



**Monday, September 19, 2022
City Council Meeting**

**Council Chambers
3815 Sachse Road, Building B
6:30 p.m.**

The City of Sachse reserves the right to reconvene, recess or realign the meeting, called Executive Session, or order of business at any time prior to adjournment.

As authorized by Section 551.071(2) of the Texas Government Code, these meetings may be convened into closed Executive Session at any time during the City Council workshop or regular meeting for the purpose of seeking confidential legal advice from the City Attorney on any workshop or regular meeting agenda item listed herein.

A. 6:30 PM REGULAR MEETING

1. Call to Order: The City Council of the City of Sachse will hold a Regular Meeting on Monday, September 19, 2022, at 6:30 p.m. to consider the following items of business:
2. Invocation and Pledges of Allegiance.

B. Special Announcements

1. Mayor and City Council announcements regarding special events, current activities, and local achievements.

C. Public Comment

1. Public Comment: The public is invited at this time to address the Council. Please come to the microphone and state your name and address for the record. However, if your remarks pertain to a specific agenda item, please hold them until that item, at which time the Mayor will solicit your comments. The time limit is 3 minutes per speaker. The City Council is prohibited by state law from discussing any item not posted on the agenda according to the Texas Open Meetings Act, but may take comments under advisement. Issues raised may be referred to City staff for research and possible future action.

D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.

1. Approve the September 6, 2022 meeting minutes.
2. Cancel the City Council meeting on October 3, 2022.
3. Approve and adopt a resolution amending the Master Fee Schedule by amending public safety fees, building permits and development services fees, impact fees, refuse services fees, the water rate schedule, water service connection fees, and the wastewater rate schedule and providing an effective date.
4. Approve a resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2022 Rate Review Mechanism filings.
5. Authorize the City Manager to execute a renewal of an agreement with Valley View Consulting, LLC for the purpose of investment advisory services for an additional two years.
6. Authorize the City Manager to execute an agreement approving a construction contract for the Supervisory Control And Data Acquisition (SCADA) System Improvements project with WHECO Electric, Inc. in the amount not to exceed One Hundred Forty Thousand and No/100 Dollars (\$140,000.00).

7. Approve the Consent Agenda Items as presented.

E. Regular Agenda Items

1. Consider a resolution accepting and approving a preliminary amended and restated service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1, approving Preliminary Limited Offering Memoranda, calling a public hearing at the Regular City Council meeting on October 17, 2022, for the levy of special assessments against property in the District and approving all other matters related thereto.

2. Consider a resolution calling a public hearing for the Regular City Council Meeting on October 17, 2022, to receive public input on a proposed amendment to Ordinance No. 3898, establishing Tax Increment Financing Reinvestment Zone number Two of the City of Sachse, Texas, as amended, relating to an increase in the percentage of the City's tax increment contribution to the tax increment fund.

3. Consider ending contractual support of fire and ambulance services with unincorporated areas of Dallas County upon contract expiration of September 30, 2022.

4. Consider an ordinance authorizing certain Budget and Capital Improvement Program amendments pertaining to the Fiscal Year 2021-2022 Budget and Capital Improvement Program.

5. Consider a resolution authorizing the submittal of an Office of the Governor Bullet Resistant Shield Grant application, and name Chief Bryan Sylvester as the authorizing official to accept the grant, if awarded.

F. Executive Session

1. The City Council shall convene into Executive Session pursuant to the Texas Government Code, Section §551.074: Personnel Matters, regarding the review of the City Attorney.

G. Regular Agenda Items/Meeting Closing

1. Take action as a result of Executive Session pursuant to the Texas Government Code, Section §551.074: Personnel Matters: Regarding the review of the City Attorney.

2. Adjournment.

I, the undersigned authority, do hereby certify that this notice of meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall.



Leah K Granger, City Secretary

Posted: _____ Removed: _____

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Amanda Chi, ADA Coordinator, via phone at 975.429.4770, via email at achi@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	1. Approve the September 6, 2022 meeting minutes.
Access	Public
Type	Action (Consent), Minutes
Recommended Action	Approve the September 6, 2022 meeting minutes.
Minutes	View Minutes for Sep 6, 2022 - City Council Meeting

Public Content

BACKGROUND

Minutes from the September 6, 2022, Council meeting.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve the September 6, 2022, meeting minutes.

[09.06.22 City Council Minutes.pdf \(155 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

**CITY COUNCIL OF THE CITY OF SACHSE
MEETING MINUTES
SEPTEMBER 6, 2022**

The City Council of the City of Sachse held a regular meeting on Tuesday, September 6, 2022, at 6:30 p.m. at Sachse City Hall, 3815-B Sachse Road. Those present were Mayor Jeff Bickerstaff; Mayor Pro Tem Brett Franks; Councilmembers Michelle Howarth, Frank Millsap, Chance Lindsey, Lindsay Buhler, and Matt Prestenberg; City Manager, Gina Nash; City Secretary, Leah Granger; Assistant City Manager, Lauren Rose; IT Manager, Mike Pastor; Finance Director, David Baldwin; Assistant Finance Director Ryan Bredehoeft; Director of CIP and Public Works, Corey Nesbit; Development Services Director, Matt Robinson; Leisure Services Director, Lance Whitworth; Fire Chief, Marty Wade; Deputy Fire Chief, Lee Richardson; Human Resources Director, Kristi Wong; Police Chief, Bryan Sylvester; Assistant to the City Manager, Amanda Chi; Economic Development Manager, Jerod Potts; Library Services Manager, Daniel Laney; and Neighborhood Services Manager, Ray Mendez.

