	
2048	\$ 2,255.07	\$ 539.34	\$ -	\$ 49.03	\$ 349.92	\$ 62.00	\$ -	\$ -	\$ 3,255.36	
2049	\$ 2,391.74	\$ 415.31	\$ -	\$ 37.76	\$ 356.92	\$ 62.00	\$ -	\$ -	\$ 3,263.73	
2050	\$ 2,528.41	\$ 283.76	\$ -	\$ 25.80	\$ 364.06	\$ 62.00	\$ -	\$ -	\$ 3,264.03	
2051	\$ 2,630.92	\$ 144.70	\$ -	\$ 13.15	\$ 371.34	\$ 62.00	\$ (2,820.55)	\$ -	\$ 401.56	
Total	\$ 40,557.11	\$ 44,455.80	\$ (1,239.24)	\$ 3,928.78	\$ 8,688.06	\$ 1,860.00	\$ (2,820.55)	\$ -	\$ 95,429.95	

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, reserve fund requirements, interest earning, or other available offsets could increase or decrease the amounts shown. Interest is shown at 5.5% for illustrative purposes only.

[a] Capitalized Interest and Administrative Expenses due January 31, 2021 will be paid from bond proceeds.

EXHIBIT N-1 – DISTRICT LEGAL DESCRIPTION

TRACT 1

All that certain lot, tract or parcel of land situated in the KING LATHAM SURVEY, ABSTRACT NO. 133, City of McLendon-Chisholm, Rockwall County, Texas, and being a part of the First tract called 515 acres as described in a Warranty deed from C.D. Edwards and Lillian Edwards to W.A. Edwards, dated January 7, 1937 and being recorded in Volume 33, Page 280 of the Deed Records of Rockwall County, Texas, and conveyed in a Special Warranty deed from Estate of Arch Hampton Edwards to Isabell Edwards and Isabell Edwards Trust, dated July 20, 1983 and being recorded in Volume 406, Page 126 of the Real Property Records of Rockwall County, Texas, and being all of a 25.02 acres tract of land as described in a Warranty deed from Anna Jane Shook Webb to Anthony Piazza and Theresa A. Piazza, dated July 26, 1999 and being recorded in Volume 1679, Page 217 of the Real Property Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner in the center of Edwards Road and in the Northeast line of said Edwards tract, said point being S. 44 deg. 59 min. 36 sec. E., 310.00 feet from a 1/2" iron rod found at the North corner of said Edwards tract and the North corner of said Latham Survey;

THENCE S. 44 deg. 59 min. 36 sec. E. along Edwards Road, a distance of 90.01 feet to a point in the Northwest City limits of the City of McLendon-Chisholm;

THENCE S. 45 deg. 29 min. 10 sec. W. along said City limits, a distance of 1008.00 feet;

THENCE N. 45 deg. 29 min. 10 sec. W. along said City limits, a distance of 295.82 feet;

THENCE S 45 deg. 09 min. 23 sec. W. along said City limits, a distance of 1500.00 feet;

THENCE S. 45 deg. 00 min. 49 sec. E. along said City limits, a distance of 4997.65 feet to a point in the Southeast line of said 515 acres tract and being in the center of Wallace Road;

THENCE S. 45 deg. 00 min. 00 sec. W. (Controlling bearing line) along the center of said road, a distance of 1500.00 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner at a turn in said road, said point being the South corner of said Edwards tract and being in the Northeast line of a 15' road dedication by plat of FRONTIER MEADOWS, an Addition to McLendon-Chisholm, Rockwall County, Texas, according to the Plat thereof recorded in Cabinet B, Slide 94 of the Plat Records of Rockwall County, Texas;

THENCE N. 45 deg. 10 min. 28 sec. W. along said Addition and 15 foot dedication line, a distance of 2405.38 feet to a 1/2" iron rod found for corner;

THENCE N. 45 deg. 21 min. 31 sec. W. along said Addition and 15 foot dedication line and along the Northeast line of Lot 25, a distance of 653.30 feet to a 1/2" iron rod found for corner at the North corner of Lot 25 and being at the East corner of a 25 acres tract of land as described in a Deed to Anthony Piazza, as recorded in Volume 1679, Page 217 of the Real Property Records of Rockwall County, Texas;

THENCE S. 44 deg. 39 min. 13 sec. W. along the Southeast line of said Piazza tract and the Northwest line of Frontier Meadows Addition, a distance of 2603.50 feet to a 1/2" iron rod found for corner at the South corner of said 25.02 acres tract and being in the Northeast right-of-way line of State Highway 205;

THENCE N. 44 deg. 39 min. 57 sec. W. along said right-of-way line, a distance of 419.42 feet to a 1/2" iron rod found for corner at the West corner of said Piazza 25.02 acres tract and the South corner of Lot 1, BOMAR ADDITION, an Addition to the City of McLendon-Chisholm, Rockwall County, Texas, according to the Plat thereof recorded in Cabinet B, Slide 104 of the Plat Records of Rockwall County, Texas;

THENCE N. 44 deg. 40 min. 20 sec. E., along the Southeast line of said BOMAR ADDITION, a distance of 2599.53 feet to a 1/2" iron rod found for corner at the East corner of Lot 4, BOMAR ADDITION;

THENCE N. 45 deg. 13 min. 34 sec. W. a distance of 836.82 feet to a 3/8" iron rod found for corner at the East corner of Lot 4, MEADOWCREEK ADDITION, an Addition to the City of McLendon-Chisholm, Rockwall County, Texas, according to the Plat thereof recorded in Cabinet B, Slide 74 of the Plat Records of Rockwall County, Texas;

THENCE N. 45 deg. 08 min. 44 sec. W. along the Northeast line of said Addition, a distance of 1387.78 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner in the Southeast line of GREENHOLLOW RANCH, an Addition to the City of McLendon-Chisholm, Rockwall County, Texas, according to the Plat thereof recorded in Cabinet E, Slide 213 of the Plat Records of Rockwall County, Texas;

THENCE N. 45 deg. 09 min. 23 sec. E. along the Southeast line of said Addition, a distance of 2296.02 feet to a 1" iron pipe found for corner at the East corner of Lot 7 of said Addition;

THENCE N. 45 deg. 29 min. 10 sec. E. a distance of 1381.83 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner;

THENCE S. 44 deg. 59 min. 36 sec. E. a distance of 310.00 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner;

THENCE N. 45 deg. 29 min. 10 sec. E. a distance of 351.30 feet to the POINT OF BEGINNING and containing 253.38 acres of land.

TRACT 2

All that certain lot, tract or parcel of land situated in the KING LATHAM SURVEY, ABSTRACT NO. 133, Rockwall County, Texas, and being a part of the First tract called 515 acres as described in a Warranty deed from C.D. Edwards and Lillian Edwards to W.A. Edwards, dated January 7, 1937 and being recorded in Volume 33, Page 280 of the Deed Records of Rockwall County, Texas, and conveyed in a Special Warranty deed from Estate of Arch Hampton Edwards to Isabell Edwards and Isabell Edwards Trust, dated July 20, 1983 and being recorded in Volume 406, Page 126 of the Real Property Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner in the center of Edwards Road and in the Northeast line of said Edwards tract, said point being S. 44 deg. 59 min. 36 sec. E., 400.01 feet from a 1/2" iron rod found at the North corner of said Edwards tract and the North corner of said Latham Survey;

THENCE S. 44 deg. 59 min. 36 sec. E. along Edwards Road, a distance of 5280.81 feet to a 1/2" iron rod found for corner at the intersection of the center of Edwards Road and the center of Wallace Road, at the East corner of said Edwards tract;

THENCE S. 45 deg. 00 min. 00 sec. W. (Controlling bearing line) along the center of Wallace Road, a distance of 2508.65 feet to a point in the Northeast line of the City Limits of the City of McLendon-Chisholm;

THENCE along the City limits of the City of McLendon-Chisholm as follows:

N. 45 deg. 00 min. 49 sec. W. a distance of 4997.65 feet;

N. 45 deg. 09 min. 23 sec. E. a distance of 1500.00 feet;

N. 44 deg. 30 min. 50 sec. W. a distance of 295.82 feet;

N. 45 deg. 29 min. 10 sec. E. a distance of 1008.00 feet to the POINT OF BEGINNING and containing 294.51 acres of land.

EXHIBIT N-2 – IMPROVEMENT AREA #3 LEGAL DESCRIPTION

TRACT 4A

FIELD NOTE DESCRIPTION

33.4984 ACRES

WHEREAS, Land Solutions SV, LLC. is the owner of a tract of land recorded in Instrument Number 20180000014913, of the Official Property Records of Rockwall County, Texas, located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm and Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "KHA" set in the centerline of Edwards Road for the northwest corner of this tract;

THENCE South 45°47'06" East, with said centerline, a distance of 1,300.04 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" for the northeast corner of this tract, from which an iron rod found for the northeast corner of said Land Solutions tract bears South 45°47'06" East, 3,493.69 feet;

THENCE South 43°34'59" West, a distance of 824.84 feet to an iron rod found for the southeast corner of this tract;

THENCE North 63°12'03" West, a distance of 1,211.94 feet to an iron rod found at the beginning of a non-tangent curve to the right having a central angle of 3°43'37", a radius of 695.00 feet, a chord bearing and distance of North 16°39'21" East, 45.20 feet;

THENCE with said curve to the right, an arc distance of 45.21 feet to an iron rod found for corner of this tract;

THENCE North 71°28'51" West, a distance of 220.00 feet to an iron rod found in the southwest corner of this tract at the beginning of a non-tangent curve to the right having a central angle of 38°26'05", a radius of 915.00 feet, a chord bearing and distance of North 37°44'12" East, 602.35 feet from which an iron rod found in the west line of that tract of land conveyed to Sonoma Verde Phase 2 according to the document filed of record in Instrument Number 20190000013333 (O.P.R.R.C.T.) bears on a curve to the left having a central angle of 4°20'01", a radius of 915.00 feet, and a chord bearing and distance of North 16°21'09" East, 69.19 feet;

THENCE with said curve to the right, an arc distance of 613.79 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" for corner of this tract;

THENCE North 56°57'14" East, a distance of 609.35 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" for corner of this tract;

THENCE North 44°12'54" East, a distance of 50.00 feet to the **POINT OF BEGINNING** and containing 33.4984 acres or 1,459,191 square feet of land, more or less.

TRACT 4 B

FIELD NOTE DESCRIPTION

30.2695 ACRES

WHEREAS, Land Solutions SV, LLC. is the owner of a tract of land recorded in Instrument Number 20180000014913, of the Official Property Records of Rockwall County, Texas, located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm and Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "KHA" set for the northeast corner of this tract from which an iron rod found for the northeast corner of said Land Solutions tract, bears South 45°47'06" East, 1,818.97 feet;

THENCE South 44°12'54" West, a distance of 50.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner of this tract;

THENCE South 12°25'05" West, a distance of 564.65 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner of this tract;

THENCE South 16°56'23" West, a distance of 45.20 feet to a capped iron found for corner of this tract;

THENCE North 73°03'37" West, a distance of 120.00 feet to a capped iron found for corner at the beginning of a non-tangent curve to the right having a central angle of 0°05'38", a radius of 1,025.00 feet, a chord bearing and distance of South 16°59'12" West, 1.68 feet;

THENCE with said curve to the right, an arc distance of 1.68 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner of this tract;

THENCE South 17°02'01" West, a distance of 1.67 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner of this tract;

THENCE North 72°57'59" West, a distance of 170.31 feet to a capped iron rod found for corner of this tract;

THENCE North 16°58'58" East, a distance of 25.57 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left having a central angle of 3°00'51", a radius of 855.00 feet, a chord bearing and distance of North 13°55'31" East, 44.98 feet;

THENCE with said curve to the left, an arc distance of 44.98 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner of this tract;

THENCE North 12°25'05" East, a distance of 361.33 feet to a capped iron rod found for corner of this tract;

THENCE North 44°42'17" West, a distance of 315.15 feet to a capped iron rod found at the beginning of a tangent curve to the left having a central angle of 4°17'01", a radius of 855.00 feet, a chord bearing and distance of North 46°50'47" West, 63.91 feet;

THENCE with said curve to the left, an arc distance of 63.92 feet to a capped iron rod found for corner of this tract;

THENCE North 48°59'18" West, a distance of 427.68 feet to a capped iron rod found at the beginning of a tangent curve to the right having a central angle of 4°00'19", a radius of 1,145.00 feet, a chord bearing and distance of North 46°59'08" West, 80.02 feet;

THENCE with said curve to the right, an arc distance of 80.04 feet to a capped iron rod found for corner of this tract;

THENCE South 22°54'47" West, a distance of 294.88 feet to a capped iron rod at the beginning of a tangent curve to the right having a central angle of 93°53'10", a radius of 245.00 feet, a chord bearing and distance of South 69°51'22" West, 358.03 feet;

THENCE with said curve to the right, an arc distance of 401.46 feet to a capped iron rod for corner of this tract;

THENCE North 63°12'03" West, a distance of 213.17 feet to a capped iron rod found for corner of this tract;

THENCE South 43°33'02" West, a distance of 377.85 feet to a capped iron rod found for corner of this tract;

THENCE North 46°26'58" West, a distance of 170.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner of this tract;

THENCE South 43°33'02" West, a distance of 6.41 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner of this tract;

THENCE North 46°26'58" West, a distance of 143.54 feet to a capped iron rod found for corner of this tract;

THENCE South 43°34'59" West, a distance of 560.24 feet to a capped iron rod found for corner of this tract;

THENCE North 52°48'03" West, a distance of 50.31 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the southwest corner of this tract from which an iron rod found in the west line of Sonoma Verde Phase 2 as recorded in Instrument 20190000013333 (O.P.R.R.C.T.) bears South 43°34'59" East, 62.82 feet;

THENCE North 43°34'59" East, a distance of 1,973.65 feet to a capped iron rod found for corner of this tract;

THENCE South 45°47'06" East, a distance of 1,674.97 feet to the **POINT OF BEGINNING** and containing 30.2695 acres or 1,318,538 square feet of land, more or less.

APPENDIX A – EQUIVALENT UNITS IN PHASE 1 AND PHASE 2¹

Estimated Equivalent Units - Phase #1

Land Use Class	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Land Use Class 1 (Residential - One acre lot)	0	1.00	0.00
Land Use Class 2 (Residential - One-half acre lot)	29	0.83	24.07
Land Use Class 3 (Residential - 90 Ft lot)	30	0.64	19.20
Land Use Class 4 (Residential - 80 Ft lot)	122	0.58	70.76
Land Use Class 5 (Residential - 60 Ft lot)	175	0.46	80.50
Land Use Class 6 (Office lot)	8	0.80	6.40
Land Use Class 7 (Church lot)	1	0.54	0.54
Total Equivalent Units	365		201.47

Estimated Equivalent Units - Phase #2

Land Use Class ^(a)	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Improvement Area #1C			
Land Use Class 4 (Residential - 80 Ft lot)	41	0.58	23.78
<i>Subtotal – Phase #1C</i>	<i>41</i>		<i>23.78</i>
Improvement Area #2			
Land Use Class 2 (Residential - One-half acre lot)	12	0.83	9.96
Land Use Class 3 (Residential - 90 Ft lot)	8	0.64	5.12
Land Use Class 5 (Residential - 60 Ft lot)	100	0.46	46.00
Land Use Class 10 (Residential - 70 Ft lot)	93	0.52	48.69
<i>Subtotal – Phase #2</i>	<i>213</i>		<i>109.77</i>
Total Equivalent Units	254		133.55

(a) Equivalent Unit factors for Land Use Class 2, Land Use Class 3, Land Use Class 4, and Land Use Class 5 are rounded to two decimal places in order to be consistent with the Equivalent Unit factors for Phase #1. Land Use Class 10 is shown as rounded to two decimal places. However, the total Equivalent Unit calculation for Land Use Class 10 assumes an unrounded Equivalent Unit factor of 0.53255.

Notes:

¹ Snipped from tables D-3 and D-4 of the 2019 SAP Update.

APPENDIX B – IMPROVEMENT AREA #3 ENGINEER’S REPORT

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August 25, 2020

Re: *Engineer's Report*
Sonoma Verde -Bond Issuance, Phase 3
McClendon-Chisholm, Rockwall County, Texas

Introduction:

Sonoma Verde is a proposed master planned development located on approximately 550 acres and projected to include 1,095 single-family lots off SH 205 near League Road in the City of McClendon-Chisholm, Texas as depicted on Exhibit "A". This Engineer's Report includes the documents requested for Phase 3 of the Bond Issuance by the City for the approved PID. The Phase 3 Bond Issuance includes improvements for Phases 4A and 4B of the development as shown on Exhibit "B". Bonds are anticipated to be used to finance public infrastructure projects vital for development within the PID.

Development Costs:

An Engineer's Opinion of Probable Cost (EOPC) has been prepared for all authorized PID improvements for the Phase 3 Bond Issuance and is included as Exhibit "C".

Development Improvements:

Development improvements have been separated into Offsite/Major Improvements and Direct Improvements.

Direct Improvements for Phase 4A and Phase 4B are depicted on Exhibits D-I.

Development Schedule:

Design Stage:

The Concept Plan for the entire development has been approved by the City of McLendon-Chisholm. The Final Plats for Phase 4A and Phase 4B have been approved by the City. The Flood Studies for Phase 4A and Phase 4B have been reviewed and approved by the City. The design of all improvements for Phase 4A and Phase 4B are complete and construction plans have been approved by the City.

Construction Stage:

Construction on Phase 4A and Phase 4B commenced in July 2020 with anticipated final acceptance in May of 2021.

Please contact me at (214) 952-0233 or craig.malan@kimley-horn.com should you have any questions or need any additional information.

Sincerely,

Craig Malan, PE



kimley-horn.com

400 North Oklahoma Drive, Suite 105, Celina, Texas 75009

469-501-2200

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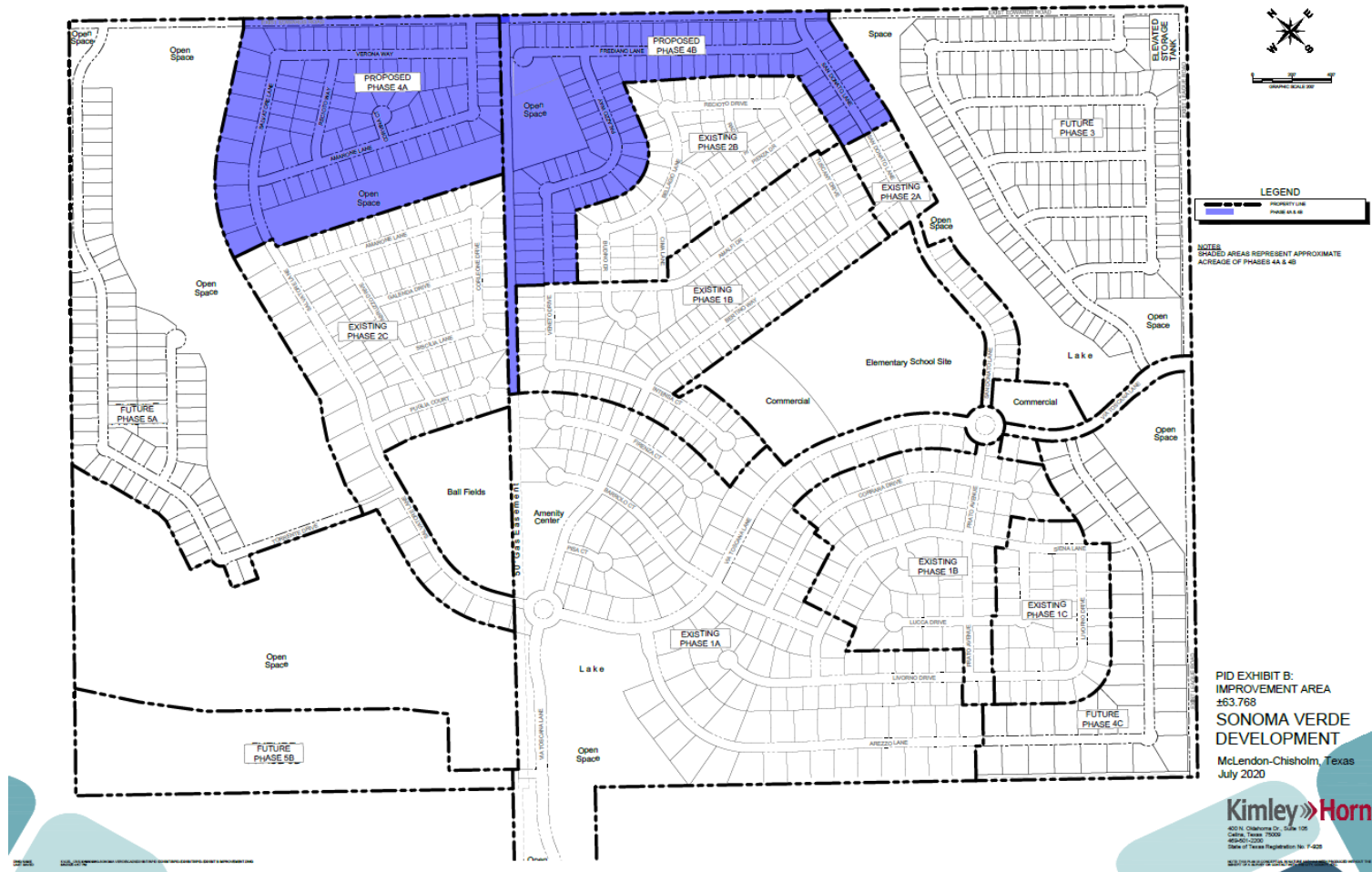


EXHIBIT C
SONOMA VERDE - PID COSTS SUMMARY
BOND ISSUANCE PHASE 3
8/26/2020

Authorized Improvements	Phase 3 Major Improvement Costs (1)	Offsite/Major Improvements	Direct Improvements		Total PID Improvements	Private Costs (2)
			Phase 4A	Phase 4B		
Road Improvements:						
Right-of-way Clearing & Grubbing		\$0.00	\$60,245.64	\$23,373.36	\$83,619.00	\$746,903.00
Street Excavation		\$0.00	\$41,335.50	\$38,191.50	\$79,527.00	\$0.00
Limbe Stabilization		\$0.00	\$53,621.75	\$45,324.50	\$98,946.25	\$0.00
Limbe Material		\$0.00	\$49,005.00	\$41,580.00	\$90,585.00	\$0.00
Concrete Paving		\$0.00	\$509,876.00	\$430,664.00	\$940,540.00	\$0.00
Barrier Free (ADA) Ramps		\$0.00	\$18,000.00	\$7,200.00	\$25,200.00	\$0.00
Sidewalks		\$0.00	\$3,795.00	\$11,990.00	\$15,785.00	\$0.00
Sawcut & Connect to Existing Paving		\$0.00	\$4,220.00	\$9,630.00	\$13,850.00	\$0.00
Street Signs		\$0.00	\$6,000.00	\$3,000.00	\$9,000.00	\$0.00
Street Lights		\$0.00	\$18,000.00	\$12,000.00	\$30,000.00	\$0.00
Erosion Control and Storm Water Pollution Prevention		\$0.00	\$32,250.00	\$37,125.00	\$69,375.00	\$23,125.00
Maintenance Bond		\$0.00	\$750.00	\$750.00	\$1,500.00	\$0.00
Subtotal - Road Improvements	\$55,573.70	\$0.00	\$797,098.89	\$660,828.36	\$1,515,500.95	\$770,028.00
Storm Drainage Improvements:						
Reinforced Concrete Storm Sewer Pipe & Box Culverts		\$0.00	\$340,584.00	\$281,732.50	\$622,316.50	\$0.00
Inlets and Manholes		\$0.00	\$60,665.00	\$69,190.00	\$148,855.00	\$0.00
Reinforced Concrete Headwalls		\$0.00	\$34,690.00	\$21,215.00	\$55,905.00	\$0.00
Trench Safety		\$0.00	\$340.80	\$832.00	\$1,172.80	\$0.00
Rock Rip Rap		\$0.00	\$11,859.00	\$16,615.00	\$28,474.00	\$0.00
Demo Existing		\$0.00	\$0.00	\$5,070.00	\$5,070.00	\$0.00
Maintenance Bond		\$0.00	\$500.00	\$500.00	\$1,000.00	\$0.00
Subtotal - Storm Drainage Improvements	\$14,207.64	\$0.00	\$468,638.80	\$394,354.50	\$877,200.94	\$0.00
Water Improvements:						
12" PVC Waterline		\$0.00	\$41,947.50	\$65,366.70	\$107,314.20	\$0.00
8" PVC Waterline		\$0.00	\$64,840.00	\$34,340.00	\$99,180.00	\$0.00
3" PVC Waterline		\$0.00	\$6,989.75	\$5,511.50	\$12,501.25	\$0.00
12" Gate Valve		\$0.00	\$10,650.00	\$10,650.00	\$21,300.00	\$0.00
8" Gate Valve		\$0.00	\$27,025.00	\$11,750.00	\$38,775.00	\$0.00
Fire Hydrant Assembly (Lead, Valve & Fittings)		\$0.00	\$37,575.00	\$37,575.00	\$75,150.00	\$0.00
1" Service		\$0.00	\$64,500.00	\$74,250.00	\$138,750.00	\$0.00
Connect to Existing		\$0.00	\$4,250.00	\$6,005.00	\$10,255.00	\$0.00
Trench Safety		\$0.00	\$1,200.00	\$962.50	\$2,162.50	\$0.00
Water Testing/Chlorination		\$0.00	\$5,520.00	\$4,427.50	\$9,947.50	\$0.00
Maintenance Bond		\$0.00	\$500.00	\$500.00	\$1,000.00	\$0.00
Subtotal - Water Improvements	\$13,503.96	\$0.00	\$264,997.25	\$251,338.20	\$529,839.41	\$0.00
Sanitary Sewer Improvements:						
8" PVC SDR35 San. Sewer Line		\$0.00	\$101,501.60	\$84,092.40	\$185,594.00	\$0.00
8" PVC SDR26 San. Sewer Line		\$0.00	\$22,701.00	\$20,125.00	\$42,826.00	\$0.00
Connect to Existing		\$0.00	\$790.00	\$1,580.00	\$2,370.00	\$0.00
4" Sewer Service		\$0.00	\$42,140.00	\$48,510.00	\$90,650.00	\$0.00
4" Diameter Manhole		\$0.00	\$27,500.00	\$27,500.00	\$55,000.00	\$0.00
Cleanout		\$0.00	\$2,148.00	\$1,074.00	\$3,222.00	\$0.00
San. Sewer Line Testing		\$0.00	\$12,414.00	\$10,383.00	\$22,797.00	\$0.00
Manhole Testing		\$0.00	\$2,750.00	\$2,750.00	\$5,500.00	\$0.00
Trench Safety		\$0.00	\$4,138.00	\$3,461.00	\$7,599.00	\$0.00
Maintenance Bond		\$0.00	\$500.00	\$500.00	\$1,000.00	\$0.00
Lift Station Pump Upgrade		\$0.00	\$46,486.49	\$53,513.51	\$100,000.00	\$0.00
Subtotal - Sanitary Sewer Improvements	\$263,747.33	\$0.00	\$263,069.09	\$253,468.91	\$780,305.93	\$0.00
Total - Road, Storm Drainage, Water & Sanitary Sewer Improvements	\$347,033.23	\$0.00	\$1,793,804.02	\$1,560,069.58	\$3,700,847.23	\$770,028.00
Soft Costs:						
Contingency 10%	\$27,110.75	\$0.00	\$179,380.40	\$156,001.00	\$362,492.15	\$0.00
ROW Dedication-Internal Roadways	\$0.00	\$0.00	\$217,041.60	\$185,011.57	\$402,053.17	\$0.00
Engineering, Flood Study, Surveying, Const. Staking	\$5,397.41	\$0.00	\$217,789.19	\$250,710.81	\$473,897.41	\$0.00
City Inspection Fees 2%	\$0.00	\$0.00	\$51,818.06	\$44,416.77	\$96,234.83	\$0.00
Geotechnical and Material Testing	\$0.00	\$0.00	\$53,485.49	\$61,570.51	\$115,056.00	\$0.00
General Contractor Fees	\$6,470.66	\$0.00	\$125,000.00	\$148,500.00	\$283,970.66	\$0.00
General Conditions	\$0.00	\$0.00	\$64,500.00	\$74,250.00	\$138,750.00	\$0.00
Subtotal - Soft Costs	\$38,978.81	\$0.00	\$913,014.74	\$920,460.66	\$1,872,454.21	\$0.00
Grand Total - Improvements + Soft Costs	\$386,012.04	\$0.00	\$2,706,818.76	\$2,480,470.63	\$5,573,301.44	\$770,028.00

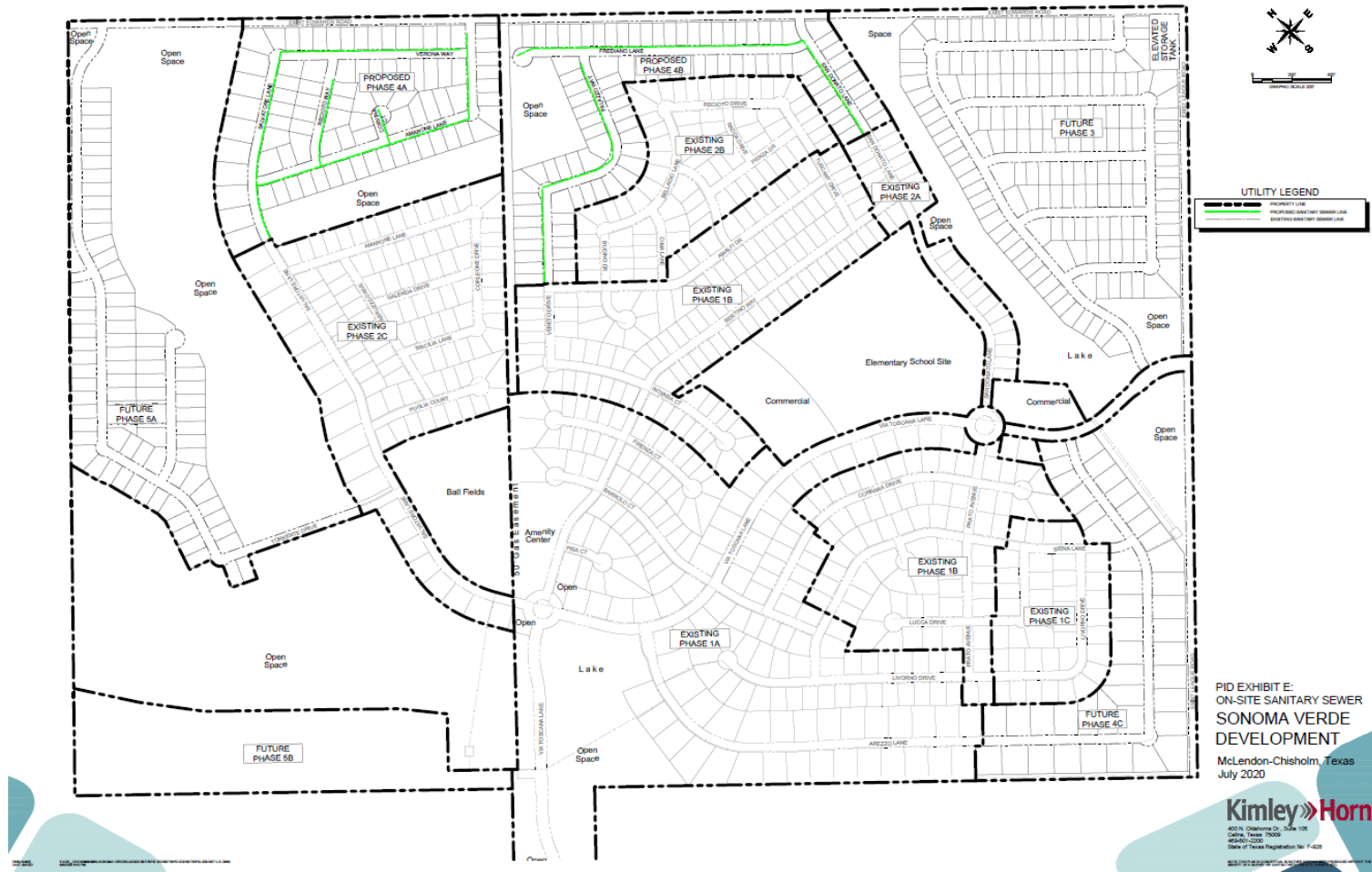
(1) Major Improvements Phase 1 Per Table IV-B of SAP January 12, 2015 rev June 11, 2019

463 lots remaining for development, 185 in this phase, so share = 185/463

38.40%

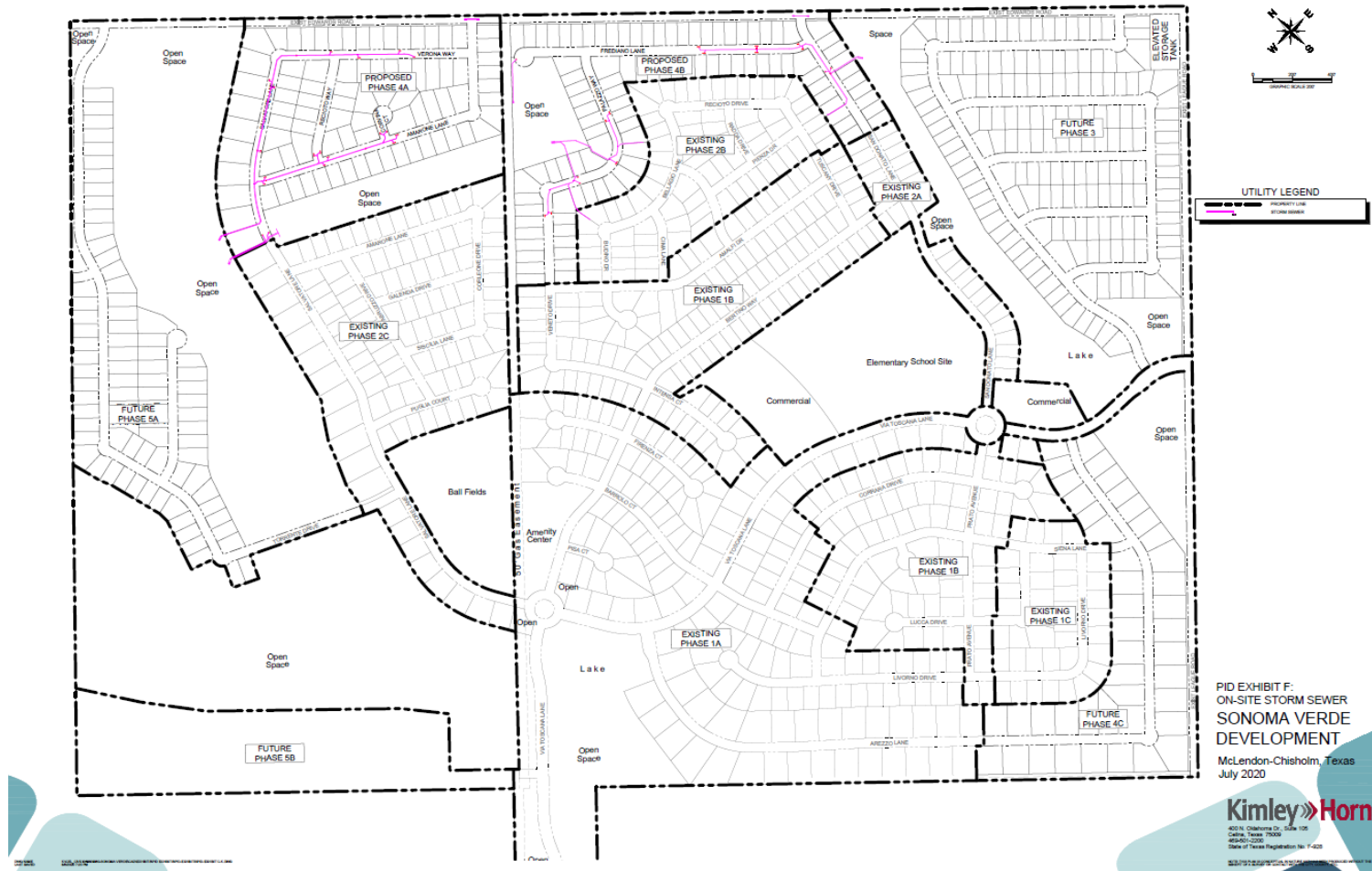
(2) This figure is the private contract amount for all of the remaining excavation and lot grading for Phase 4A & 4B