Mayor Bickerstaff called the meeting to order at 6:30 p.m.

INVOCATION AND PLEDGES OF ALLEGIANCE TO THE U.S. AND TEXAS FLAGS:

Councilmember Prestenberg lead the invocation and Councilmember Lindsey led the pledges.

MAYOR AND CITY COUNCIL ANNOUNCEMENTS:

Mayor and City Council announcements regarding special events, current activities, and local achievements.

Mayor Pro Tem Franks announced that the Pumpkin Prowl will be October 15 at Salmon Park. Festivities begin at 6 p.m. and will end with a movie on the baseball field. Toddler Gym and basketball open-gym have begun at the Michael J. Felix Community Center. He invited all to check out these events and services.

Councilmember Lindsey recommended checking out the Wylie Rodeo on Friday and Saturday located by Wylie High School.

Staff announcements from Ms. Nash:

- Linda Ngo, who had been a recreation aide since October 2020, has joined Sachse Fire-Rescue as their new intern. Ms. Nash is pleased that Ms. Ngo will continue working with the City and wishes her the best in this next phase of her career.
- Asheed Brown is currently working on his Bachelor's Degree in Recreation, Event, and Sports Management and anticipates graduating in December. The City welcomes him as a new Recreation Aide.
- Brian Jaffe comes to the City from the Town of Flower Mound as the new Assistant Director of CIP and Public Works. Mr. Jaffe has a strong background in engineering and staff is very happy he has joined the team.
- Ashlyn Martinez joins Sachse Police Department as a new police recruit. She was a Detention Officer for the Rockwall County Sheriff's Office and she will be a great new asset.

- Jordan Vaughn is a brand-new recruit with a background in construction. The City is pleased to welcome him and his new career choice.
- Sachse Fire-Rescue has partnered with Carter Bloodcare and will begin carrying blood on their ambulances. Sachse is the first in the BEST EMS system to implement this program and residents can be assured that they are getting the best care possible. Administering blood transfusions during the first hour of a trauma call could mean the difference in saving a life and staff has worked hard to get this program in Sachse.

Chief Sylvester made the following announcement:

“Mayor and Council as you know this past Friday morning our city experienced a heinous act that has tragically become more common in America, that being the unprovoked ambush of two of our police officers. We were very fortunate that their injuries were not more serious and that they will recover. As per our protocols the department has requested the assistance of the Texas Rangers to conduct the investigation surrounding this incident. That investigation is on-going and I expect to be able to provide more details later this week. With my comments tonight, I wanted to acknowledge the actions and efforts of all of our staff who responded Friday morning. Our communications personnel, responding patrol officers, investigations personnel, and our firefighters all performed their duties admirably without hesitation according to their training to an incident that no one in this profession ever wants to face. Additionally, I want to thank and acknowledge the Wylie, Plano, and Richardson police departments. Their assistance enabled us to focus on the care of our officers and is a testament to the commitment of north Texas policing towards one another.

I am equally proud of our community’s response towards the police department. We have received many cards, emails, texts, phone calls, and visits in support of our officers and department. The support of our citizens is invaluable, it is appreciated by all of our staff and is very meaningful to us. However, I have also seen a few comments expressing concern that Sachse may be less safe because of this attack on our officers. To those concerns I offer this, Sachse is safe not just because of its police, it’s because of the partnerships we have with our community, our neighbors looking out for one another, and our community’s willingness to engage in all facets of city government towards a common vision for our city. To those concerns I say that now is the time become even more involved in our community, volunteer with the police department, attend our upcoming Public Safety Day, or our National Night Out Against Crime celebration.

Ours is a dangerous profession, never more clear than Friday morning, but rest assured that your police department has the watch tonight, tomorrow, and every day thereafter and we will continue to protect and partner with our citizens to ensure that Sachse remains a safe place to live work and raise a family. And finally, but most importantly, I ask that you keep the officers involved in Friday’s incident in your prayers and that when you happen across one of our officers or employees you express a kind word of support for our mission of service. Thank you.”

Present a proclamation to the North Texas Food Bank recognizing September as Hunger Action Month and the City's participation in the Peanut Butter Drive.

Mayor Bickerstaff presented John Jenkins from the North Texas Food Bank with a proclamation recognizing September as Hunger Action Month and announced the kick-off of the Peanut Butter Drive to help towards fighting food insecurity.

Present a proclamation to the Sachse Public Library recognizing September as Library Card Sign-Up Month in the City of Sachse.

Mayor Bickerstaff thanked Mr. Laney for the services staff at the Sachse Public Library provide. He presented a proclamation recognizing Library Card Sign-Up Month and encouraged all to register for a new card. Mr. Laney noted that there is a new card design, and the Library has partnered with Cold Stone Creamery at The Station to provide a free ice cream for those that sign up this month.

PUBLIC COMMENT:

A message from Jeffrey Roper, 6210 Bailey Road, was read into record: “Just a brief note to say thank you for the recent repaving of Bailey Road. I know we complained a lot and figure that you rarely hear anything else from us. The new asphalt is a huge improvement and thanks for restoring our “beloved” speed bumps too. Much appreciated.”

CONSENT AGENDA: All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a councilmember or citizen so requests.