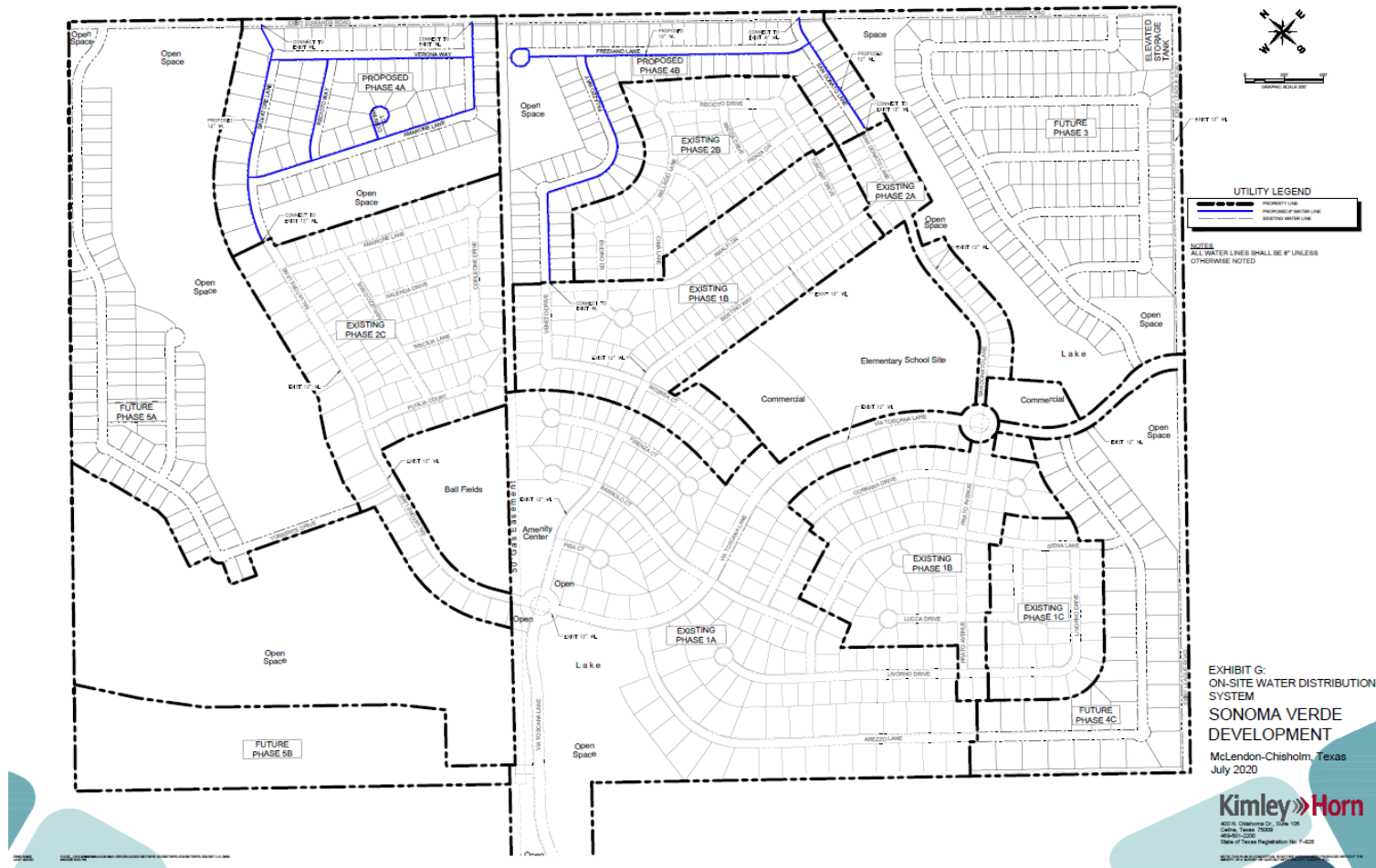
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ON-SITE SANITARY SEWER
SONOMA VERDE
DEVELOPMENT
McLendon-Chisholm, Texas
July 2020

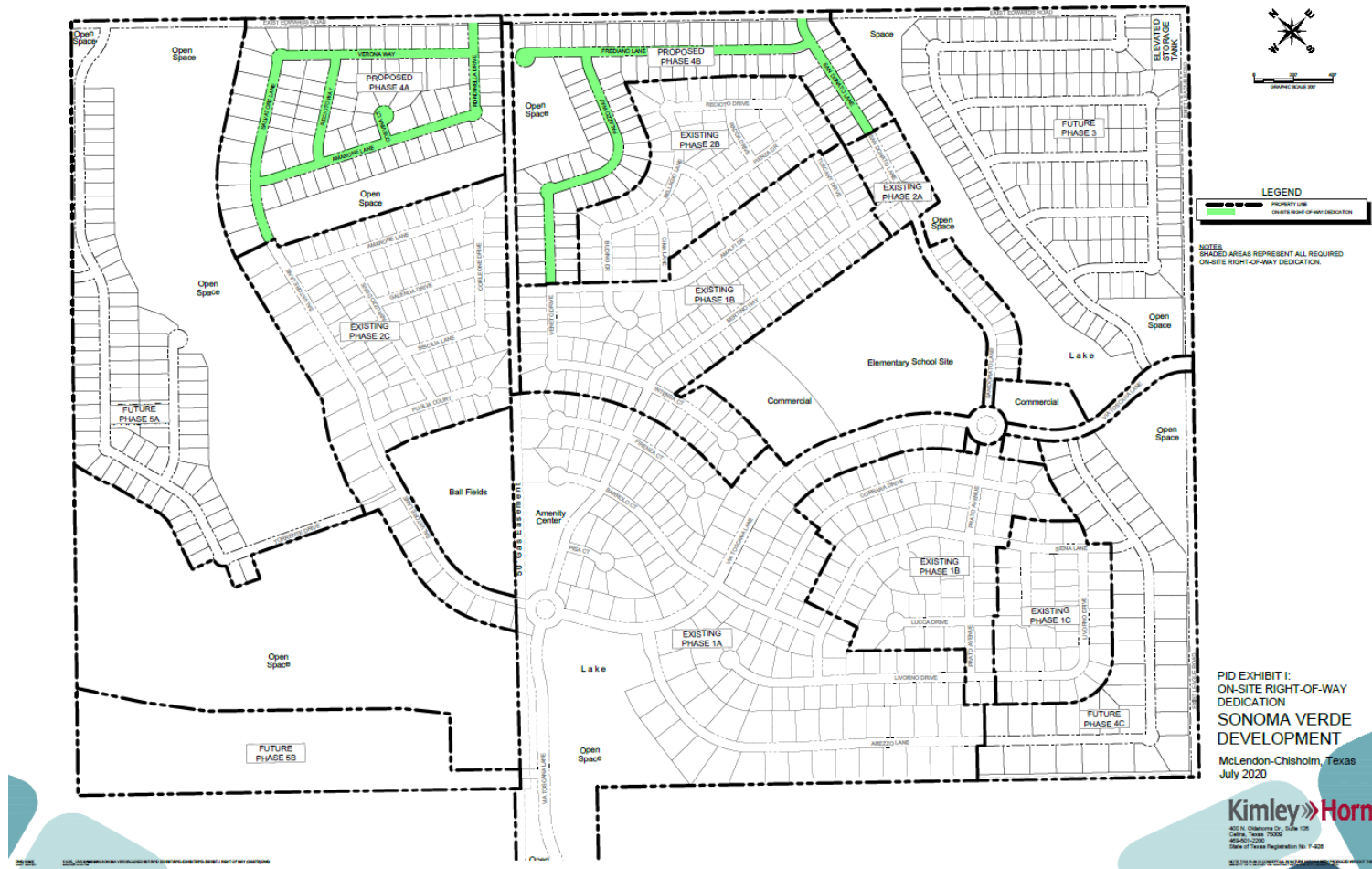
Kimley»Horn
4001 N. Oglethorpe Dr., Suite 100
Gainesville, Texas 76208
817.241.2222
Date of Texas Registration No. 7-422



PID EXHIBIT F:
ON-SITE STORM SEWER
SONOMA VERDE
DEVELOPMENT
McLendon-Chisholm, Texas
July 2020







PID EXHIBIT I:
ON-SITE RIGHT-OF-WAY
DEDICATION
**SONOMA VERDE
DEVELOPMENT**
McLendon-Chisholm, Texas
July 2020

Kimley»Horn
401 N. Chisholm Dr., Suite 101
Dallas, Texas 75201
972.441.1234
State of Texas Registration No. 1-422

APPENDIX C - PAYMENT OF ADDITIONAL BONDS PROCEEDS TO ORIX UNDER THE PHASE 1 REIMBURSEMENT AGREEMENT

CITY CERTIFICATE

CITY OF MCLENDON-CHISHOLM, TEXAS
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2020
SONOMA PUBLIC IMPROVEMENT DISTRICT
PHASE 1 PROJECT

This City Certificate is made in accordance with Section 6.5(b) of that certain indenture of Trust dated as of August 15, 2020 by and between the City of McLendon-Chisholm, Texas (the "City") and Wilmington Trust, N.A., (the "Trustee"), relating to the \$9,260,000 City of McLendon-Chisholm, Texas, Special Assessment Revenue Refunding Bonds, Series 2020 (Sonoma Public Improvement District Phase 1 Project). As City Representative, the Trustee is authorized to perform the following:

RE: Payment of additional bonds proceeds to ORIX under the Phase 1 Reimbursement Agreement

The City refunded Special Assessment Revenue Bonds, Series 2015 (Sonoma Public Improvement District Phase 1 Project) and issued Special Assessment Refunding and Improvement Bonds Series 2020 (Sonoma Public Improvement District Phase 1 Project) for the remaining Phase 1 Outstanding Assessments under the Assessment Ordinance, Ordinance No. 2015-06 dated April 14, 2015, for Assessments securing Phase 1 Reimbursement Agreement (the "Additional Bonds"). Proceeds of the Additional Bonds in the amount of \$2,596,916.04 were deposited into the Phase 1 Bond Improvement Account of the Project Fund. Per the Phase 1 Reimbursement Agreement dated January 14, 2014, proceeds from the Additional Bonds in the Project Fund, are available to pay ORIX Public Finance, LLC, as Assignee, of the Phase 1 Reimbursement Agreement. The Costs of the Phase 1 Improvements have been confirmed and certified by the City and are shown in the Bill of Sale dated August 25, 2016 and Costs of Issuance of the Additional Bonds were confirmed and certified by the City as shown in the Closing Memorandum, dated August 19, 2020.

Payment of these Additional Bond proceeds for Assessments securing Phase 1 Reimbursement Agreement will mean that no future payments of Net PID Bond Proceeds will be made to ORIX Public Finance, LLC, as Assignee, of the Phase 1 Reimbursement Agreement.

From: SONOMA PID PHASE 1 Bond Improvement Account of the Project Fund
Account #: 142858-008
Amount: \$2,596,916.04 plus any interest earnings.

To: ORIX Public Finance, LLC - Wire instructions below:

Bank Name BBVA Compass Bank
ABA# 062-001-186
Acct Name: OPF Receipts - Other
Acct #: 6756833624
ORIX Public Finance LLC
1717 Main Street, Suite 1100
Dallas, TX 75201

By: 
Authorized City Signature

Name: Lisa Palomba

Title: City Administrator

Date: 12/14/2020

NEW ISSUE

NOT RATED

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JANUARY 28, 2021

PROSPECTIVE PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) THEREIN. NO ACTION HAS BEEN TAKEN TO QUALIFY THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN.

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under “TAX MATTERS” herein. See “TAX MATTERS” herein for a discussion of Bond Counsel’s opinion.

\$5,935,000*

CITY OF MCLENDON-CHISHOLM, TEXAS

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

(SONOMA PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #3 PROJECT)

Dated Date: February 15, 2021

Due: September 15, as shown on the inside cover

Interest to Accrue from Date of Delivery

The City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2021 (Sonoma Public Improvement District Improvement Area #3 Project) (the “Bonds”) are being issued by the City of McLendon-Chisholm, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal amount and any integral multiple of \$5,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 15 and September 15, commencing March 15, 2021, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by Wilmington Trust, National Association, as trustee (the “Trustee”), to DTC as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council of the City (the “City Council”) on February 9, 2021, and an Indenture of Trust, dated as of February 15, 2021 (the “Indenture”), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the costs of the “Improvement Area #3 Projects”, which consist of (a) the internal infrastructure benefitting only Improvement Area #3 (as defined herein) of the District and (b) the portion of the Major Improvements (as defined herein) benefitting Improvement Area #3 of the District, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3 Projects, (iii) funding a reserve fund for the payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuing the Bonds. See “THE IMPROVEMENT AREA #3 PROJECTS” and “APPENDIX A — FORM OF INDENTURE.” Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments (as defined herein) levied against assessable properties in Improvement Area #3 of the District in accordance with a Service and Assessment Plan (as defined herein), all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS.”

The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

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

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX C — FORM OF OPINION OF BOND COUNSEL.” Certain legal matters will be passed upon for the Underwriter by its counsel, Winstead PC, and for the Developer by its general counsel Watson Law Group, PLLC and by its special counsel, Shupe Ventura, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about March 2, 2021.

FMSbonds, Inc.

* Preliminary; subject to change.

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

CUSIP Prefix: _____ (b)

\$5,935,000*

CITY OF MCLENDON-CHISHOLM, TEXAS
(a municipal corporation of the State of Texas located in Rockwall County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(SONOMA PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #3 PROJECT)

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

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

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

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

-
- (a) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 15, 20__, at the redemption prices set forth herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
- (b) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor’s Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City’s Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
- (c) The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”

* Preliminary; subject to change.

**CITY OF MCLENDON-CHISHOLM, TEXAS
CITY COUNCIL**

<u>Name</u>	<u>Term Expires</u>
Keith Short, Mayor	May 2022
Lorna Kipphut	May 2021
Nathan Hodges	May 2022
Trudy Woessner	May 2021
Brian Davis	May 2022
William Dahl	May 2021

**CITY ADMINISTRATOR
Lisa Palomba**

**CITY SECRETARY
Rochelle Green**

**ADMINISTRATOR
P3Works, LLC**

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

**BOND COUNSEL
McCall, Parkhurst & Horton L.L.P.**

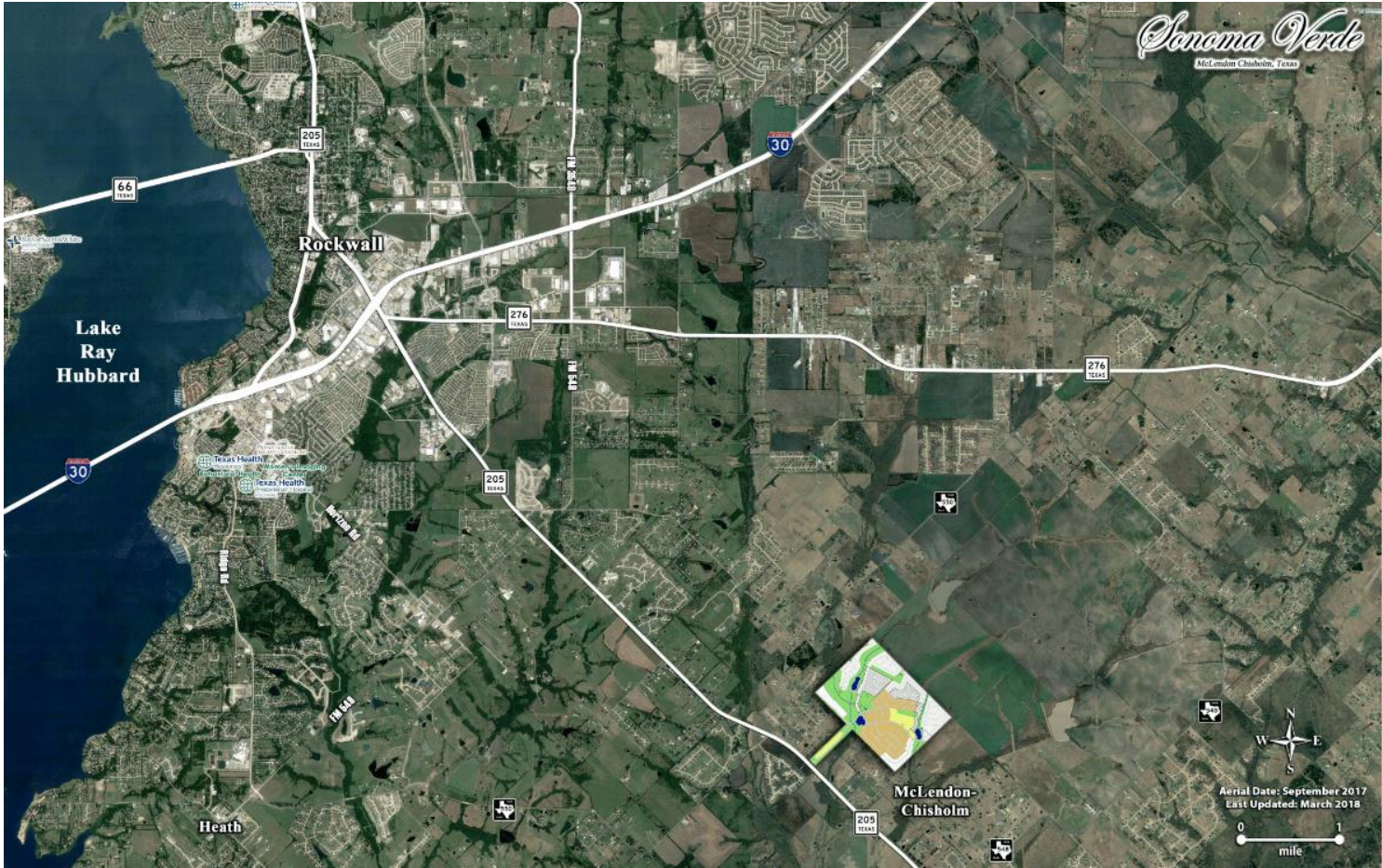
**UNDERWRITER'S COUNSEL
Winstead PC**

For additional information regarding the City, please contact:

Lisa Palomba
City Administrator
City of McLendon-Chisholm, Texas
1371 West FM 550
McLendon-Chisholm, Texas 75032
(972) 524-2077
lisa@mclendon-chisholm.com

Jason Hughes
Hilltop Securities, Inc.
1201 Elm Street
Suite 3500
Dallas, Texas 75270
(214) 953-8707
jason.hughes@hilltopsecurities.com

REGIONAL LOCATION MAP OF THE DISTRICT



The map displays the Dallas-Fort Worth metropolitan area with various cities and highways. A red-shaded area in the eastern part of the map, near Rockwall and Heath, is labeled 'McLendon-Chisholm'. An arrow points from a box labeled 'Sonoma Verde Development' to this red-shaded area. Major highways shown in orange include I-30, I-635, I-75, I-45, and I-20. Other cities and areas labeled include Plano, Richardson, Garland, Rockwall, Fate, Royse City, Rowlett, Sachse, Murphy, Wylie, University Park, Highland Park, Lower Greenville, Awn, Old East Dallas, South Dallas/Fair Park, Mesquite, Balch Springs, Forney, Terrell, and Mesquite. The map also shows Lake Highlands and Lake Tarrant.

MAP SHOWING MASTER DEVELOPMENT PLAN FOR THE DISTRICT AND BOUNDARIES OF PHASES



This graphic is for conceptual purposes only and is intended to show potential configuration. It is based on the best information available and is subject to change without notice.

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

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

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

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

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

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF

ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$5,935,000*

CITY OF MCLENDON-CHISHOLM, TEXAS
(a municipal corporation of the State of Texas located in Rockwall County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(SONOMA PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #3 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of McLendon-Chisholm, Texas (the “City”), of its \$5,935,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2021 (Sonoma Public Improvement District Improvement Area #3 Project) (the “Bonds”).

PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. See “SUITABILITY FOR INVESTMENT” and “BONDHOLDERS’ RISKS.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be enacted by the City Council of the City (the “City Council”) on February 9, 2021 (the “Bond Ordinance”), and an Indenture of Trust, dated as of February 15, 2021 (the “Indenture”), entered into by and between the City and Wilmington Trust, National Association, as trustee (the “Trustee”). The Bonds will be secured by assessments (“Assessments”) levied against assessable property located within Improvement Area #3 (as described below) of the Sonoma Public Improvement District (the “District”) pursuant to an ordinance expected to be enacted by the City Council on February 9, 2021 (the “Assessment Ordinance”), with an update to the Service and Assessment Plan (as defined herein) approved by the Bond Ordinance.

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX A — FORM OF INDENTURE.”

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the Service and Assessment Plan, the Bond Ordinance, the Developer (as defined herein), and P3Works, LLC (the “Administrator”), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSBonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number (214) 302-2246. The Form of Indenture appears in APPENDIX A and the Form of Service and Assessment Plan appears as APPENDIX B. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

* Preliminary; subject to change.

PLAN OF FINANCE

The District and Status of Development in Improvement Area #3

The District is being developed as a master planned community commonly known as Sonoma Verde (the “Development”). The boundaries of the District and current and expected phases of development are shown in the “MAP SHOWING MASTER DEVELOPMENT PLAN FOR THE DISTRICT AND BOUNDARIES OF PHASES” on page v. The District is expected to include approximately five phases. Development in the District began with the concurrent development of a portion of the major infrastructure to serve the entire District and the internal infrastructure to serve the initial phases of the District, shown as Phases #1A and #1B on page v (collectively, “Phase #1”) of the District, which development was completed by MC 550 Investors, L.P., a Texas limited partnership (“MC Investors”) and MC 550 Land Holdings, L.P., a Texas limited partnership (“MC Holdings,” together with MC Investors, the “Phase #1 Developer”). The Phase #1 Developer subsequently constructed local infrastructure to serve Phase #1C of the District as shown on page v. Development in the District was followed by the development of local infrastructure to serve Phases #2A, #2B and #2C shown on page v hereof, which Development was completed by Land Solutions SV LLC (the “Developer”). Phases #1C, #2A, #2B and #2C comprise “Improvement Area #2” of the District. Development in the District is proceeding with “Improvement Area #3” (consisting of the areas identified as Phases #4A and #4B on page v) and will continue with the future development of the future improvement areas (the “Future Improvement Areas”) shown on page v.

The land in Improvement Area #3 of the District is owned by the Developer. See “THE DEVELOPER AND THE FEE DEVELOPER — Description of the Developer.” The Phase #1 Developer partially assigned its rights in the Development Agreement (as defined herein) relating to all phases of the District excluding Phase #1, which phases include Improvement Area #3 of the District, to the Developer effective August 17, 2018. Such partial assignment was concurrent with the Developer’s purchase of the land in Improvement Area #2, Improvement Area #3 and the Future Improvement Areas from the Phase #1 Developer. The Developer intends to develop infrastructure and sell residential lots to production homebuilders under lot takedown contracts within the District. The Developer has engaged TDI SV Management LLC (the “Fee Developer”), pursuant to a Development and Management Agreement dated as of August 17, 2018 (the “Fee Developer Agreement”) to develop the lots within Improvement Area #3 of the District.

The Developer’s plans consist of the development of approximately 185 lots on the real property located within Improvement Area #3 of the District. Construction of the Improvement Area #3 Projects (as defined herein) began in July 2020 and is expected to be completed in June 2021. As of December 2, 2020, the Developer has expended approximately \$2,158,953 on the Improvement Area #3 Projects and approximately \$444,159 on private improvements in Improvement Area #3. See “THE DEVELOPMENT—Development in Improvement Area #3” and “THE IMPROVEMENT AREA #3 PROJECTS” herein.

Proceeds of the Bonds will be used primarily to finance (i) a portion of the costs of the “Improvement Area #3 Projects”, which consist of (a) the street, sewer, and storm drainage improvements benefitting only Improvement Area #3 of the District (collectively, the “Improvement Area #3 Improvements”) and (b) the portion of the Major Improvements (as defined herein) benefitting Improvement Area #3 of the District, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3 Projects, (iii) funding a reserve fund for the payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuing the Bonds. The Bonds will be secured by Assessments on property within Improvement Area #3 of the District only. See “THE IMPROVEMENT AREA #3 PROJECTS” and “SECURITY FOR THE BONDS.”

The financing, acquisition, construction or improvement of the Improvement Area #3 Projects by the Developer on behalf of the City shall be governed in part by the terms of the PID Reimbursement Agreement Sonoma Public Improvement District (the “Reimbursement Agreement”) between the City and the Developer. The Reimbursement Agreement provides, among other things, the process by which the Developer may obtain proceeds of the Bonds as the Developer completes the Improvement Area #3 Projects and procedures for conveying Improvement Area #3 Projects from the Developer to the City. See “APPENDIX E — FORM OF REIMBURSEMENT AGREEMENT”.

Prior Bond Financings

To finance the costs of the “Phase #1 Projects,” which consist of (i) Phase #1’s proportionate share of the costs of certain roadway, water, wastewater and drainage improvements that will benefit the entire District (the “Major Improvements”) and (ii) the costs of the internal infrastructure benefitting only Phase #1, the City previously issued its \$7,600,000 City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2015 (Sonoma Public Improvement District Phase #1 Project) (the “Phase #1 Bonds”). The Phase #1 Bonds and the City’s obligations under a reimbursement agreement relating to Phase #1 were refunded by the City’s \$9,260,000 City of McLendon-Chisholm, Texas, Special Assessment Revenue Refunding Bonds, Series 2020 (Sonoma Public Improvement District Phase #1 Project). The Phase #1 Refunding Bonds are secured by assessments on assessable property in Phase #1 of the District (“Phase #1 Assessments”). To finance the costs of the “Improvement Area #2 Projects,” which consist of (i) Improvement Area #2’s proportionate share of the Major Improvements and (ii) the costs of the internal infrastructure benefitting only Improvement Area #2, the City previously issued its \$6,225,000 City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2019 (Sonoma Public Improvement District Improvement Area #2 Project) (the “Improvement Area #2 Bonds”). The Improvement Area #2 Bonds are secured by assessments on assessable property in Improvement Area #2 of the District (“Improvement Area #2 Assessments”). **The Phase #1 Assessments and the Improvement Area #2 Assessments are not security for the Bonds.**

The Bonds

Proceeds of the Bonds will be used primarily to finance (i) paying a portion of the costs of the Improvement Area #3 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3 Projects, (iii) funding a reserve fund for the payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuing the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to another account or subaccount of the Project Fund (defined herein) or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “THE IMPROVEMENT AREA #3 PROJECTS,” “APPENDIX A — FORM OF INDENTURE” and “SOURCES AND USES OF FUNDS.”

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessments to be levied against the assessable Parcels or lots within Improvement Area #3 of the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.” **The Bonds shall never constitute an indebtedness or general obligation of the City, the State or any other political subdivision of the State, within the meaning of any Constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.**

Future Improvement Area Bonds

The City expects to issue one or more series of Future Improvement Area Bonds (collectively, the “Future Improvement Area Bonds”) to finance the cost of future internal improvements within the Future Improvement Areas of the District (the “Future Improvements”) and such phases’ proportionate share of the Major Improvements as the development proceeds. The estimated costs of the internal improvements benefitting the Future Improvement Areas of the District will be determined as the Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the Future Improvements to be constructed within the Future Improvement Areas to be financed by each new series of Future Improvement Area Bonds. See “THE DEVELOPMENT — Future Improvement Area Bonds.”

The Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. Such assessments have not been levied. Any Future Improvement Area Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15, commencing March 15, 2021 (each an “Interest Payment Date”), until maturity or prior redemption. Wilmington Trust, National Association is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal and any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

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

Extraordinary Optional Redemption. In the event of a Prepayment, or if any other transfers are made into the Redemption Fund under the terms of the Indenture, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates or optional redemption date, in whole or in part, on any date, from amounts on deposit in the Redemption Fund, at the Redemption Price. See “APPENDIX A – FORM OF INDENTURE.”

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

<u>\$ Term Bonds due September 15, 20__</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>
September 15, 20__	\$
September 15, 20__	
September 15, 20__†	
<u>\$ Term Bonds due September 15, 20__</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>
September 15, 20__	\$
September 15, 20__	
September 15, 20__†	

† Stated maturity.

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

scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least thirty (30) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least thirty (30) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in the Indenture or the extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption. The trustee shall give notice of any redemption of Bonds by sending notice to United States mail, first class, postage prepaid, not less than thirty (30) days before the date fixed for redemption to the Owner of each Bond or portion thereof to be redeemed at the address shown in the Register. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

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

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

Additional Provisions with Respect to Redemption. The following defined terms apply to this subsection:

“Substantial Amount Redemption” means an extraordinary optional redemption of Bonds pursuant to the Indenture of a principal amount of Bonds redeemed that is greater than or equal to ten percent (10%) of the outstanding principal amount of the Bonds.

“Minor Amount Redemption” means an extraordinary optional redemption of Bonds pursuant to the Indenture of a principal amount of Bonds redeemed that is less than ten percent (10%) of the outstanding principal amount of the Bonds.

If less than all of the Bonds are to be redeemed pursuant to a mandatory sinking fund redemption, an optional redemption or an extraordinary optional redemption, Bonds shall be redeemed in minimum principal amounts of \$5,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of

the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000 may be issued.

In selecting the Bonds to be redeemed pursuant to a mandatory sinking fund redemption, the Trustee may select Bonds in any method that results in a random selection.

In selecting Bonds to be redeemed pursuant to an optional redemption, the Trustee may rely on the directions provided in a City Order.

If less than all of the Bonds are called for extraordinary optional redemption pursuant to the Indenture, the Bonds or portion of a Bond to be redeemed shall be selected in the following manner:

(i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds; and

(ii) with respect to a Minor Amount Redemption, the Outstanding Bonds or Bonds, as applicable, shall be redeemed in inverse order of maturity.

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

BOOK-ENTRY ONLY SYSTEM

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

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The

Depository Trust & Clearing Corporation (“DTCC”). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

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

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

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

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

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

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

authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

1. The Investor has authority and is duly authorized to purchase the Bonds.
2. The Investor is an "accredited investor" under Rule 501 of Regulation D of the Securities Act or a "qualified institutional buyer" under Rule 144A of the Securities Act, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.
3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.
4. The Investor understands that the Bonds are not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Authorized Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor's purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor's decision to purchase the Bonds except for fraud or willful misconduct, to the extent provided by law. For the avoidance of doubt, it is acknowledged that underwriter is not deemed an officer or employee of the City.
6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid to the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the District (which has no taxing power), the State of Texas (the "State") or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.
7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.
8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

SECURITY FOR THE BONDS

General

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

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments levied against the assessable Parcels or lots within Improvement Area #3 of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. Improvement Area #3 contains approximately 63.768 acres, of which approximately all are expected to constitute Assessed Property. In accordance with the PID Act, the City previously caused the preparation of a Service and Assessment Plan, and adopted an Amended and Restated Service and Assessment Plan (as amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the Assessed Property, provides the basis and justification for the

determination of special benefit on the Assessed Property, establishes the methodology for the levy of the Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated at least annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN.”

The prospective value of the fee simple interest in the 185 residential lots in Improvement Area #3 of the District as described in the Appraisal and subject to the limiting conditions therein is approximately \$12,480,000. See “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #3 OF THE DISTRICT.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Improvement Area #3 Projects by levying Assessments upon the Assessed Property. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in each phase of the District, see “ASSESSMENT PROCEDURES” and “APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN.”

Pursuant to the Indenture, “Pledged Revenues” consist of (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of the Bonds. “Assessment Revenues” means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds. “Annual Installment” means, with respect to each Assessed Property, each annual payment of (i) the principal of and interest on the Assessments as shown on the Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit H-1 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Administrative Expenses and (iii) the Additional Interest. Assessments also include any supplemental assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act. The City will covenant in the Indenture that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments; provided that the City is not required to expend funds for collection and enforcement of the Assessments other than funds on deposit in the Administrative Fund. See “— Pledged Revenue Fund,” “APPENDIX A — FORM OF INDENTURE” and “APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN.”

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims, except liens and claims by the State of Texas (the “State”), counties, school districts, or municipalities for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” herein. If homestead rights are properly claimed by a property owner prior to the attachment of the Assessment Lien, the Assessment Lien may not be foreclosed upon; however, any unpaid Assessment or Annual Installment will be an unsecured personal liability of such property owner. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed on property within Improvement Area #3 of the District.

Collection and Deposit of Assessments

The Assessments shown on the Assessment Roll, together with the interest thereon, shall first be applied to the payment of the principal of and interest on the Bonds as and to the extent provided in the Service and Assessment Plan and the Indenture.

The Assessments levied to pay the principal amount of the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds (except for the portions of the interest rate component that are allocated for deposit to the Delinquency and Prepayment Reserve Account of the Reserve Fund, as further described herein). An Assessment to pay debt service on the Bonds has been made payable in the Assessment Ordinance in each fiscal year preceding the date of final maturity of the Bonds which, if collected, will be sufficient to pay the principal of and interest on the Bonds. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

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

Any portions of Assessments collected to pay Administrative Expenses shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Unconditional Levy of Assessments

The City will impose Assessments on the Assessed Property to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments will be calculated at the rate of interest on the Bonds plus 0.50%, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of a Assessment, shall be due on October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due on October 1, 2021, and will be delinquent if not paid prior to February 1, 2022.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Bonds are Outstanding and unpaid, commencing when bills are mailed on or about October 1, 2021, a portion of each Annual Installment to pay the annual costs incurred by the City in the administration and operation of Improvement Area #3 of the District. The portion of each Annual Installment of an Assessment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The portion of each Annual Installment to pay annual expenses shall be due in the manner set forth in the Assessment Ordinance and billed on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such portion of each Annual Installment to pay expenses does not secure repayment of the Bonds.

There will be no split payment of Assessments or discount for the early payment of Assessments; provided, however, that in the event a property owner elects to prepay such property owner's assessments in full, such property owner will only be required to pay interest accrued on the Assessments to the date of such prepayment, in essence providing such property owner a discount on the interest portion of the Assessments (see "SECURITY FOR THE BONDS; THE INDENTURE - Reserve Fund" and "SECURITY FOR THE BONDS; THE INDENTURE - Delinquency and Prepayment Reserve Account of the Reserve Fund").

Assessments, together with interest, penalties, and expense of collection and reasonable attorneys' fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named.

The lien for Assessments and penalties and interest begins on the effective date of the Assessment Ordinance and continues until the Assessments are paid or until all Bonds are finally paid.

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

Perfected Security Interest

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues and such pledge is valid, effective, and perfected. The City will covenant in the Indenture that should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of such revenues is subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the City will take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur. See "APPENDIX A — FORM OF INDENTURE."

Pledged Revenue Fund

The City has created under the Indenture a Pledged Revenue Fund held by the Trustee. Periodically upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with the Indenture. Specifically, following the initial deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred the following amounts from the Pledged Revenue Fund, to the following Accounts: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund, an amount sufficient to pay debt service on the Bonds next coming due, and (ii) second, if necessary, to the Reserve Account of the Reserve Fund, an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, prior to any other transfers or deposits being made under the Indenture, if the Delinquency and Prepayment Reserve Account of the Reserve Fund does not contain the Delinquency and Prepayment Reserve Requirement and Additional Interest is collected, then all such Additional Interest will be transferred into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebutable Arbitrage to the United States Government pursuant to Section 6.8 of the Indenture, the City shall provide written direction to the Trustee to transfer to the Rebate Fund, prior to any other transfer under the Indenture, the full amount of Rebutable Arbitrage owed by the City, as further described in the Indenture. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (1) pay Improvement Area #3 Project Costs, (2) pay other costs permitted by the Act or (3) deposit such excess into the Redemption Fund to redeem Bonds as provided in the Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five business days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund, and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any sinking fund installments) and interest due on the Bonds on the next Interest Payment Date.

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

The Trustee shall, pursuant to a City Order, transfer Prepayments to the Redemption Fund, to be used to redeem Bonds pursuant to Section 4.4 of the Indenture, promptly after deposit of such amounts into the Pledged Revenue Fund.

In addition, pursuant to the Indenture, promptly after the deposit of the portion of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement, and second, to replenish the Delinquency and Prepayment Reserve Requirement), and second, to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund as directed by the City in a City Order, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act.

Bond Fund

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

Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on March 15, 20__ and September 15, 20__. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Improvement Area #3 Bond Improvement Account of the Project Fund, or if the Improvement Area #3 Bond Improvement Account of the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture. Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay specified portions of the Bond Issuance Costs pursuant to one or more City Orders. Disbursements from the Improvement Area #3 Bond Improvement Account of the Project Fund to pay Improvement Area #3 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment, as provided in the Indenture. Except as provided in next succeeding paragraphs, proceeds of the Bonds on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund will be used solely to pay Improvement Area #3 Project Costs.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Area #3 Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #3 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #3 Bond Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Area #3 Bond Improvement Account of the Project Fund, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #3 Bond Improvement Account of the Project Fund. If such City Order is so filed, the amounts on deposit in the Improvement Area #3 Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund, or to the Redemption Fund as directed by the City Representative in a City

Order filed with the Trustee. Upon such transfers, the Improvement Area #3 Bond Improvement Account of the Project Fund shall be closed.

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

Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #3 Bond Improvement Account of the Project Fund and used to pay Improvement Area #3 Project Costs or, if no Improvement Area #3 Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

Redemption Fund

The Trustee shall, pursuant to a City Order, cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds on the dates specified for redemption as provided in the Indenture. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in the Indenture.

Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds, and initially funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds shall be \$_____, which is an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of their date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of their date of issuance, and (iii) 10% of the proceeds of the Bonds, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments; and provided further that as a result of (1) an optional redemption or (2) an extraordinary optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption.

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

Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with the Indenture, unless within thirty days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under the Indenture, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds (iii) to the Improvement Area #3 Bond Improvement Account of the Project Fund to pay

Improvement Area #3 Project Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iv) to the Redemption Fund to be applied to the redemption of the Bonds.

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

Prepayment and Delinquency Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. Amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purposes set forth in the Indenture.