- 1. Approve the August 10, 2022, special meeting minutes.**
- 2. Approve the August 15, 2022, meeting minutes.**
- 3. Accept the monthly revenue and expenditure report for the period ending July 31, 2022.**
- 4. Accept the Quarterly Budget and Investment Reports for the quarter ending June 30, 2022.**
- 5. Approve an ordinance amending Chapter 1, Section 1-8 (a) by setting a new start time for City Council meetings from 7:30 p.m. to 6:30 p.m.**
- 6. Approve a renewal of the Household Hazardous Waste Interlocal Agreement with Dallas County.**
- 7. Approve a resolution authorizing the City Manager to execute an Interlocal Cooperation Agreement between the City of Sachse and City of Hurst, Texas, for the purpose of Roadway Improvements, Preservation and Maintenance.**
- 8. Approve the Consent Agenda Items as presented.**

Councilmember Lindsey requested item number five be removed from the consent agenda for discussion. Mayor Pro Tem Franks made a motion to approve the consent agenda minus item number five. Councilmember Buhler seconded the motion and it carried unanimously.

Councilmember Lindsey asked questions about the ordinance changing the starting time of the Council meetings to 6:30 p.m. He asked if other Councilmembers would be amenable to moving the meetings to 7 p.m. As there were no other members supporting the idea, Councilmember Lindsey made a motion to approve item number five as presented. Mayor Pro Tem Franks seconded the motion and it passed unanimously.

REGULAR AGENDA ITEMS:

Conduct a public hearing and consider approving an ordinance for a Special Use Permit request for the Virtual Reality Experience, a commercial amusement use, located at 4275 Miles Road, Suite 103, within Sachse city limits.

Mr. Robinson reviewed the request for a special use permit. The applicant, Mr. Mehta, 4010 Martha Avenue, described the business and purpose of Virtual Reality Experience. He noted that the games would be focused on fitness, education, and entertainment. Each content would have an age appropriate range but nothing would be inappropriate for kids. Councilmembers asked questions regarding operating times, food and service offerings, and impact on the neighborhood.

The public hearing was opened at 7:07 p.m. There were no comments and the public hearing was closed at 7:07 p.m.

A motion to approve the item as presented was made by Councilmember Lindsey. Mayor Pro Tem Franks seconded the motion and it carried unanimously.

Conduct a public hearing and consider an ordinance for a rezoning request for Oxford Glen Memory Care from C-2, General Commercial to PD, Planned Development District, to allow for an Assisted Living and Memory Care use, located at 4546 Bunker Hill Road, within Sachse city limits.

Mr. Robinson provided an overview of the rezoning request. He noted that the building was constructed when the General Commercial District was permitted. The zoning was amended and the current use is now non-conforming. The applicant has requested to rezone the property to Planned Development to allow assisted living/memory care as a permitted use.

The Public Hearing was opened at 7:11 p.m. As there were no comments, the public hearing was closed at 7:11 p.m.

Mayor Pro Tem Franks made a motion to approve the item as presented. Councilmember Prestenberg seconded the motion, and it carried 6-1 with Councilmember Howarth voting against the measure.

Conduct a public hearing on the proposed 2022-2023 fiscal year budget.

Mr. Baldwin commented that the City Manager's proposed budget for FY 22-23 was presented to Council on August 15. He described the changes since the previous presentation to reflect recommended supplemental requests and subsequent changes to the allocated overhead increased the Utility Fund by \$106,793. Additionally, the Economic Development Corporation (EDC) budget was \$11,464 to reflect the changes made in the Board's recent meeting. Mr. Baldwin reviewed the process thus far, noting the June 6 public hearing that allowed residents to provide early input on the budget, the invitation for input from the public during following Council meetings agenda items regarding the budget, the dedicated email address for comments related to the budget, and notifications in Sachse News and on the City's website.

Mayor Bickerstaff opened the public hearing at 7:17 p.m.

Matthew Holboke, 5511 Oak Ridge Circle, addressed Council regarding the American Rescue Plan Act (ARPA) and a possible tax reduction. He does not consider the EDC budget as a real budget and takes offense to comments suggesting that \$5,000 is not very much money.

Gary Overby, 5000 Natchez Drive, asked about the \$350,000 surplus reported recently in the Sachse News and suggested taking half of the surplus to reduce the tax rate further. Mr. Baldwin clarified that the increased surplus is a result of the newly released property tax information.

The public hearing was closed at 7:25 p.m.

Consider an ordinance approving and adopting the budget for the fiscal year beginning October 1, 2022, and ending September 30, 2023.

Mr. Baldwin mentioned that the proposed budget includes changes to the indirect overhead allocation and the EDC budget changes. It includes the property tax rate at the no-new-revenue rate and is below the voter approval rate. The total budget is \$83,730,586.

Matthew Holboke, 5511 Oak Ridge Circle, pointed out the increase for health insurance for City employees, the \$6 million for capital projects, and \$6 million for EDC.

Councilmember Prestenberg asked about the health insurance amount. Ms. Nash responded that the request for proposals is still open so staff budgeted for a worst-case scenario and that the new rate will not begin until January 1, 2023. Any money over the final health insurance amount will be held in a health insurance fund and help offset future overages. Councilmember Howarth wanted to remind Council and the public that Council knew about the ARPA funds but held off on deciding what it would be used for until legislation was settled regarding roadway infrastructure allocation. She also clarified that Council is not allowed to spend ARPA funds on any projects other than Water and Sewer improvements.

A motion was made by Mayor Pro Tem Franks to approve the item as presented. Councilmember Lindsey seconded the motion and it carried 6-1 with Councilmember Millsap voting no.

Discuss amending the Master Fee Schedule by amending services and rates and providing an effective date.

Mr. Baldwin reviewed the Master Fee Schedule, explaining that the changes reflected cleanup, administrative, and updated items. Council had some minor questions clarifying the updates.

Consider ratifying the property tax increase in the budget for Fiscal Year 2022-2023.

Mr. Baldwin explained that Texas Local Government Code Section 102.007 requires entities adopting a budget that raises more revenues from property taxes from the previous year to hold a separate vote of the governing body.