The Trustee will transfer from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 20__, an amount the City confirms to the Trustee is equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account; provided however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. The Delinquency and Prepayment Reserve Requirement is an amount equal to 5.5% of the principal amount of the then Outstanding Bonds to be funded from Assessment Revenues deposited to the Pledged Revenue Fund. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless and until it receives a City Order directing that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to the Indenture until the Bonds are no longer Outstanding.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund to be used to redeem Bonds in pursuant to the Indenture. See "APPENDIX A – FORM OF INDENTURE" and "APPENDIX B – FORM OF SERVICE AND ASSESSMENT PLAN."

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding any provisions in the Indenture, the Additional Interest shall be used to replenish first, the Reserve Account of the Reserve Fund and second, the Delinquency and Prepayment Reserve Account of the Reserve Fund. At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds. If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments. If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund,

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

Administrative Fund

The City has created under the Indenture an Administrative Fund held by the Trustee. Periodically, upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund, the portion of the Annual Installment of Assessments allocated to the payment of Administrative Expenses and Delinquent Collection Costs as set forth in the Service and Assessment Plan, and other funds directed by the Indenture to be deposited therein. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of the Administrative Expenses and Delinquent Collection Costs. See “APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN.”

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

Defeasance

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding within the meaning of the Indenture (“Defeased Debt”), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor such moneys deposited with the Trustee nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

Furthermore, all rights of the City to initiate proceedings to call the Defeased Debt for redemption or take any other action amending the terms of the Defeased Debt are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the City: (i) in the proceedings providing for such defeasance, expressly reserves the right to call the Defeased Debt for redemption; (ii) gives notice of the reservation of that right to the owners of the Defeased Debt immediately following the defeasance; (iii) directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (iv) at or prior to the time of the redemption, satisfies the conditions of the preceding paragraph with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, which are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that

are unconditionally guaranteed by the United States of America (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

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

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

Remedies in Event of Default

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

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be

applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

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

Restriction on Owner's Actions

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

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

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

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the

expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or redemption price then due on Bonds, as follows:

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

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

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

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

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

Investment or Deposit of Funds

Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Order shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under the Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee may invest cash balances in obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time, so long as such investments constitute Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

Obligations purchased as an investment of moneys in any fund or account established pursuant to the Indenture shall be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever

in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Additional Obligations

The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

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

The City may issue bonds secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

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SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount	\$
Total Sources	\$
Use of Funds:	
Deposit to Improvement Area #3 Bond Improvement Account of Project Fund	\$
Deposit to Capitalized Interest Account of Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to Costs of Issuance Account	
Deposit to Administrative Fund	
Underwriter's Discount ⁽¹⁾	
Total Uses	\$

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

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DEBT SERVICE REQUIREMENTS

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

Fiscal Year Ending (September 30)	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$	\$	\$
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
Total	<u>\$</u>	<u>\$</u>	<u>\$</u>

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OVERLAPPING TAXES AND DEBT

The land within Improvement Area #3 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments. Each lot owner in Improvement Area #3 of the District will pay a maintenance and operation fee and/or a property owner's association fee to a homeowner's association (the "HOA"), which has been formed by the Phase #1 Developer. HOA fees in the Development are currently \$660 per year and the City charges a maintenance assessment of \$62 per year in the Development. In addition to the City, Rockwall County and the Rockwall Independent School District ("Rockwall ISD") may each levy ad valorem taxes or special assessments upon land in Improvement Area #3 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. Improvement Area #3 of the District is located entirely within Rockwall County.

The following table reflects the overlapping ad valorem tax rates currently levied on property located in Improvement Area #3 of the District.

<u>Taxing Entity</u>	<u>Tax Year 2020 Ad Valorem Tax Rate ⁽¹⁾</u>
The City	\$ 0.1500
Rockwall County, Texas	0.3131
Rockwall Independent School District	<u>1.3100</u>
Total Existing Tax Rate	\$ <u>1.7731</u>
 Estimated Average Annual Installment of Assessments for Improvement Area #3 Projects as a tax rate equivalent ⁽²⁾	 <u>\$0.6962</u>
 Estimated Total Tax Rate and Average Annual Installment in Improvement Area #3 of the District as a tax rate equivalent	 <u>\$2.4693</u>

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

⁽²⁾ Preliminary; subject to change. Source: P3Works, LLC. See APPENDIX B. The Estimated Average Annual Assessment in Improvement Area #3 of the District as a tax rate equivalent is calculated using the Estimated Average Home Value as reported in the Service and Assessment Plan.

Source: Rockwall Central Appraisal District & P3Works, LLC.

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As noted above, Improvement Area #3 of the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or special assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #3 of the District, as of December 1, 2020 and City debt to be secured by the Assessments:

<u>Taxing or Assessing Entity</u>	<u>Gross Outstanding Debt as of 12/1/20</u>	<u>Estimated Percentage Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽²⁾</u>
The City (Assessments - The Bonds)	\$ 5,935,000 ⁽²⁾	100.00%	\$5,935,000
The City (Ad Valorem Taxes)	1,460,000	2.399%	35,018
Rockwall County	143,275,000	0.093%	142,974
Rockwall Independent School District	<u>524,640,857</u>	0.111%	<u>584,075</u>
	<u>\$675,310,857</u>		<u>\$6,697,067</u>

⁽¹⁾ Based on the ratio of the Appraisal and on the Tax Year 2020 Net Taxable Assessed Valuations for the taxing entities as reported by Rockwall Central Appraisal District.

⁽²⁾ Preliminary; subject to change.

Source: Municipal Advisory Council of Texas

ASSESSMENT PROCEDURES

General

As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #3 Projects through Assessments, it must adopt a resolution generally describing the Improvement Area #3 Projects and the land within Improvement Area #3 of the District to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the "Assessment Roll"), which Assessment Roll shows the land within Improvement Area #3 assessed, the amount of the benefit to and the Assessment against each lot or Parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll will be filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #3 Projects and funding the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments are made. The collection of the first Annual Installment for the Assessments is to commence upon the earlier of: (i) the 1st day of the first full month immediately following the recording of the final plat for that Lot or Parcel in the official public records of Rockwall County, Texas, (ii) the issuance of the Bonds, or (iii) the two year anniversary of the levy of Assessments on the Assessed Property. Such first Annual Installment shall be due by January 31st of the following calendar year. Preliminary plats have been filed in Improvement Area #3. The Service and Assessment Plan is expected to be updated in connection with the issuance of the Bonds and collection of the Assessments will begin to occur in tax year 2021, with the Annual Installments of such Assessments being late if not paid by January 31, 2022. See "APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN."

Under the PID Act, the costs of Improvement Area #3 Projects may be assessed by the City against the Assessed Property in Improvement Area #3 of the District so long as the special benefit conferred upon the Assessed Property by the Improvement Area #3 Projects equals or exceeds the Assessments. The costs of the Improvement Area #3 Projects may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within Improvement Area #3 of the District is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each Parcel of Assessed Property as a result of the Improvement Area #3 Projects, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #3 Projects allocable to Improvement Area #3 of the District to Parcels in a manner that results in equal shares of costs being apportioned to Parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #3 Projects are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues.

As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs (as defined in the Service and Assessment Plan) associated with the Improvement Area #3 Projects will be allocated to the Parcels against which the Assessments are levied (the "Assessed Property") by spreading the entire Assessment across all Assessed Property in Improvement Area #3 of the District based on the ratio of estimated build-out value of each Parcel in Improvement Area #3 of the District.

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The following table provides additional analysis with respect to special assessment methodology, including the value to assessment burden ratio per unit (lot) and equivalent tax rate per unit. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan and the Appraisal. See “APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN” and “APPENDIX F — APPRAISAL PROPERTY IN IMPROVEMENT AREA #3 OF THE DISTRICT.”

**LIEN TO VALUE ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND ASSESSMENT RATIO PER LOT TYPE
IN IMPROVEMENT AREA #3 OF THE DISTRICT***

Lot Type	Planned No. of Units	Estimated Average Lot Value ⁽²⁾	Estimated Average Home Value ⁽²⁾	Assessment per Unit	Estimated Average Annual Installment of Assessment per Unit ⁽¹⁾	Tax Rate Equivalent of Average Annual Installment (per \$100 Lot Value ⁽³⁾	Tax Rate Equivalent of Average Annual Installment (per \$100 Home Value) ⁽³⁾	Ratio of Assessment to Lot Value	Ratio of Assessment to Average Home Value
1 (60')	99	\$63,000	\$353,000	\$30,331.90	\$2,457.65	\$3.9010	\$0.6962	2.08	11.64
2 (70')	77	\$71,750	\$388,000	\$33,339.32	\$2,701.33	\$3.7649	\$0.6962	2.15	11.64
3 (120')	9	\$96,000 ⁽⁴⁾	\$472,000	\$40,557.11	\$3,286.15	\$3.4231	\$0.6962	2.37	11.64
Total	185								

⁽¹⁾ Calculated based on the estimated annual assessments per lot type provided by P3Works, LLC.

⁽²⁾ Estimated average home values provided by the Developer.

⁽³⁾ Calculated using average Annual Installment of Assessments in Improvement Area #3 per \$100 of the estimated average home values for each lot type.

⁽⁴⁾ Developer estimate. The 120' lots are not currently under contract and are being marketed at \$96,000 per lot.

* Preliminary; subject to change.

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The estimated aggregate retail value of the assessable property in Improvement Area #3 of the District, as provided in the Appraisal (as defined herein) and subject to the limiting conditions therein, including the hypothetical condition that the Improvement Area #3 Projects are completed, is approximately \$12,480,000. See “THE DEVELOPMENT — Status of Development in Improvement Area #3” for further information regarding the expected completion of the development within Improvement Area #3 of the District, and “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #3 OF THE DISTRICT.”

The City has determined that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly situated within Improvement Area #3 of the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer, all other current owners of property within the District and all future owners and developers within the District. See “APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN.”

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as regular ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipal ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

The City will covenant in the Indenture, to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

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

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

The City will determine or cause to be determined, no later than March 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Improvement Area #3 Assessed Parcel.

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

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

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

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

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

Assessment Amounts

Assessment Amounts. The maximum amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each Parcel consisting of (i) the annual portion allocable to the Bonds for each Parcel, including 0.50% additional interest for a prepayment reserve and a delinquency reserve, and other uses allowed by the Act, and (ii) the component of the Annual Installment allocable to Administrative Expenses. The Annual Installments for Improvement Area #3 may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the Parcels comprising the Improvement Area #3 Assessed Property as indicated on the Assessment Roll. See "APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN" and "APPENDIX E — FORM OF REIMBURSEMENT AGREEMENT."

The Annual Installments shown on the Assessment Roll shall be adjusted to equal the actual costs of repaying the Bonds, including 0.50% additional interest for a prepayment reserve and a delinquency reserve, 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.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be initially allocated to the Assessed Property in Improvement Area #3 of the District by spreading the entire Assessment across all Assessed Property in Improvement Area #3 of the District based on the ratio of estimated build-out value of each Parcel in Improvement Area #3 of the District.

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

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

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

Upon Subdivision by a Recorded Subdivision Plat. Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on estimated average buildout value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the estimated average buildout value of all newly subdivided Lots with same Lot Type

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

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

Upon Consolidation. If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to the Service and Assessment Plan.

Mandatory Prepayment of Assessments. If an Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to the transfer. If the owner of an Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached to the Service and Assessment Plan.

See "ASSESSMENT PROCEDURES — Assessment Methodology." The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Assessments. See "SECURITY FOR THE BONDS" and "APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN."

Prepayment of Assessments

Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a "Prepayment") all or part of any Assessment levied against any lot or Parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments.

Priority of Lien

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

Foreclosure Proceedings

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

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the

proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase or make payment for the purchase of the delinquent Assessment on the corresponding Assessed Property.

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

The City will create the Delinquency and Prepayment Reserve Account under the Indenture and will fund such account as provided in the Indenture. The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “SECURITY FOR THE BONDS — Delinquency and Prepayment Reserve Account of the Reserve Fund,” “APPENDIX A — FORM OF INDENTURE” and “APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN.”

THE CITY

Background

The City is located in south central Rockwall County, 24 miles west of Dallas and approximately six miles southeast of the City of Rockwall, Texas. Access to the City is provided by State Highways 205 and 550. The City covers approximately 9.9 square miles. The City’s location as part of the growing Dallas-Fort Worth Metroplex has resulted in rapid growth over the last several years. The City was incorporated in 1969. The City’s 2010 census population was 1,373. The City’s current population estimate is 3,200.

City Government

The City is a political subdivision and is a Type A general law municipal corporation of the State of Texas, duly organized and existing under the laws of the State. The City was incorporated in 1969. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Councilmembers who are elected for staggered two-year terms. The Mayor is the chief administrative officer for the City. The City Council formulates operating policy for the City, while the City Administrator is the chief administration officer.

The current members of the City Council and their respective expiration of terms of office are as follows:

<u>Council Member</u>	<u>Term Expires</u>
Keith Short, Mayor	May 2022
Lorna Kipphut	May 2021
Nathan Hodges	May 2022
Trudy Woessner	May 2021
Brian Davis	May 2022
William Dahl	May 2021

The principal administrators of the City include the following:

<u>Name</u>	<u>Position</u>
Lisa Palomba	City Administrator
Rochelle Green	City Secretary

Historical Employment in Rockwall County

	Average Annual ⁽¹⁾				
	2020 ⁽²⁾	2019	2018	2017	2016
Civilian Labor Force	52,748	52,083	50,929	48,975	47,329
Total Employed	49,602	50,482	49,296	47,330	45,673
Total Unemployed	3,146	1,601	1,633	1,645	1,656
Unemployment Rate	6.0%	3.1%	3.2%	3.4%	3.5%

⁽¹⁾ Source: Texas Workforce Commission.

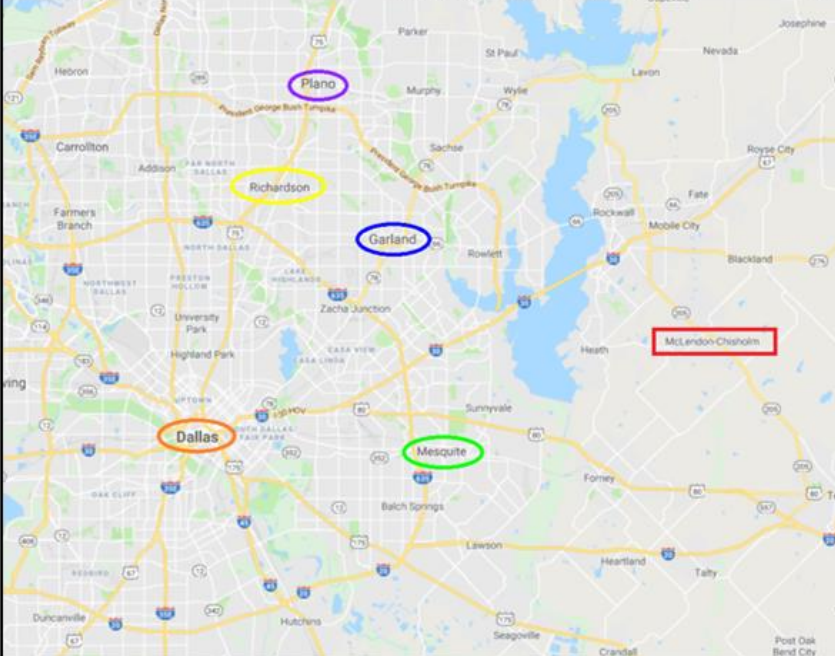
⁽²⁾ Data through November 2020.

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Surrounding Economic Activity

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

City of Dallas		City of Richardson		City of Plano	
Approximately 25 miles from the City		Approximately 22 miles from the City		Approximately 23 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Dallas ISD	22,222	State Farm Insurance	8,000	Capital One Finance	5,003
AT&T Inc.	17,000	AT&T	5,000	Bank of America Home Loans	4,500
Texas Instrument, Inc.	12,901	Blue Cross Blue Shield of Texas	3,100	Toyota Motor North America, Inc.	3,859
City of Dallas	12,474	University of Texas at Dallas	2,674	Ericsson	2,703
Southwest Airlines Co.	12,210	Richardson ISD	2,500	Liberty Mutual Insurance Company	2,661
Medical City Dallas	12,104	RealPage	2,100	J.C. Penny Co., Inc.	2,420
The University of Texas SW Medical Center	11,900	GEICO	1,800	NTT Data, Inc.	2,159
Parkland Health System	10,361	Raytheon	1,700	Fannie Mae	2,000
Baylor Scott & White Health	7,045	United Healthcare	1,700	JP Morgan Chase	2,000
Dallas County	6,300	Fujitsu Network Communications	1,500	PepsiCo	1,881



City of Garland	
Approximately 16 miles from the City	
Employer	Employees
Kraft Foods	796
US Food Service	520
Atlas Copco	460
SilverLine Window	425
Hatco (Resistol)	390
L3 Communications	350
Arrow Fabricated Tubing	340
Valspar	300
KARLEE, Inc.	290
General Dynamics	275

City of Mesquite	
Approximately 14 miles from the City	
Employer	Employees
Mesquite ISD	4,000
Town East Mall	2,750
United Parcel Service Inc.	2,300
Dallas Regional Medical Center	1,500
City of Mesquite	1,200
Eastfield College	900
Pepsi Beverages Co.	600
Wal-Mart Supercenter	500
Baker Drywall	450
Orora Visual	420

Source: Municipal Advisory Council of Texas

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by Resolution No. 2007-21 of the City adopted on September 10, 2007 in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing, in phases, the cost of certain public improvements within the District, including the Improvement Area #3 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the portion of the

District property being developed in a phase. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #3 Projects. See "THE IMPROVEMENT AREA #3 PROJECTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain street, sewer, and storm drainage improvements within Improvement Area #3 of the District comprising the Improvement Area #3 Projects and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN."

Collection and Delinquency History of the District

Phase #1. On November 17, 2015, the City levied the Phase #1 Assessments in Phase #1 through the City Council's adoption of an assessment ordinance and approval of the Service and Assessment Plan. Upon such adoption, the Phase #1 Assessments became legal, valid and binding liens upon the property against which the Phase #1 Assessments are made. The following table shows the collection and delinquency history of the Phase #1 Assessments.

COLLECTION AND DELINQUENT HISTORY OF PHASE #1 ASSESSMENTS

Collected in Fiscal Year Ending 9/30	Assessment Billed	Delinquent Amount as of 2/15	Delinquent Amount as of 10/1	Assessments Collected
2016	\$860,512.00	\$18,190.00	\$0	\$860,512.00
2017	\$860,103.00	\$11,497.00	\$0	\$860,103.00
2018	\$887,316.00	\$36,690.00	\$0	\$887,316.00
2019	\$844,492.00	\$25,837.00	\$0	\$844,892.00
2020 ⁽¹⁾	\$860,863.09	\$36,692.65	\$1.47	\$863,353.14

⁽¹⁾ As of September 11, 2020

Improvement Area #2. On June 13, 2017, the City levied the Improvement Area #2 Assessments in Improvement Area #2 through the City Council's adoption of an assessment ordinance and approval of the Service and Assessment Plan. Upon such adoption, the Improvement Area #2 Assessments became legal, valid and binding liens upon the property against which the Improvement Area #2 Assessments are made. The following table shows the collection and delinquency history of the Improvement Area #2 Assessments.