Matthew Holboke, 5511 Oak Ridge Circle, compared Sachse's taxes to Colleyville's lower tax rate and asked where the previously allotted \$5 million dollars for the pump station will be going.

Councilmember Howarth made a motion to approve the item as presented. Councilmember Prestenberg seconded the motion and it carried 6-1. Councilmember Millsap voted against it.

Consider an ordinance levying ad valorem taxes for year 2022 (Fiscal Year 2022-2023) at a rate of \$0.650416 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Sachse as of January 1, 2022.

Mr. Baldwin described the tax rate as consisting of two components, the debt service (I&S) rate of \$0.194207 which is unchanged from the previous year; and the maintenance & operation (M&O) rate of \$0.456209, which is \$0.50318 lower than the previous year. This is the no-new-revenue rate.

Councilmember Lindsey made a statement that the Council is listening to input and provided context for the action. An owner of a house worth \$200,000 pays \$1,400 in taxes to the City of Sachse. Those with a Homestead exemption are capped at 10% increase rather than the 20-30% appraisal increase and taxable value goes up to \$220,000 and taxes increase to \$1,431. The tax increase on a \$300,000 house would be \$44 for the year. He noted that the new development in the area has helped offset the burden and it is still an increase, but Sachse is in a fortunate situation. Councilmember Lindsey also noted that the appraisal on the homes in other comparator cities is significantly more, so there is a higher yield of revenue from a lower tax rate. Sachse's rate must be at a higher level to cover the services Sachse has. He invited anyone that would like to discuss taxes to contact him or the Council.

Councilmember Lindsey made a motion to approve the item as it is presented. The motion was seconded by Councilmember Buhler and it carried 5-2. Councilmembers Millsap and Prestenberg voted against the motion.

Mayor Bickerstaff commended staff for the work they had done and was proud of the rates that Council was able to approve.

Consider authorizing the City Manager to negotiate and enter into a contract in an amount not to exceed Three Hundred Fifteen Thousand and No/100 Dollars (\$315,000.00) with Holbrook Asphalt Co. for the purpose of Roadway Improvements, Preservation, and Maintenance.

Ms. Nash commented that the Interlocal agreement with Hurst that was approved in the Consent agenda allows Sachse to take advantage of shared pricing and reduced administrative cost. Mr. Nesbit presented a newer technology and method to preserve asphalt and extend the longevity of good sections of current asphalt streets. Staff and the contractor drove each of the potential streets and are making minor repairs as needed or removed streets from the list if damage was too extensive. The resulting project includes preservation of approximately 75,000 square yards of asphalt street pavement. The product is an asphalt sealant which will reduce the impact of weather and aging. Mr. Nesbit explained how communication with residents would be established, with notification and assistance for residents being top priority. Councilmember Prestenberg asked

clarifying questions related to timing of communication and the project completion. Mr. Nesbit replied that notices are forthcoming immediately after contract approval, should Council agree. He described the lengths to which the contractor and staff will go to reach the resident that has not moved their vehicle in the required area.

Mayor Pro Tem Franks asked if this method of preservation is cheaper than repaving with concrete. Mr. Nesbit noted that this method is an 83% savings over repaving and will extend the life of the concrete from roughly two years to five or 10 years. Councilmember Millsap asked if the City Ordinance will be updated to allow asphalt streets and would there be work on hardening the base of the streets. Mr. Nesbit clarified that no replacements would be taking place, that this is merely a preservation method for asphalt streets that are in good enough condition to be maintained at that level. He reiterated that the product is supposed to extend the life of the asphalt by five to ten years, which is considerably longer than without the preservation.

Matthew Holboke, 5511 Oak Ridge Circle, encouraged staff to remember the post office and emergency needs. Mr. Nesbit commented that emergency vehicles will have access at all times.

A motion to approve the item as presented was made by Councilmember Howarth. Councilmember Buhler seconded the motion and it passed unanimously.

Consider authorizing the City Manager to execute a Construction Manager at Risk (CMAR) contract with Steele & Freeman Inc. for the new Animal Shelter project.

Ms. Nash noted that staff is excited to bring the CMAR contract for the Animal Shelter. Chief Sylvester said he is looking forward to getting the project moving. He explained that the goals of the project and the importance of the budget have been discussed at length. They are very conscious of every dollar being spent on this project. The contractor is waiving all pre-construction costs and Guaranteed Maximum Pricing (GMP) with lower-than-normal construction manager fee is being utilized. Chief Sylvester explained that Council may negotiate, accept, or reject the GMP proposal with no penalty or fee. Approving the contract presented at this meeting allows staff to move to the GMP portion of the process. No fee has been locked in at this time and any savings below the GMP will come back to the City.

Councilmember Millsap presented a scenario that would push the final cost of the project over the \$5 million approved by the voters. Chief Sylvester explained that cost control measures would be utilized, but also that he intends for the project to come in under that maximum budget.

Councilmember Howarth made a motion to approve the item as presented. Councilmember Buhler seconded the motion and it carried unanimously.

Mayor Bickerstaff adjourned the meeting at 8:22 p.m.

ATTEST:

Jeff Bickerstaff, Mayor

Leah K Granger, City Secretary



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	2. Cancel the City Council meeting on October 3, 2022.
Access	Public
Type	Action (Consent)
Recommended Action	Cancel the City Council meeting on October 3, 2022.

Public Content

OVERVIEW

Due to schedule conflicts, and as there are no pressing agenda items, the October 3 Council meeting may be cancelled. Upon approval, the City Council will meet next on October 17, 2022.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Cancel the City Council meeting on October 3, 2022.