COLLECTION AND DELINQUENT HISTORY OF IMPROVEMENT AREA #2 ASSESSMENTS

Collected in Fiscal Year Ending 9/30	Assessment Billed	Delinquent Amount as of 2/15	Delinquent Amount as of 10/1	Assessments Collected
2020 ⁽¹⁾	\$64,001.60	\$0.00	\$0.00	\$64,001.60

⁽¹⁾ As of September 11, 2020

Improvement Area #1C. On June 12 2017, the City levied the Assessments on 41 lots comprising Improvement Area #1C of the District (the "Improvement Area #1C Assessments") through the City Council's adoption of an assessment ordinance and approval of the Service and Assessment Plan. Upon such adoption, the

Improvement Area #1C Assessments became legal, valid and binding liens upon the property against which the Improvement Area #1C Assessments are made. The initial annual installment of Improvement Area #1C Assessments was due and payable on or before January 31, 2020. The following table shows the collection and delinquency history of the Improvement Area #1C Assessments.

COLLECTION AND DELINQUENT HISTORY OF IMPROVEMENT AREA #1C ASSESSMENTS

Collected in Fiscal Year Ending 9/30	Assessment Billed	Delinquent Amount as of 2/15	Delinquent Amount as of 10/1	Assessments Collected
2020	\$129,976.13	\$69,451.05	\$0.00	\$129,976.15

⁽¹⁾ As of September 11, 2020

Prepayment History

As of January 13, 2021, two (2) prepayments of Phase #1 Assessments totaling \$51,903.78 had been made with respect to assessable property within Phase #1 of the District and two (2) prepayments of Improvement Area #2 Assessments totaling \$55,783.61 had been made with respect to assessable property within Improvement Area #2 of the District. There have been no prepayments of Improvement Area #1C Assessments.

Foreclosure History

As of January 13, 2021, there has never been a foreclosure sale of any of the assessable property within the District.

Delinquency History

As of January 13, 2021, Annual Installment delinquencies were as follows:

- (i) delinquent for greater than six months: One Parcel in Phase #1 is delinquent in the amount of \$1.47 for Annual Installments due January 31, 2020;
- (ii) delinquent for greater than one year: None;
- (iii) delinquent for greater than two years: None.

THE COLLECTION AND DELINQUENCY HISTORY OF THE PHASE #1 ASSESSMENTS, THE IMPROVEMENT AREA #2 ASSESSMENTS AND THE IMPROVEMENT AREA #1C ASSESSMENTS ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE PHASE #1 ASSESSMENTS, THE IMPROVEMENT AREA #2 ASSESSMENTS AND THE IMPROVEMENT AREA #1C ASSESSMENTS. THE PHASE #1 ASSESSMENTS, THE IMPROVEMENT AREA #2 ASSESSMENTS AND THE IMPROVEMENT AREA #1C ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

THE IMPROVEMENT AREA #3 PROJECTS

General

The Improvement Area #3 Projects consist of the costs of the internal infrastructure benefitting only Improvement Area #3 of the District and the portion of the Major Improvements benefitting Improvement Area #3 of the District. A portion of the costs of construction of the Improvement Area #3 Projects will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Area #3 Projects will be financed by the Developer without reimbursement by the City. The Improvement Area #3 Projects will be dedicated to the City. See “— Ownership and Maintenance of Improvements” below. The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #3 Projects, and the Developer or its designee will act as construction manager. The City will pay project costs for the Improvement Area #3 Projects from proceeds of

the Bonds as follows: (a) the Developer, as applicable, will be reimbursed on a monthly basis for costs actually incurred in developing and constructing the Improvement Area #3 Projects within Improvement Area #3 and (b) the Developer, as applicable, will be paid for costs actually incurred in developing and constructing the Improvement Area #3 Projects within the District upon completion of such projects and dedication to, and acceptance by the City, as appropriate. See “THE DEVELOPMENT – Development in Improvement Area #3”.

Improvement Area #3 Improvements. A portion of the Improvement Area #3 Improvements consist of the street, sewer, right of way and storm drainage improvements benefitting Improvement Area #3 of the District, a portion of which are being financed with proceeds of the Bonds.

Street Improvements. The Improvement Area #3 street improvements include subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, streetlights and rights-of-way acquisition⁽¹⁾. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #3.

Right of Way. Within the dedicated streets, all public costs related to the acquisition of rights-of-way. The right of way improvements will provide benefit to each Lot within Improvement Area #3.

Sewer Improvements. The Improvement Area #3 sanitary sewer collection system improvements include trench excavation and embedment, trench safety, PVC piping, ductile iron or PVC encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #3.

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

Soft Costs. The Improvement Area #3 soft costs include costs related to designing, constructing and installing the Improvement Area #3 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, and PID Establishment Costs.

Improvement Area #3 Major Improvements. A portion of the Improvement Area #3 Projects consist of the portion of the major roadway, water, wastewater and drainage improvements constructed to benefit the District that benefit Improvement Area #3, a portion of which are being financed with proceeds of the Bonds.

The Major Improvements are described below.

Roadway Improvements: The roadway improvements portion of the project consist of the construction of a Texas Department of Transportation (TxDOT) approved left turn lane re-striping along State Highway 205 to accommodate south bound left turns. This will provide access off of SH 205 into the PID by Via Toscana. This improvement will be constructed to TxDOT standards.

In addition the roadway improvements portion of the project also includes construction of concrete paving of the extension of Via Toscana from the end of the residential areas to the south to League Road, and asphalt overlay of approximately 5,100 linear feet of the existing League Roadway to the west to State Highway 205. This is being done to provide a secondary access point to the project. This improvement will be constructed to Rockwall County standards (League Road is a County Roadway) and will be owned and maintained by the City of McLendon Chisholm and Rockwall County.

Water Distribution System Improvements: The water distribution system improvements include 12” waterline to be constructed from RCH’s waterline located on Edwards Road and extended to the west

along League Road for a distance of approximately 1,895 linear feet to the intersection of Via Toscana and League Road. The waterline improvements will include connection to the exiting water-main, installation of associated 12" valves, fire hydrants, ductile iron fittings, erosion control, trench safety and waterline testing. All water improvements will be constructed according to City standards and specifications.

The PID is within the City limits. The City has a contract for water service from the RCH Water supply corporation who is a customer city of the North Texas Municipal Water District (NTMWD) and receives wholesale treated water through a major transmission line from the NTMWD Wylie water treatment plant. As a result, there will be no water treatment plant upgrades required.

Sanitary Sewer Collection System Improvements: The sanitary sewer collection system improvements consist of constructing a lift station approximately 380 feet north of Via Toscana and 220' west of Hackberry Creek with a wet well and approximately 27,309 linear feet of 8" sanitary sewer force main and 2,303 linear feet of 8" and 12" sanitary sewer gravity line generally following the Right of Way of FM 550 to the west and connecting to the NTMWD Buffalo Creek Sewer Interceptor. Cutoff valves, air release valves and a pig launching and receiving station for the system will be constructed in accordance with NTMWD and TCEQ regulations. The proposed lift station, wet-well and pumps are sized appropriately to accept and pump waste for Phase #1 and will be modified with additional pumps as future phases come on line. The 8" force main and pumps were designed to maintain the 3.0 fps minimum velocity. The sanitary sewer collection system improvements will be designed and constructed according to City standards and specifications.

Storm Drainage Collection System Improvements: The storm drainage collection system improvements consist of drainage improvements to support the installation of the left turn lane at Via Toscana and SH 205 and storm water detention capacity that benefits the entire project area. This includes underground re-enforced concrete sewer pipe, inlets and rock rip rap protection at outfalls. The storm drainage collection system improvements will be constructed according to City standards and specifications.

Soft Costs. The Improvement Area #3 Major Improvements soft costs include costs related to designing, constructing and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, and PID Establishment Costs.

The following table reflects the total expected costs of the Improvement Area #3 Projects. See "APPENDIX B — FORM OF SERVICE AND ASSESSMENT PLAN".

Improvement Area #3 Projects	Cost
Right of way improvements	\$516,335
Street improvements	\$1,457,927
Sewer improvements	\$516,558
Storm drainage collection system improvements	\$862,993
Engineering, design, surveying, geotechnical and materials testing and other soft costs	\$1,833,475
<i>Subtotal</i>	<i>\$5,187,289</i>
Improvement Area #3 share of Major Improvements	\$386,012
PID Establishment Costs and Bond Issuance Costs	\$1,160,827
Total Estimated Improvement Area #3 Projects Costs	\$6,734,128

The Development Agreement (as defined herein) provides certain rules and regulations for design and construction of the Improvement Area #3 Projects and the process for the development of all property within the District. As the District will lie completely within the city limits of the City, the City's zoning and subdivision regulations provide land use rules and regulations for the development of the property within the District. See "THE DEVELOPMENT — Zoning/Permitting".

Ownership and Maintenance of Improvements

The Improvement Area #3 Projects will be dedicated to and accepted by the City and will constitute a portion of the City's infrastructure improvements. The City will provide for the ongoing operation, maintenance and repair of the Improvement Area #3 Projects constructed and conveyed to the City, as outlined in the Reimbursement Agreement.

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information under the caption "THE DEVELOPMENT" nor (ii) the information relating to the Developer's plan for developing the land within the District under the subcaption "BONDHOLDERS' RISKS — Dependence Upon Developer" contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Overview

The Development, commonly known as Sonoma Verde, is an approximately 548 acre master planned project located within the city limits of the City and situated on SH 205, the main north-south highway in Rockwall County, approximately seven miles south of Interstate 30.

The entrance to the Development is on SH 205, but the main area of the Development is in the northwest quadrant of the intersection of League Road and Edwards Road. The Development is located in a fast growing development area situated in the northeastern quadrant of the City. The Development is located approximately seven miles south of Interstate 30, less than one mile south of FM 550. The City, located in the eastern region of the Dallas-Fort Worth-Arlington TX Metropolitan Statistical Area (the "DFW MSA"), is poised for significant growth as the overall DFW MSA continues its growth trajectory. See "THE CITY — Surrounding Economic Activity" above. The Development is located in Rockwall ISD.

Chisholm Properties, L.P. ("Chisholm") and the City entered into that certain Development Agreement dated effective June 11, 2007 relating to the District (the "Original Development Agreement"). The Original Development Agreement was subsequently: (a) amended by that certain First Amendment to Development Agreement dated effective January 28, 2008, entered into by and between Chisholm and the City (b) assigned by Chisholm to MC Holdings pursuant to that certain Assignment and Assumption of Development Agreement dated effective September 17, 2008; (c) amended by that certain Second Amendment to Development Agreement dated effective September 25, 2012, entered into by and between MC Holdings and the City; (d) partially assigned by MC Holdings to MC Investors pursuant to that certain Partial Assignment and Assumption of Development Agreement dated effective December 26, 2012; (e) amended by that certain Third Amendment to Development Agreement dated effective January 14, 2014, entered into by and between MC Holdings, MC Investors and the City, and (f) partially assigned by MC Holdings to MC Investors pursuant to that certain Partial Assignment and Assumption of Development Agreement dated effective June 15, 2015 (the Original Development Agreement, as amended and assigned as set forth above, is hereinafter referred to as the "Development Agreement"). MC Holdings assigned its rights in the Development Agreement relating to Improvement Area #2, Improvement Area #3, and the Future Improvement Areas to the Developer pursuant to a Partial Assignment and Assumption of Development Agreement effective as of August 17, 2018.

Property within the District comprising the Development was acquired by the Phase #1 Developer on September 17, 2008, as a long-term development to consist primarily of residential land use with some small Parcels reserved for potential commercial land use and approximately 17 acres for an elementary school and public park area, which site was acquired by the Rockwall ISD. The Developer acquired the land within Improvement Area #3

of the District on August 17, 2018. See “THE DEVELOPER AND THE FEE DEVELOPER — History and Financing of the District.”

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

Phase 1. Lot development in Phase 1 of the District has been completed. Phase 1 of the District includes 356 platted single-family lots and 9 lots held by the Phase #1 Developer. According to data available from the Rockwall Central Appraisal District in December 2020, 9 lots were owned by the Phase #1 Developer, 21 lots/homes were owned by homebuilders in Phase 1 of the District, and 335 homes had been closed to end users.

Lot Status	No. of Lots
Completed lots	365
Lots Closed	356
Lots with complete, closed homes	335

Improvement Area #2. The Improvement Area #2 improvements have been completed and were accepted by the City on December 17, 2019. Improvement Area #2 contains 213 platted lots. As of December 31, 2020, 182 of the 213 lots in Improvement Area #2 of the District had been closed to homebuilders. As of December 31, 2020, of the lots closed to homebuilders in Improvement Area #2 of the District, 104 have been sold to end users, 52 contain homes under construction, and 26 are vacant lots.

Below are photographs of completed development in the District:







Set forth below is a community concept plan for the Development:

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The Developer has engaged the Fee Developer to complete the development of lots in Improvement Area #3 of the District. The future development within the District is expected to proceed with the construction of the internal improvements within each of the approximately remaining two phases of the Development. For further depiction of the subphases described herein, see “MAP SHOWING MASTER DEVELOPMENT PLAN FOR THE DISTRICT AND BOUNDARIES OF PHASES” on page v. The Developer does not own land within Phase #1 of the District and makes no assurances with respect to the information relating to the status of development within Phase #1 of the District.

Development in Improvement Area #3

The land in Improvement Area #3 of the Development is owned by the Developer as described below under “THE DEVELOPER AND THE FEE DEVELOPER — Description of the Developer.” The Phase #1 Developer partially assigned its rights in the Development Agreement (as defined herein) relating to all phases of the District excluding Phase #1, which phases include Improvement Area #3 of the District, to the Developer effective August 17, 2018. Such assignment was concurrent with the Developer’s purchase of the land in the District, excluding Phase #1, from the Phase #1 Developer. The Developer intends to develop infrastructure and sell residential lots to production homebuilders under lot takedown contracts within the District. The Developer has engaged the Fee Developer pursuant to the Fee Developer Agreement to develop the lots within Improvement Area #3 of the District. The Fee Developer is an affiliate of TDI Sonoma Verde LLC, the minority member of the Developer. See “THE DEVELOPER AND THE FEE DEVELOPER -- Executive Biographies of Principals of the Fee Developer.” The Developer began development of Improvement Area #3 Projects in July 2020 and expects to complete the Improvement Area #3 Projects in June 2021. As of December 2, 2020, the Developer has expended approximately \$2,158,953 on the Improvement Area #3 Projects and approximately \$444,159 on private improvements in Improvement Area #3.

The Developer has already entered into lot takedown contracts for 176 of the 185 residential lots in Improvement Area #3 with Highland Homes-Dallas, LLC (“Highland Homes”), Castlerock Communities, LP (“Castlerock”) and Bloomfield Homes, LP (“Bloomfield”). The Developer has received \$1,176,175 in earnest money from the various homebuilders under the lot takedown contracts, and all earnest money deposits are hard with the Developer.

The following table summarizes the residential lot size and number of lots relating to each takedown contract.

Builder	Number of Lots Contracted	Lot Price	Earnest Money Received	Lot Takedown Schedule	Expected Final Lot Delivery Date
Highland Homes	49 – 60’	\$63,000 (Base Price) – Initial Closing \$63,000 + 7% per annum escalation per lot beginning on Substantial Completion Date \$1,250 (per lot) – Marketing Fee \$1,250 (per lot) – Amenity Fee \$2,000 (per lot)– Water Tap Fee	\$308,700	Initial Closing (“IC”): 6 lots 6 lots every quarter after IC	1Q 2023
Highland Homes	39 – 70’	\$71,750 (Base Price) – Initial Closing \$71,750 + 7% per annum escalation per lot beginning on Substantial Completion Date \$1,250 (per lot) – Marketing Fee \$1,250 (per lot) – Amenity Fee	\$279,825	Initial Closing (“IC”): 6 lots 6 lots every quarter after IC	4Q 2022

		\$2,000 (per lot)– Water Tap Fee			
Castlerock	38 – 70'	\$71,750 (Base Price) – Initial Closing \$71,750 + 7% per annum escalation per lot beginning on Substantial Completion Date \$1,250 (per lot) – Marketing Fee \$1,250 (per lot) – Amenity Fee \$2,000 (per lot) – Water Tap Fee	\$272,650	Initial Closing (“IC”): 6 lots 6 lots every quarter after IC	4Q 2022
Bloomfield	50 – 60'	\$63,000 (Base Price) – Initial Closing \$63,000 + 7% per annum escalation per lot beginning on Substantial Completion Date \$1,250 (per lot) – Marketing Fee \$1,250 (per lot) – Amenity Fee \$2,000 (per lot) -- Water Tap Fee	\$315,000	Initial Closing (“IC”): 6 lots 6 lots every quarter after IC	1Q 2023

The following table summarizes the expected development in Improvement Area #3.

ESTIMATED LOT AND HOME PRICES AND LOT SALE DATES IN IMPROVEMENT AREA #3 OF THE DISTRICT

<u>Lot Size (Sq. Ft.)</u>	<u>Quantity</u>	<u>Base Lot Price</u>	<u>Average Base Home Price</u>	<u>Expected Final Lot Sale Date</u>
60'	99	\$63,000	\$353,000	1Q 2023
70'	77	\$71,750	\$388,000	4Q 2022
120' (One-half acre)	9	\$96,000 ⁽¹⁾	\$472,000	TBD
Total	185			

⁽¹⁾ Developer estimate. The 120' lots are not currently under contract and are being marketed at \$96,000 per lot.

Future Improvement Area Bonds

The City expects to issue one or more series of area bonds in the future (collectively, the “Future Improvement Area Bonds”) to finance the cost of local improvements benefitting the Future Improvement Areas. The estimated costs of the local improvements benefitting the Future Improvement Areas of the District will be determined at the time the Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within the Future Improvement Areas of the District and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the Future Improvement Areas of the District, as applicable.

The Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue Future Improvement Area Bonds for any purpose permitted by the PID Act, including those described above.

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Amenities

Amenities within the Development include an amenity and swim center, which includes a large swimming pool and playground available to all residents of the Development. The Development also includes a private clubhouse, walking trails, a sand volleyball court, a catch-and-release pond with a fountain, a community park, open green spaces, picnic areas, a basketball court, a tennis court, and a soccer field and a baseball field (to be built in Improvement Area #3). Pictures of completed amenities in the Development are below.