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	3. Approve and adopt a resolution amending the Master Fee Schedule by amending public safety fees, building permits and development services fees, impact fees, refuse services fees, the water rate schedule, water service connection fees, and the wastewater rate schedule and providing an effective date.
Access	Public
Type	Action (Consent)
Preferred Date	Sep 19, 2022
Fiscal Impact	Yes
Budgeted	Yes
Recommended Action	Approve and adopt a resolution amending the Master Fee Schedule by amending public safety fees, building permits and development services fees, impact fees, refuse services fees, the water rate schedule, water service connection fees, and the wastewater rate schedule and providing an effective date.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

The Master Fee Schedule is a convenient tool for residents and customers to familiarize themselves with various charges for City services. The schedule can be updated periodically for necessary changes without amending the associated budget Ordinance.

OVERVIEW

The Master Fee Schedule is considered annually during the budget process. Water and wastewater rates were presented and considered during the 2019 Water Rate Study discussions, performed by NewGen Strategies and Solutions. The City Council was briefed at the August 1, 2022, meeting regarding water and wastewater rates and at the September 6, 2022, meeting regarding all proposed changes.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve and adopt a resolution amending the Master Fee Schedule by amending public safety fees, building permits and development services fees, impact fees, refuse services fees, the water rate schedule, water service connection fees, and the wastewater rate schedule and providing an effective date.

[Presentation_Master Fee Schedule Review.pdf \(192 KB\)](#)

[Resolution_Amend Master Fee Schedule FY2023.pdf \(1,033 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

Master Fee Schedule Review

City Council
September 19, 2022



Summary of Changes

- Public Safety Fees
- Building Permits and Development Services Fees
- Impact Fee
- Refuse Services Fees
- Water Rate Schedule
- Water Service Connection Fees
- Wastewater Rate Schedule



I. Public Safety Fees

Fee	Old Rate	New Rate
Dangerous Building Abatement Administrative Fee	\$250.00	Removed from Fire Services
Neighborhood Services <i>(Added)</i>		
▪ Nuisance Abatement Administrative Fee	Not Listed	\$250.00
▪ Dangerous Building Abatement Administrative Fee	Moved from Fire Services	\$250.00



IX. Building Permits and Development Services

Fee	Old Rate	New Rate
Licenses and Contractor Registration		
▪ Mechanical – License Holder	\$100.00	\$0
Mechanical Permits		
▪ Initial fee of issuance	Remove	
▪ New Installations	Remove	
▪ Repair	Remove	
▪ Boiler	Remove	
Miscellaneous		
▪ Accessory Non-Residential	Remove	



IX. Building Permits and Development Services

Fee	Old Rate	New Rate
Water Meter Cost		
Water meter installation fee when tap is not present (single-family and/or multi-family)	Remove entire section	
Multi-Jet – 5/8" X 3/4"	\$225.00	\$324.00
Multi-Jet – 1"	\$351.54	\$428.63
Multi-Jet – 1 1/2"	\$600.17	\$731.78
Multi-Jet – 2"	\$777.49	\$947.97
Octave – 2"	Not Listed	\$2,153.57
Octave – 3"	\$2,450.44	\$2,523.61
Octave – 4"	\$3,143.53	\$3,243.02
Octave – 6"	\$4,585.20	\$5,121.19
Octave – 8"	\$5,493.37	\$5,982.91



XI. Impact Fee

Fee	Old Rate	New Rate
Water Impact Fee		
▪ Multi-Jet – 5/8" x 3/4"	\$2,521.69	\$2,521.69
▪ Octave 2"	\$25,216.95	\$25,216.95
▪ Octave 3"	\$60,520.70	\$60,520.70
▪ Octave 4"	\$105,911.22	\$105,911.22
▪ Octave 6"	\$231,966.00	\$231,966.00
▪ Octave 8"	\$403,471.30	\$403,471.30
▪ Octave 10"	\$630,423.91	\$630,423.91
▪ Octave 12"	\$832,159.56	\$832,159.56

*Turbine has switched to Octave

*Simple has switched to Multi-Jet



XI. Impact Fee

Fee	Old Rate	New Rate
Wastewater Impact Fee		
▪ Multi-Jet – 5/8" x 3/4"	\$1,857.68	\$1,857.68
▪ Octave 2"	\$18,576.83	\$18,576.83
▪ Octave 3"	\$44,584.40	\$44,584.40
▪ Octave 4"	\$78,022.71	\$78,022.71
▪ Octave 6"	\$170,906.88	\$170,906.88
▪ Octave 8"	\$297,229.36	\$297,229.36
▪ Octave 10"	\$464,420.87	\$464,420.87
▪ Octave 12"	\$613,035.55	\$613,035.55

*Turbine has switched to Octave

*Simple has switched to Multi-Jet



XII. Refuse Services Fees

Fee	Old Rate	New Rate
Residential		
▪ Trash, Recycle, Bulk Collection	\$16.79	\$18.57
▪ Additional Solid Waste Polycart	\$8.06	\$8.85
▪ Additional Recycle Polycart	\$3.25	\$3.97
▪ Polycart Replacement Fee	\$75.00	\$87.35
▪ Excess Individual Bulk Collection	\$12.00 per yard	\$15.21 per yard
Small Commercial Container Service (95gal)		
▪ Monthly Per Unit Charge	\$17.00	\$21.36
▪ Additional Polycart	\$15.50	\$19.47