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Education

The Development is located wholly within the Rockwall Independent School District (“RISD”). There is an elementary school site in the middle of the Development which has been purchased by RISD. According to RISD’s website, it has twenty-two campuses comprised of fifteen elementary schools, three middle schools, two high schools, one alternative school, and one college and career academy. According to the Texas Education Agency’s website, RISD earned an A rating for exemplary performance for 2018-2019. Due to COVID-19, all districts and schools received a label of “Not Rated” for 2020. Currently, students in the Development attend Ouida Springer Elementary School, Cain Middle School, and Rockwall-Heath High School.

Zoning/Permitting

Pursuant to the City-approved Ordinance No. 2007-20 for Planned Development zoning for the Development, as amended (the “PD Zoning Ordinance”), the Developer secured planned development district (“PDD”) zoning, which allows flexibility for each phase of the Development to be developed in a manner that can be adjusted to changes in demand at the time of development of each phase, including a mixture of residential, commercial, public school and open space uses within the Development in conformity with the limitations and conditions set forth in the PD Zoning Ordinance. Copies of the PD Zoning Ordinance are available from the City.

Environmental

A Phase One Environmental Site Assessment (a “Phase One ESA”) of approximately 550.38 acres of the District was completed on June 15, 2012. Based on the information presented in the Phase One ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review, historical source review and testing identified in the Phase One ESA revealed no evidence of recognized environmental conditions involving the site.

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

Flood Designation

Portions of the Development along Hackberry Creek and Berry Creek, which includes property within Improvement Area #3, are shown to be within Flood Zone A, being a Special Flood Hazard Area (SFHA) based on FEMA FIRM Panel #48397C0130L, effective date September 26, 2008. Flood studies have been approved by the City's Floodplain Administrator and Letters of Map Revision based on Fill (LOMR-F's) will be prepared to certify that all portions of lots within the Development are removed from the SFHA.

Utility Services

The City provides both water and wastewater service to the District. The City purchases its water wholesale from the North Texas Municipal Water District through the RCH Water Supply Corporation, and the City maintains its own water distribution system. The City has purchased wastewater collection, discharge and treatment capacity for the entire District through an intergovernmental agreement with the Cities of Heath and Rockwall. The City's water distribution system and wastewater collection, discharge system and treatment system will have sufficient capacity to provide water and wastewater service to Improvement Area #3 of the District.

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

THE DEVELOPER AND THE FEE DEVELOPER

The following information has been provided by the Developer and the Fee Developer, as indicated. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information herein under the caption "THE DEVELOPER AND THE FEE DEVELOPER" nor (ii) the information relating to the Developer under the subcaption "BONDHOLDERS' RISKS — Dependence Upon Developer" contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. The Fee Developer has reviewed this Limited Offering Memorandum and warrants and represents that the information herein under the caption "THE DEVELOPER AND THE FEE DEVELOPER" pertaining to the Fee Developer does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

General

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

Description of the Developer

The Developer, Land Solutions SV LLC, is a limited liability company, the members of which are TDI Sonoma Verde LLC (an affiliate of Taylor Duncan Interests, LLC) and CL V Investments USA LLC ("CL V").

CL V is the Managing Member of the Developer and owns a 95% interest therein. By virtue of an investment management agreement, Castlake, L.P. (“Castlake”) (a registered investment advisor with the SEC) exercises all management responsibilities of CL V.

Castlake was founded in 2005 by Rory O'Neill, an innovator in distressed and alternative investing with more than 27 years of experience. Castlake is focused on investments in alternative assets, sub-performing loans, specialty finance and special situations, and is an experienced leader in aircraft ownership and servicing. Castlake's team is comprised of approximately 200 professionals who work to generate non-correlated returns by acting as a preferred liquidity provider in complex, small-to-mid-size opportunities.

As of June 30, 2020, Castlake manages approximately \$17.5 billion in assets on behalf of more than 160 endowments, foundations, public and private pension plans, private funds, family offices, insurance companies and sovereign wealth funds. Castlake's specialization in niche markets, ability to act quickly and focus on developing long-term relationships built on trust, fairness and transparency, leads to greater results for all participants.

TDI Sonoma Verde LLC holds a 5% interest in the Developer and is the minority member.

The Developer was created for the sole purpose of owning, managing, and ultimately conveying property in Improvement Area #2, Improvement Area #3, and future phases of the District to third parties, as described under the caption “THE DEVELOPMENT—Development in Improvement Area #3”, in accordance with the recommendations of CL V. The primary asset of the Developer is the unsold property within the District. The Developer may have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within the District, fund from its members and third party banking sources. The Developer's ability to make full and timely payments of Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds.

Description of the Fee Developer

TDI SV Management LLC serves as the Fee Developer for Improvement Area #3 of the District. The Fee Developer is an affiliate of Taylor-Duncan Interests, LLC (“Taylor-Duncan Interests”) and is an affiliate of TDI Sonoma Verde LLC, the minority member of the Developer. See “—Executive Biography of Principals of the Fee Developer” below for a description of key individuals associated with the Fee Developer and Taylor-Duncan Interests.

Taylor-Duncan Interests is a Dallas-based real estate development company which was formed in 1992 and focuses on planning, designing, developing and marketing residential communities. Over the firm's history, Taylor-Duncan Interests has developed properties in the Texas markets of Dallas-Fort Worth, Austin, and San Antonio, as well as in the Nashville, Tennessee market. The primary focus has been in procuring land and developing residential single family and townhome lots for major builders in the markets. Taylor-Duncan Interests' expertise in managing developments has ranged from small projects to large master-planned communities consisting of over 1700 lots.

The Fee Developer Agreement

The Developer has engaged the Fee Developer, TDI SV Management LLC, pursuant to the Fee Developer Agreement to develop the lots within Improvement Area #3 of the District.

Under the Fee Developer Agreement, the Fee Developer has agreed to perform, within the limits of applicable licensing requirements and subject to the approval of Land Solutions SV LLC, all services necessary for the development, construction, protection and maintenance of the development of the lots in Improvement Area #3 of the District (as used in this paragraph, the “Project”). The Fee Developer shall be responsible for managing, supervising and overseeing all aspects of the development of the Project, including managing the construction of the remaining infrastructure improvements, acting as principal liaison with the municipalities and other governmental authorities involved in the development of the Project, managing the development of lots and other improvements on the lots. Other services provided by the Fee Developer under the Fee Developer Agreement are project marketing, negotiation of contracts with home builders, purchase contract closing services, permitting and other

governmental compliance requirements, budgeting, maintenance of insurance policies on the Project, payment of taxes and assessments, maintenance of bank accounts, and reports and record keeping.

The Fee Developer shall be compensated for its services pursuant to the terms of the Fee Developer Agreement.

Executive Biographies of Principals of the Fee Developer

Phillip Duncan: Mr. Duncan is a principal of Taylor-Duncan Interests. He has over thirty years of experience in real estate, including development, property management, brokerage and investments. He has been involved as a partner in numerous real estate ventures. These various projects include homebuilding, the acquisition and management of multi-family communities, the development and management of industrial properties, the development of rural “ranchette” acreage and the build-to-suit development of office space for several governmental agencies throughout Texas. He has spent the past twenty years as a partner at Taylor-Duncan Interests, where he has developed thousands of single-family lots and worked closely with many regional and national volume homebuilders. He served on the board of directors of Goodman Family of Builders for over five years. Mr. Duncan graduated from Southern Methodist University in 1984 with a BBA, with an emphasis in Real Estate and Finance. He received an Executive MBA from SMU in 1997, and is a licensed Texas real estate broker.

Spencer M. Taylor: Mr. Taylor is Vice President and became a partner in 2013 of Taylor-Duncan Interests, LLC. Mr. Taylor grew up in Dallas and has over fourteen years of experience in the real estate industry with a primary focus in land acquisition and disposition, market research, business relations, property management and real estate sales. He received his Bachelor of Arts Degree in Psychology from Southern Methodist University. While attending college, Mr. Taylor obtained valuable experience in the home building industry working for Centex Homes in sales and marketing for their Fox & Jacobs series. Mr. Taylor joined Taylor-Duncan Interests after graduating from SMU in 2005. He is very active in the DFW real estate community and holds his Texas real estate sales license. He is a member of the Texas Real Estate Council, and was a member of the North Texas Urban Land Institute, and the International Council of Shopping Centers. Mr. Taylor also oversees Taylor-Duncan’s infill development arm, Taylor-Duncan Intown.

Stephen M. Davis: Mr. Davis who joined Taylor-Duncan Interests in 2013 is Senior Vice President and oversees all of the company’s land development activities. He is an accomplished real estate developer with more than twenty-six years in the industry. His vast real estate background features the development of a multitude of single-family residential and highly amenitized master-planned communities, including serving as Divisional President and Senior Vice President for a national NYSE land developer. Mr. Davis has directed all aspects of development, sales and marketing for master-planned communities across the United States and has been involved in over \$800 million worth of real estate transactions. His development skills span from leisure projects, upscale amenity complexes to 18-hole championship golf courses. Mr. Davis earned his Bachelor of Business Administration and an Executive MBA from Baylor University where he graduated with honors. Mr. Davis played an active role in the local real estate market as a member of ULI and various chambers of commerce. He also serves on the Board of Directors for One Hope Ministry.

History and Financing of the District

Property Acquisition. On August 17, 2018, the Developer acquired the property within Improvement Area #2, Improvement Area #3, and future phases of the District (the “Purchased Land”) under the terms of a purchase contract for an aggregate purchase price of \$14,231,000.

Acquisition and Development Financing. The Developer financed the acquisition of the Purchased Land and development of the land within Improvement Area #2 of the District with a loan (the “Acquisition and Improvement Area #2 Development Loan”) made by First United Bank and Trust (the “Lender”). The Acquisition and Improvement Area #2 Development Loan has an outstanding principal balance of \$100.00 as of November 30, 2020. The Acquisition and Improvement Area #2 Development Loan bears interest at the floating rate of prime plus 1% per annum, with a floor of 5.5% per annum, as modified on September 2, 2020. Payments are due monthly and the Acquisition and Improvement Area #2 Development Loan matures on August 17, 2021. Castlake V., L.P. is a guarantor of the Acquisition and Improvement Area #2 Development Loan.

The Developer financed the development of land within Improvement Area #3 of the District with a loan (the “Improvement Area #3 Development Loan”) made by the Lender. The Improvement Area #3 Development Loan has an outstanding principal balance of \$241,393.54 as of November 30, 2020. The Improvement Area #3 Development Loan bears interest at the floating rate of prime plus 1% per annum, with a floor of 5.5% per annum. Payments are due monthly and the Improvement Area #3 Development Loan matures on September 2, 2023.

The Acquisition and Improvement Area #2 Development Loan and the Improvement Area #3 Development Loan (the “Development Loans”) are cross-collateralized and encumber all property owned by the Developer in the District.

The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property within Improvement Area #3 of the District and is superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, each Lender shall consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the Development Loans to the assessment liens on property within the District securing payment of the Assessments. As a result, the lien on the property within the District securing the Assessments will have priority over the liens on the property within the District securing the Development Loans.

THE ADMINISTRATOR

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

The Administrator’s duties will include:

- Preparation of the annual update to the Service and Assessment Plan
- Preparation of assessment rolls for City billing and collection
- Establishing and maintaining a database of all City parcel IDs within the District
- Trust account analysis and reconciliation
- Property owner inquiries
- Determination of Prepayment amounts
- Preparation and review of disclosure notices with Dissemination Agent
- Review of developer draw requests for reimbursement of authorized improvement costs.

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works and has been included in reliance upon the authority of such firm as an expert in the field formation and administration of public improvement districts.

APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #3 OF THE DISTRICT

The Appraisal

General. Integra Realty Resources – DFW (the “Appraiser”), prepared an appraisal report for the City dated September 20, 2020 and effective as of June 1, 2021, based upon a physical inspection of the District

conducted on September 1, 2020 (the “Appraisal”). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Area #3 of the District. The Appraisal is attached hereto as APPENDIX F and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX F — APPRAISAL OF PROPERTY IN IMPROVEMENT AREA #3 THE DISTRICT.”

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (coronavirus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to “shelter in place,” causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. The Appraiser’s analysis of these and related issues is presented in the Appraisal. The value expressed herein represents the Appraiser’s opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time. See “BONDHOLDERS’ RISKS — Infectious Disease Outbreak – COVID-19” and “APPENDIX F — APPRAISAL OF PROPERTY IN IMPROVEMENT AREA #3 THE DISTRICT – COVID-19 Impact on Current Valuations.”

Value Estimates. The Appraiser estimated the aggregate market value of the fee simple interest in various tracts of land comprising the land in Improvement Area #3 of the District under the hypothetical condition that the Improvement Area #3 Projects are completed. See “THE IMPROVEMENT AREA #3 PROJECTS.” The Appraisal does not reflect the as-is condition of Improvement Area #3 of the District as the Improvement Area #3 Projects have not yet been constructed. Moreover, the Appraisal does not reflect the value of Improvement Area #3 of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for Improvement Area #3 of the District. See “APPENDIX F — APPRAISAL OF PROPERTY IN IMPROVEMENT AREA #3 THE DISTRICT.”

The value estimate for the assessable property within Improvement Area #3 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of June 1, 2021 is \$12,480,000.

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

BONDHOLDERS’ RISKS

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

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

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

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #3 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #3 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

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

Assessment Limitations

Annual Installments of Assessments are billed to property owners in Improvement Area #3 in the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year (including 0.50% additional interest for a delinquency and prepayment reserve the annual payment), and the annual Administrative Expenses for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

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

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #3 of the District, any Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien

(assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, §372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code §372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

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

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it owns all property within the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

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

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #3 OF THE DISTRICT.

Risks Related to the Current Real Estate Market

During recent years, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market difficult. These downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of lot and home sales within the District. There have been reports of various public-private efforts to relieve the subprime mortgage crisis but as of yet no one can predict with certainty when the real estate market will rebound.

Competition

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

Loss of Tax Exemption

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

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

Bankruptcy

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

Direct and Overlapping Indebtedness, Assessments and Taxes

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

Depletion of Reserve Fund

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

Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a Parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value

that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a Parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the Parcels of land located in the District be affected by a hazardous substance, the marketability and value of Parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

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

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

See "THE DEVELOPMENT — Environmental" for discussion of previous Phase I ESA and Supplemental Report performed on property within the District.

Regulation

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

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of the owners of the Bonds of not less 51% in principal amount of the Outstanding Bonds, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Indenture and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

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

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

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. In its decision, the Court held that since the Local Government Immunity Waiver Act waives governmental immunity in certain breach of contract claims without addressing whether the waiver applies to a governmental function or a proprietary function of a city, the Court could not reasonably read the Local Government Immunity Waiver Act to evidence legislative intent to waive immunity when a city performs a proprietary function.

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

No Acceleration

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

Bankruptcy Limitation to Bondholders’ Rights

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

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

Management and Ownership

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

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer. Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Failure to meet the lot purchase contract's conditions allows the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposit back. See "THE DEVELOPMENT — Expected Build-Out Schedule of Development" herein.

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

Dependence Upon Developer

Initial Liability for Assessments. The Developer, as the owner of all land in Improvement Area #3 of the District currently has the obligation for payment of 100% of the total Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The sole assets of the Developer are land within the District, related permits and development rights and minor operating accounts. The source of funding for future land development activities and infrastructure construction to develop the remaining lots proposed for the District also consists of proceeds from Additional Bonds and Future Improvement Area Bonds and proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer and its partners. There can be no assurances given as to the financial

ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Improvement Area #3 Projects within the District. See "THE IMPROVEMENT AREA #3 PROJECTS — General" and "THE DEVELOPMENT— Development in Improvement Area #3". There can be no assurances given as to the financial ability of the Developer to complete such improvements.

Use of Appraisal

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

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

Potential Future Changes in State Law Regarding Public Improvement Districts

During prior sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding state level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. To date, no legislation has been introduced to act on such recommendations; however, it is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Infectious Disease Outbreak – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States. On March 13, 2020, the President of the United States declared the Pandemic a national emergency and the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State in response to the Pandemic. Under State law, the proclamation of a state of disaster by the Governor may not continue for more than 30 days unless renewed. The Governor has renewed his declaration monthly, most recently on October 7, 2020. On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or

any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include, for example, the issuance on March 19, 2020 of Executive Order GA-08 which, among other things, imposed limitations on social gatherings of more than 10 people; discouraged eating or drinking at bars, restaurants, and food courts, or visiting gyms or massage parlors; and limited visits to nursing homes and long-term care facilities. On April 15, 2020, the Governor issued Executive Order GA-14 which provided that the following was considered an “Essential Service” and therefore allowed to take place during the COVID-19 pandemic: “Workers performing housing and commercial construction related activities.”

Beginning in mid-April 2020, the Governor issued several executive orders to implement the State’s ongoing plan to safely and strategically open the State in phases while minimizing the spread of COVID-19. However, due to an increase in the number of people testing positive for COVID-19 and the number of associated hospitalizations in the State, the Governor issued a number of executive orders which reversed earlier orders that provide for the phased reopening of businesses in the State, subject to future restrictions in the Governor’s discretion. Executive Order GA-28, which was issued on June 26, 2020 and amended on July 2, 2020, reintroduced limitations on social gatherings of more than 10 people and occupancy restrictions on businesses, including restaurants, to 50% and mandated the immediate closure of other businesses including bars, and commercial rafting or tubing services. Certain businesses, including hair salons, barber shops, and nail salons could continue to operate at greater than 50% capacity provided the workstations allow for social distancing. The order did not apply to outdoor venues, except for professional or collegiate sporting events, swimming pools, water parks and zoos, which were also subject to the 50% limit. The order also did not apply to childcare services, religious worship, and recreational sports programs. On July 2, 2020 the Governor issued Executive Order GA-29 requiring all Texans to wear a face covering over the nose and mouth in public spaces in counties with 20 or more positive COVID-19 cases, with few exceptions. The Governor also issued a proclamation giving mayors and county judges the ability to impose restrictions on some outdoor gatherings of over 10 people, and making it mandatory that, with certain exceptions, people cannot be in groups larger than 10 and must maintain six feet of social distancing from others. On September 17, 2020, the Governor issued Executive Order GA-31, which postpones all surgeries and procedures that are not medically necessary in areas of high hospitalizations of COVID patients.

Executive Order GA-32, which was issued on October 7, 2020 and supersedes Executive Order GA-28, continues all of the limitations on social gatherings of more than 10 people and occupancy restrictions on businesses contained in Executive Order GA-28 described above, except that the order allows all businesses, including swimming pools, water parks and zoos, to operate at up to 75% capacity. In areas of high hospitalizations, any business establishment that otherwise would have a 75% occupancy or operating limit may operate at up to only 50%. Indoor and outdoor professional and collegiate and similar sporting events continue to be restricted to a 50% capacity limit. Indoor bars and similar establishments are permitted to operate at up to 50% capacity, provided that such establishment is not in an area with high hospitalizations and patrons of the establishment are seated while eating or drinking. In addition to those services and business identified in Executive Order GA-28 above, Executive Order GA-32 also does not apply to public or private schools. Executive Order GA-32 remains in effect until modified, amended, rescinded or suspended by the Governor.