XIII. Water Rate Schedule

Fee	Old Rate	New Rate
Residential – Base Rate		
▪ All meter sizes	\$16.50	\$16.83
Residential – Tier Rate		
▪ 0-10,000	\$4.90	\$5.00
▪ 10,001-20,000	\$6.55	\$6.68
▪ 20,001-30,000	\$8.50	\$8.67
▪ Over 30,000	\$10.00	\$10.20



XIII. Water Rate Schedule

Fee	Old Rate	New Rate
Non-Residential and Irrigation – Base Rate		
▪ 5/8" X 3/4"	\$16.50	\$16.83
▪ 1"	\$26.10	\$26.62
▪ 1 1/2"	\$42.16	\$43.00
▪ 2"	\$61.39	\$62.62
▪ 3"	\$85.60	\$87.31
▪ 4"	\$114.10	\$116.38
▪ 6" and above	\$285.30	\$291.01
Non-Residential and Irrigation – Tier Rate		
▪ 0-10,000	\$4.90	\$5.00
▪ 10,001-20,000	\$6.55	\$6.68
▪ 20,001-30,000	\$8.50	\$8.67
▪ Over 30,000	\$10.00	\$10.20



Water Service Connection Fees

Fee	Old Rate	New Rate
Fire Hydrant Meter		
▪ Deposit	\$1,500.00	\$2,000.00
▪ Minimum Monthly Billing	\$25.00	\$100.00
Meter-Related		
▪ Meter Register Replacement	\$212.00	\$254.31
▪ Meter Register with Antenna Connection	Not Listed	\$323.43
▪ Octave Encoder and Allegro Module with Antenna Replacement	\$497.79	\$343.00



XV. Wastewater Rate Schedule

Fee	Old Rate	New Rate
Residential		
▪ Water Meter	\$13.43	\$13.83
▪ Volume Charge Per 1,000 gal.	\$7.48	\$7.70
Non-Residential		
▪ 5/8" X 3/4"	\$22.00	\$24.74
▪ 1"	\$35.00	\$39.37
▪ 1 1/2"	\$50.00	\$56.24
▪ 2"	\$73.16	\$75.36
▪ 4"	\$70.00	\$78.73
▪ 6"	\$70.00	\$78.73
▪ 8"	\$90.00	\$101.23
▪ Volume Charge Per 1,000 gal.	\$7.91	\$8.15



RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, AMENDING THE MASTER FEE SCHEDULE ADOPTED BY RESOLUTION 4024 BY AMENDING PUBLIC SAFETY FEES, BUILDING PERMITS AND DEVELOPMENT SERVICES FEES, IMPACT FEES, REFUSE SERVICES FEES, WATER RATE SCHEDULE, WATER SERVICE CONNECTION FEES AND WASTE WATER RATE SCHEDULE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City Council desires to amend the Master Fee Schedule adopted by Resolution 4024, as provided herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The Master Fee Schedule adopted by Resolution 4024 is hereby amended, as set forth in the attached Exhibit "A".

SECTION 2. This Resolution shall take effect October 1, 2022, from and after its passage, and it is so accordingly resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this 19th day of September, 2022.

CITY OF SACHSE, TEXAS

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, City Secretary

APPENDIX A

MASTER FEE SCHEDULE FY 2023



MASTER FEE SCHEDULE

I. PUBLIC SAFETY FEES

A. Alarm monitoring		
1.	Residential alarm permit fee (valid two years from date of issuance)	\$10.00
2.	Nonvalid burglar alarms responded to during a 12-month period	
a.	5 or less	No charge
b.	6	\$25.00
c.	7	\$50.00
d.	Eight (8)	\$100.00 plus permit suspension
3.	Nonvalid fire alarms responded to during a 12-month period	
a.	2 or less	No charge
b.	3 or more	\$100.00
4.	Nonvalid robbery alarms responded to during a 12-month period	
a.	2 or less	No charge
b.	3 or more	\$100.00
5.	Nonvalid emergency medical assistance responded to during a 12-month period	
a.	5 or less	No charge
b.	6 or more	\$100.00
B.	Solicitation Registration Fee (not to exceed 90 days)	\$30.00 plus \$10.00 per additional person
C. Animal control		
1.	Adoption fee with sterilization	
a.	Cats/kittens/dogs/puppies receive sterilization/combo vaccine/rabies vaccine/microchip	\$80.00
2.	Adoption fee without sterilization	
a.	Cats/kittens/dogs/puppies already sterilized receive combo vaccine/rabies vaccine/microchip	\$25.00
3.	Dangerous dog annual registration	\$100.00
4.	Annual permits	
a.	Pot-bellied pig (per animal)	\$20.00
b.	Pigeon (fancy or racing loft/per animal)	\$5.00
c.	Dog/Cat	
	1) Application fee w/o sterilization proof	\$7.00
	2) Application fee w sterilization proof	\$2.00
5.	Replacement tag (w proof of original registration)	\$1.00
6.	Impoundment (registration additional if animal currently not on file)	
a.	1st pickup of animal	\$25.00 plus \$5 boarding fee
b.	2nd pickup of animal	\$50.00 plus \$5 boarding fee
c.	3rd pickup of animal	\$75.00 plus \$5 boarding fee
d.	4th pickup of animal	\$100.00 plus \$5 boarding fee