Rockwall County, which includes the City, is located in Trauma Service Area-E (TSA-E) designated by the Texas Department of State Health Services. Under Executive Order GA-32, certain businesses within TSA-E, including the City, that have been operating at 75 percent capacity must reduce capacity to 50 percent. Bars that do not qualify as a restaurant under TABC rules must close. Additionally, elective surgeries and procedures are addressed in GA-31, which states every hospital that is licensed under Chapter 241 of Texas Health and Safety Code shall postpone if located in an area with high hospitalizations.

Most of the federal and state actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and directly impacts the economy. Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. Stock values and crude oil prices, in the United States and globally, have seen significant declines attributed to COVID-19 concerns. Texas may be

particularly at risk from any global slowdown, given the prevalence of international trade in the State and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, may reduce or negatively affect economic conditions in the City and lead to unemployment for property owners within the District or may otherwise have a negative impact on the sale of Parcels, lots or homes within the District. The Bonds are secured by Assessments levied on benefitted property within Improvement Area #1. If lot or home sales are negatively impacted by the Pandemic, the Developer will continue to be responsible for the payment of the Assessments.

The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the City. While the potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition. None of the City, the Financial Advisor, the Underwriter or the Developer can predict the impact the Pandemic may have on the City, the financial and operating condition of the Developer, the projected buildout schedule, home prices and buildout values or an investment in the Bonds.

Risk from Weather Events

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through weather events that include strong winds, flooding and heavy rains. It is impossible to predict such weather events and the impact they may have on the City, including land within the District.

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to the provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property and the proceeds of any sale of property within Improvement Area #3 available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Credit Rating

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

Limited Secondary Market for the Bonds

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

Improvement Area #3 subject to the Assessments, existing real estate and financial market conditions and other factors.

TAX MATTERS

Opinion

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

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

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

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount

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

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

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

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

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

Collateral Federal Income Tax Consequences

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

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

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

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

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount"

and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local And Foreign Taxes

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

Future and Proposed Legislation

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

Information Reporting and Backup Withholding

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

LEGAL MATTERS

Legal Proceedings

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

McCall, Parkhurst & Horton L.L.P., Dallas, Texas, serves as Bond Counsel to the City. Winstead PC serves as Underwriter’s Counsel. The legal fees paid to Bond Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal

opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX C — FORM OF OPINION OF BOND COUNSEL."

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

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

Litigation — The City

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

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its general partner or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a "Material Adverse Effect"). Additionally, principals of the Developer and their affiliated entities have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

Litigation — The Fee Developer

Taylor-Duncan Interests and Phillip Duncan, individually, are one of eight (8) defendants sued in Hays County in cause number 18-1827 which was filed on August 9, 2018. The suit was filed by homeowners who allege that they purchased homes in the Caliterra subdivision in Dripping Springs and that the land use of adjoining tract of land was not accurately described at the time of their purchase. Taylor-Duncan Interests, Mr. Duncan, and all other defendants intend to vigorously defend the lawsuit. Taylor-Duncan Interests, Mr. Duncan and the other defendants have filed general denial and affirmative defenses denying liability. Such lawsuit is not expected to have a Material Adverse Effect on the ability of the Developer or the Fee Developer to complete the development in Improvement Area #3 of the District, but no assurance can be given regarding the outcome of the lawsuit.

At the time of delivery and payment for the Bonds, the Fee Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Fee Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Fee Developer or its general partner or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”). Additionally, principals of the Fee Developer and their affiliated entities have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

SUITABILITY FOR INVESTMENT

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

ENFORCEABILITY OF REMEDIES

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

NO RATING

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

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”), the City, P3Works, LLC (as Administrator), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the “Dissemination Agent”) have entered into a Continuing Disclosure Agreement (the “City Disclosure Agreement”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the City Disclosure Agreement, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX D-1 — FORM OF DISCLOSURE AGREEMENT OF ISSUER.” Under certain circumstances, the failure of the City to comply with its obligations under the City Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the City Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The Developer

The Developer, P3Works, LLC (as administrator of the District) and Wilmington Trust, National Association (as dissemination agent) will enter into a Continuing Disclosure Agreement (the “Developer's Disclosure Agreement”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer's Disclosure Agreement, certain information regarding the Development and the Improvement Area #3 Projects (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX D-2 — FORM OF DISCLOSURE AGREEMENT OF DEVELOPER.” Under certain circumstances, the failure of the Developer to comply with its obligations under the Developer's Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer's Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less an underwriting discount of \$_____, which includes Underwriter's Counsel's fee of \$_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated

on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

INVESTMENTS

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

Under Texas law, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor or (B) are invested through (i) a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the City adopts or (ii) a depository institution with a main office or branch office in this state that the City selects; and (a) the broker or depository institution selected arranges for the deposit of the funds in the banking deposits in one or more federal insured depository institutions, regardless of where located, for the City's account; and (b) the full amount of the principal and accrued interest of the banking deposits is insured by the

United States or an instrumentality of the United States; and (c) the City appoints as the City's custodian of the banking deposits issued for the City's account: (1) the depository institution selected pursuant to (ii) above or (2) an entity described by Section 2256.041(d); or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3, (8) certificates of deposit and share certificates (i) issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (6) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (9) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (10) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (12) through (14) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (12) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that comply with federal Securities and Exchange Commission Rule 2a-7, and (14) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

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

(3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and
(4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

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

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

Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the officers of the City; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse

repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

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

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

INFORMATION RELATING TO THE FINANCIAL ADVISOR

Hilltop Securities, Inc. ("Hilltop") is acting as Financial Advisor (the "Financial Advisor") to the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Hilltop has not been engaged by the City to compile, create or interpret any information in this Limited Offering Memorandum. Any information contained in this Limited Offering Memorandum concerning the City, the Developer, the Development, the Service and Assessment Plan, any other information and any information about outside parties has not been independently verified by Hilltop, and inclusion of such information is not, and should not, be construed as a representation by Hilltop as to its accuracy or completeness or otherwise. Hilltop is not a public accounting firm and has not been engaged by the City to review or audit any information in this Limited Offering Memorandum in accordance with accounting standards. No person is permitted to rely upon the participation of the Financial Advisor as an implicit or explicit expression of opinion as to such completeness and accuracy. Hilltop does not assume any responsibility for the covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial body. The participation of Hilltop should not be seen as a recommendation to buy or sell the Bonds, and investors should seek the advice of their accountants, lawyers and registered representatives for advice as appropriate.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to

change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #3 Projects generally and, in particular, the information included in the sections captioned “THE IMPROVEMENT AREA #3 PROJECTS,” “THE DEVELOPMENT” (except for information regarding Phase #1 or the Phase #1 Developer), “THE DEVELOPER AND THE FEE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #3 Projects and the Development) and “LEGAL MATTERS — Litigation — The Developer” has been provided by the Developer.

Experts

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

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

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS,

CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

AUTHORIZATION AND APPROVAL

The City Council has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

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APPENDIX A
FORM OF INDENTURE

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APPENDIX B
FORM OF SERVICE AND ASSESSMENT PLAN

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APPENDIX C
FORM OF OPINION OF BOND COUNSEL

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APPENDIX D-1
FORM OF DISCLOSURE AGREEMENT OF ISSUER

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APPENDIX D-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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APPENDIX E
FORM OF REIMBURSEMENT AGREEMENT

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APPENDIX F

APPRAISAL OF PROPERTY IN IMPROVEMENT AREA #3 OF THE DISTRICT

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CIUD DE MCLENDON-CHISHOLM, TEXAS

RESOLUCIÓN NO. 2021-

UNA RESOLUCIÓN DEL AYUNTAMIENTO DE LA CIUDAD DE MCLENDON-CHISHOLM, TEXAS, APROBANDO LA ORDEN DE UNA ELECCIÓN GENERAL CON EL PROPÓSITO DE ELEGIR A LAS PERSONAS A LAS OFICINAS DEL CONCEJAL DE LA CIUDAD LUGAR 1, EL LUGAR 3, MIEMBRO DEL CONCEJO DE LA CIUDAD Y EL LUGAR 5; Y PROPORCIONANDO UNA FECHA EFECTIVA.

CONSIDERANDO QUE, la ciudad de McLendon-Chisholm, Texas ("Ciudad") es un municipio de derecho general tipo A del estado de Texas; Y

CONSIDERANDO QUE, el Código de Gobierno Local de Texas proporciona un periodo de dos años para los funcionarios electos de la ciudad y que las elecciones se celebran anualmente en una fecha de elección uniforme autorizada según lo dispuesto en el Capítulo 41 del Código Electoral de Texas; Y

CONSIDERANDO QUE, el Capítulo 41 del Código de Gobierno Local de Texas establece que el primer sábado de mayo, siendo el 1 de mayo de 2021, es una fecha de elección uniforme autorizada de las elecciones municipales; Y

CONSIDERANDO QUE, el Código Electoral de Texas requiere que el órgano de gobierno de la Ciudad sea responsable de ordenar la elección general de los funcionarios electos de la Ciudad; Y

CONSIDERANDO que, la ciudad celebrará una elección general el 1 de mayo de 2021 con el propósito de elegir a las personas a las oficinas del Concejal Público Lugar 1, El Lugar 3 del Concejo Municipal y el Lugar 5 del Miembro del Concejo Municipal;

AHORA, POR LO TANTO, SEA RESUELTO POR EL AYUNTAMIENTO DE LA CIUDAD DE MCLENDON-CHISHOLM, TEXAS:

SECCION 1: Los considerandos establecidos en las cláusulas WHEREAS de la presente Resolución son veraz y correctos, constituyen conclusiones y determinaciones del Ayuntamiento que actúan en su capacidad legislativa y se incorporan en el presente documento.

SECCION 2: Que el Concejo Municipal apruebe la Ciudad de McLendon-Chisholm, Orden de Elecciones Generales de Texas con el propósito de elegir a las personas a las oficinas del Lugar 1, el Lugar 3 del Concejo Municipal y el Lugar 5; una copia verdadera y correcta de la cual se adjunta a esta Resolución como Prueba documental A a todos los efectos, y autoriza a los alcaldes y miembros del Consejo a ejecutar la Orden.

SECCION 3: Que la presente Resolución entre en vigor inmediatamente después de su aprobación.

DEBIDAMENTE APROBADO Y APROBADO ESTE EL 26 DE ENERO DE 2021.

Keith Short, Alcalde

ATTEST:

Rochelle Green
Secretario de la Ciudad

CITY OF MCLENDON-CHISHOLM, TEXAS

RESOLUTION NO. 2021-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS APPROVING THE ORDER OF A GENERAL ELECTION FOR THE PURPOSE OF ELECTING PERSONS TO THE OFFICES OF CITY COUNCIL MEMBER PLACE 1, CITY COUNCIL MEMBER PLACE 3, AND CITY COUNCIL MEMBER PLACE 5; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of McLendon-Chisholm, Texas (“City”) is a Type A general-law municipality of the State of Texas; and

WHEREAS, the Texas Local Government Code provides a term of two years for elected officials of the City and that elections be held annually on an authorized uniform election date as provided by Chapter 41 of the Texas Election Code; and

WHEREAS, Chapter 41 of the Texas Local Government Code provides that the first Saturday in May, being May 1, 2021, is an authorized uniform election date for municipal elections; and

WHEREAS, the Texas Election Code requires that the governing body of the City is responsible for ordering the general election of elected officials of the City; and

WHEREAS, the City will hold a general election on May 1, 2021 for the purpose of electing persons to the offices of City Council Member Place 1, City Council Member Place 3, and City Council Member Place 5;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS:

SECTION 1: The recitals set forth in the WHEREAS clauses of this Resolution are true and correct, constitute findings and determinations by the City Council acting in its legislative capacity and are incorporated herein.

SECTION 2: That the City Council hereby approves the City of McLendon-Chisholm, Texas Order of General Election for the purpose of electing persons to the offices of City Council City Council Member Place 1, City Council Member Place 3, and City Council Member Place 5; a true and correct copy of which is attached to this Resolution as Exhibit A for all purposes, and authorizes the Mayor and Council Members to execute the Order.

SECTION 3: That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 26th DAY OF JANUARY 2021.

Keith Short, Mayor

ATTEST:

Rochelle Green, City Secretary

CITY OF MCLENDON-CHISHOLM, TEXAS

ORDER OF GENERAL ELECTION

An election is hereby ordered to be held on May 1, 2021 for the purpose of electing persons to the following named offices of the City of McLendon-Chisholm in a general election for two-year terms:

**CITY COUNCIL MEMBER PLACE 1, CITY COUNCIL MEMBER PLACE 3, AND
CITY COUNCIL MEMBER PLACE 5**

Early voting by personal appearance shall be conducted each weekday at McLendon-Chisholm City Hall, 1371 West FM 550, McLendon-Chisholm, Texas on the following dates and times:

SUNDAY (Domingo)	MONDAY (Lunes)	TUESDAY (Martes)	WEDNESDAY (Miercoles)	THURSDAY (Jueves)	FRIDAY (Viernes)	SATURDAY (Sabado)
	APRIL 19 8am – 5 pm Early Voting	APRIL 20 7am – 7pm Early Voting	APRIL 21 8am – 5 pm Early Voting	APRIL 22 7am – 7pm Early Voting	APRIL 23 8am – 5pm Early Voting	APRIL 24 10am – 3 pm Early Voting

SUNDAY (Domingo)	MONDAY (Lunes)	TUESDAY (Martes)	WEDNESDAY (Miercoles)	THURSDAY (Jueves)	FRIDAY (Viernes)	SATURDAY (Sabado)
	APRIL 26 8am - 5pm Early Voting	APRIL 27 7am - 7pm Early Voting				

TUESDAY, APRIL 27 IS THE LAST DAY OF EARLY VOTING

The designated Election Day (May 1, 2021) polling location for McLendon-Chisholm voters shall be the McLendon-Chisholm City Hall, 1371 W. FM 550, McLendon-Chisholm, Texas 75032 from 7 a.m. to 7 p.m.

Application for a ballot by mail should be mailed to:

Mr. Christopher Lynch
Rockwall County Elections Administrator
915 Whitmore Drive, Suite D
Rockwall, Texas 75087

Applications for a ballot by mail must be received no later than the close of business on April 20, 2021.

*Exhibit A to Resolution 2021-
Order of General Election*

Approved 01/26/2021

Keith Short, Mayor

Lorna Kipphut, Mayor Pro Tem

Brian Davis, Council Member

William Dahl, Council Member

Nathan Hodges, Council Member

Trudy Woessner, Council Member

CIUDAD DE MCLENDON-CHISHOLM, TEXAS

ORDEN REVISADO DE ELECCION GENERAL

Se ordena que se celebre una elección el 1 de mayo de 2021 con el propósito de elegir a las personas a las siguientes oficinas nombradas de la ciudad de McLendon-Chisholm en una elección general por mandatos de dos años:

LUGAR 1 DEL MIEMBRO DEL AYUNTAMIENTO, LUGAR 3, MIEMBRO DEL AYUNTAMIENTO Y MIEMBRO DEL AYUNTAMIENTO 5

La votación anticipada por apariencia personal se llevará a cabo cada día de la semana en McLendon-Chisholm City Hall, 1371 West FM 550, McLendon-Chisholm, Texas en las siguientes fechas y horas:

Domingo	Lunes	Martes	Miercoles	Jueves	Viernes	Sabado
	APRIL 19 8am -5 pm Votación Temprana	APR 20 7am – 7 pm Votación Temprana	APR 21 8am - 5pm Votación Temprana	APR 22 7am – 7pm Votación Temprana	APR 23 8am – 5pm Votación Temprana	APR 24 10 am – 3 pm Votación Temprana

Domingo	Lunes	Martes	Miercoles	Jueves	Viernes	Sabado
	APRIL 26 8am - 5pm Votación Temprana	APR 27 7am - 7pm Votación Temprana				

MARTES 27 DE ABRIL ES EL ÚLTIMO DÍA DE VOTACIÓN ANTICIPADA

El lugar de votación designado del Día de las Elecciones (1 de mayo de 2021) para los votantes de McLendon-Chisholm será el Ayuntamiento de McLendon-Chisholm, 1371 W. FM 550, McLendon-Chisholm, Texas 75032 de 7 a.m. a 7 p.m.

La solicitud de una boleta por correo debe enviarse por correo a:

Sr. Christopher Lynch
Administrator de Elections
915 Whitmore Drive, Suite D
Rockwall, Texas 75087

Las solicitudes de boleta por correo deben recibirse a más tardar el cierre del negocio el 20 de abril de 2021.

Keith Short, Alcalde

Lorna Kipphut, El alcalde Pro ha

Brian Davis, Miembro del Consejo

William Dahl, Miembro del Consejo

Nathan Hodges, Miembro del Consejo

Trudy Woessner, Miembro del Consejo

*Resolution No. 2021-
Approved 1/26/2021*

CITY OF MCLENDON-CHISHOLM

RESOLUTION NO. 2021_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, PROVIDING FOR SUBMISSION OF A NOMINEE TO THE ROCKWALL APPRAISAL DISTRICT (RCAD) BOARD RELATED TO COMPLETING AN UNEXPIRED TERM ON SAID BOARD, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of McLendon-Chisholm was recently informed that a representative has resigned from the Board of Directors of the Rockwall Central Appraisal District (RCAD); and

WHEREAS, each taxing entity was invited to submit by resolution the name of its nominee as a replacement; and

WHEREAS, the RCAD Board of Directors is then expected to elect one of the nominees to fill the vacancy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS THAT:

SECTION 1. The McLendon-Chisholm City Council, hereby nominates and instructs the City Administrator to send for submission to RCAD the following individual:

SECTION 2. This resolution shall become effective from and after its adoption and it is so resolved.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS THIS THE 26TH DAY OF JANUARY 2021.

APPROVED:

Keith Short, Mayor

ATTEST:

Rochelle Green, City Secretary

Rockwall

Central Appraisal District

January 15, 2021

CITY OF MCLENDON-CHISHOLM
LISA PALOMBA
1371 W FM 550
MCLENDON-CHISHOLM, TX 75032

Dear Ms. Palomba,

Lou Johnson, a member of the Rockwall CAD Board of Directors, has recently resigned. Per Texas Property Tax Code Sec. 6.03 (I), "each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy". The Tax Code further states that the taxing units "shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy". The chief appraiser shall prepare and deliver a list of the nominees within the next five days, after which the board of directors shall elect by majority vote one of the nominees to fill the vacancy.

This letter will serve as your official notification of the vacancy.

Please contact me if you have any questions.

Sincerely,

Kevin Passons
Chief Appraiser

841 Justin Road
Rockwall, TX 75087
www.rockwallcad.com

Metro: 972-771-2034
Toll Free: 1-877-438-5304
Fax: 972-771-6871