MASTER FEE SCHEDULE

D. Fire Services

1.	Installation/replacement/re-model of fire protection systems	
a.	Plan review fees	
1)	Internal plan review (new and/or remodel > 10 devices)	\$100.00
2)	Remodel (< than 10 devices)	\$25.00
3)	Third-party plan review administrative fee	\$50.00
b.	Fire sprinkler installation permit (commercial and residential per building)	
1)	1 to 25 sprinklers	\$50.00
2)	26 to 75 sprinklers	\$100.00
3)	76 to 125 sprinklers	\$200.00
4)	126 to 200 sprinklers	\$275.00
5)	201 to 300 sprinklers	\$350.00
6)	301 to 400 sprinklers	\$375.00
7)	401 to 500 sprinklers	\$425.00
		\$500.00 plus \$.33 per sprinkler over 500
8)	Over 500 sprinklers	
c.	Fire alarm installation permit (per building)	
1)	10 or less devices	\$50.00
2)	11 to 25 devices	\$75.00
3)	26 to 100 devices	\$150.00
4)	101 to 200 devices	\$200.00
5)	201 or more devices	\$500.00
d.	Fire alarm panel replacement only	\$100.00
e.	Hydro & flush (per system)	\$50.00
f.	Fire pump (per system)	\$50.00
g.	Hydrant flow test (2 hydrants)	\$50.00
h.	Vent/hood/booth extinguishing system (per system)	\$50.00
i.	Work started without a permit	\$100.00 plus required fee
j.	Replacement	
1)	Fire department permit replacement	\$10.00
2)	Job site plan re-stamp	\$15.00
k.	Re-inspection fee	
1)	2 or more	\$75.00 per re-inspection
2.	Inspection/occupancy permits	
a.	Carnivals and fairs	\$50.00
b.	Mobile food vending	\$25.00
c.	Exhibits and trade shows	\$50.00
d.	Temporary structures, tents or canopies (used for permits not included in community development permit fee)	\$50.00
e.	In-home day care certificate of occupancy	\$50.00
f.	Multi-family certificate of occupancy	\$50.00
g.	Foster care/adoption home inspection	\$25.00
h.	After hour inspection fee	\$50.00/hour min 2 hr/\$100.0
3.	Fire permits	
a.	Outdoor/open burning	\$200.00



MASTER FEE SCHEDULE

b.	Pyrotechnic special effects	\$100.00
		\$400.00/hr each engine plus \$200.00/hr each ambulance plus supplies
c.	Hazardous material response reimbursement	
d.	Fire watch/stand-by	\$50.00/hr each fire employee
E.	Ambulance services	
1.	Resident	
a.	ALS (Waive co-pay and deductible)	\$1,600.00
b.	ALS2 (Waive co-pay and deductible)	\$1,750.00
c.	BLS (Waive co-pay and deductible)	\$1,400.00
d.	SCT	No charge
2.	Non-resident	
a.	ALS	\$1,600.00
b.	ALS2	\$1,750.00
c.	BLS	\$1,400.00
d.	SCT	No charge
3.	Mileage	\$24.00
4.	Supplies	
a.	Oxygen	\$125.00
b.	BLS supplies	\$350.00
c.	ALS supplies	\$400.00
d.	Extra attendant	\$75.00
5.	Extrication	\$500.00
6.	Technology fee	\$0.00
7.	No transport	\$125.00
8.	Other Services	
a.	IV Therapy/Maintenance	\$310.00
b.	Airway Management	\$115.00
c.	Specialty Care Transport	\$1,250.00
d.	Blood Administration	\$600.00
F.	Neighborhood services	
1.	Nuisance abatement administrative fee	\$250.00
2.	Dangerous building abatement administrative fee	\$250.00

II. ENGINEERING, HEALTH AND SANITATION

A.	Engineering permits	
1.	Traffic calming application	\$50.00
2.	Floodplain	\$100.00
3.	Grading	\$150.00
		Fee shall equal one-half of the state fee for each permit
B.	Engineering inspections and review fees	
		4.5% of cost of public improvements
1.	Engineering inspection fee	



MASTER FEE SCHEDULE

2.	Construction plan review	\$300.00
3.	Construction Inspections after hours	\$50.00/hr (2hr minimum)
		Hourly fee based on current hourly wage of City maintenance workers
C.	Care of public trees in street or right of way	
D.	Health and Sanitation permits	
1.	Health	\$225.00
2.	Temporary food sales (must be obtained from Dallas County Health department. Applies to all applicants providing food products.	\$50.00
3.	Public swimming pool	\$100.00
		Fee shall equal one-half of the state fee for each permit
4.	Alcohol	
5.	Liquid waste transport	\$25.00 per vehicle

III. FACILITY ROOM RENTAL DEPOSIT/FEES

A.	Library meeting room	
1.	Deposit	
a.	Without food served	\$25.00
b.	With food served	\$50.00
c.	VGA/audio cable	\$15.00
2.	Room rental	
a.	Non-profits	No charge
b.	All other groups	\$25.00
B.	Senior activity center multi-purpose room A	
1.	Deposit	\$100.00
2.	Room rental	\$25.00 per hour
C.	Michael J. Felix Community Center	
1.	Deposit	\$100.00
2.	Kitchen Use	\$50.00
3.	Room rental - Operational Hours	
a.	Room A (hourly) or Room B (hourly)	
i.	Resident	\$10.00
a)	Non-Profit	No Charge
ii.	Non-resident	\$25.00
a)	Non-Profit	\$10.00



MASTER FEE SCHEDULE

b.	Room A and B (hourly)	
i.	Resident	\$20.00
a)	Non-Profit	No Charge
ii.	Non-resident	Not Available
a)	Non-Profit	Not Available
4.	Room rental - Non-Operational Hours	
a.	Room A (hourly) or Room B (hourly)	
i.	Resident	\$25.00
a)	Non-Profit	\$25.00
ii.	Non-resident	\$50.00
a)	Non-Profit	\$35.00
b.	Room A and B (hourly)	
i.	Resident	\$50.00
a)	Non-Profit	\$50.00
ii.	Non-resident	Not Available
a)	Non-Profit	Not Available
5.	Gym - Half Court or Gym - Full Court - Operational Hours	
a.	Resident	Not Available
i.	Non-Profit	Not Available
b.	Non-resident	Not Available
i.	Non-Profit	Not Available
6.	Gym - Half Court - Non-Operational Hours	
a.	Resident	\$25.00
i.	Non-Profit	\$25.00
b.	Non-resident	\$50.00
i.	Non-Profit	Not Available
7.	Gym - Full Court - Non-Operational Hours	
a.	Resident	\$50.00
i.	Non-Profit	\$50.00
b.	Non-resident	Not Available
i.	Non-Profit	Not Available

IV. LIBRARY

A.	Library card	
1.	Initial library card request	No charge
2.	Replacement	\$1.00
B.	Ear Buds available	\$1.00
C.	Pin-back button materials available	\$0.25
D.	Texshare card	No charge



MASTER FEE SCHEDULE

E. Lost and/or Damaged Items	
	Replacement cost plus \$5.00
1. Lost or damaged beyond repair	processing fee
	Replacement item plus \$5.00
2. Replacement item in lieu of fee	processing fee
3. Damaged item but not requiring replacement	\$5.00 processing fee
4. Damaged case or container	Replacement fee
F. Interlibrary loan	
1. Pickup materials	
a. Timely pickup	No charge
b. Within 7 days	No charge
c. 8 days or more	\$5.00 per item
G. Copy services	
1. Black/white copy	\$0.20
2. Color copy	\$0.50
3. Computer print out	\$0.25
4. 3D printer	.15 per gram/\$1.50 minimum

V. MUNICIPAL COURT FINES/FEES

A. Set by state statute	
1. Building security fund	\$3.00
2. Technology fund	\$4.00
B. Dismissal	
1. Granting defensive driving course	Not to exceed \$10.00
	\$10 or \$20 depending on
2. Dismissal fee for certain traffic cases	offense type
C. Warrant Fee	\$50.00

VI. PARK FACILITY RENTAL FEES

A. Ball field reservations/deposits	
1. Reservation fee	
a. 4 hours or less	\$25.00 per field
b. 5 hours or more	\$10.00 per field per hour
2. Deposits	
a. Light key	\$25.00
b. Clean-up deposit for tournaments and/or concession stand use	\$50.00



MASTER FEE SCHEDULE

B. Covered picnic facilities (based on daily rates)		
1.	Reservation fee	
a.	4 hours or less	\$25.00 per facility
b.	5 hours or more	\$10.00 per facility per hour
2.	Deposit	
a.	Light key	No charge
C. City complex amphitheater (based on daily rates)		
1.	Reservation fee	
a.	4 hours or less	\$25.00 per facility
b.	5 hours or more	\$10.00 per facility per hour
c.	Restroom during amphitheater rental	\$25.00/hour
2.	Deposit	
a.	Light key	No charge

VII. LAURIE SCHWENK SENIOR ACTIVITY CENTER

A. Annual membership		
1.	Resident	\$6.00
2.	Non-resident	\$12.00
B. Daily pick-up/drop-off within the City limits only		
		\$.50/one way or \$1.00 roundtrip
1.	Resident	
2.	Non-resident	Not available

VIII. MICHAEL J. FELIX COMMUNITY CENTER

A. Resident Annual Membership		
1.	Individual (12+ years)	\$20.00
2.	Family (3 or more)	\$50.00
3.	Senior-Citizen (50+)	No charge
4.	Military Veterans	No charge
B. Non-resident Annual Membership		
1.	Individual (12+ years)	\$40.00
2.	Family (3 or more)	\$100.00
3.	Senior-Citizen (50+)	\$10.00
4.	Military Veterans	\$10.00
C. Daily Drop in		
1.	Resident/Non-resident	\$2.00



MASTER FEE SCHEDULE

IX. BUILDING PERMITS AND DEVELOPMENT SERVICES FEES

A. Building permit fee schedule

1.	Total valuation	
a.	\$1.00 to \$500	\$50.00
b.	\$501 to \$2,000	\$50.00 for the first \$500 plus \$3.05 for each additional \$100
c.	\$2,001 to \$25,000	\$95.75 for the first \$2,000 plus \$14 for each additional \$1,000
d.	\$25,001 to \$50,000	417.75 for the first \$25,000 plus \$10 for each additional \$1,000
e.	\$50,001 to \$100,000	\$667.75 for the first \$50,000 + \$7 for each additional \$1,000
f.	\$100,001 to \$500,000	\$1017.75 for the first \$100,000 + \$5.60 for each additional \$1,000
g.	\$501,000 to \$1,000,000	\$3,257.75 for the first \$500,000 + \$4.75 for each additional \$1,000
h.	\$1,000,001 and up	\$5,632.75 for the first \$1,000,000 + \$3.65 for each additional \$1,000

B. Residential home construction

1.	Plan Review fee (New single-family homes)	30% of total building permit fee (based on Building Permit Fee Schedule)
2.	New home construction, additions and remodels	Declared Valuation [minimum \$100.00 per sq ft (including garages, porches, and/or patios)]
3.	Additional plan review (required by changes, additions or revisions to plans after permit approval)	\$250.00

C. Commercial construction

1.	Plan review (new construction and remodel)	30% of total building permit fee (based on Building Permit Fee Schedule)
2.	Remodels	Declared Valuation (minimum \$95.00 per sq ft)
3.	New construction	Declared Valuation (minimum \$150.00 per sq ft)
4.	Additional plan review (required by changes, additions or revisions to plans after permit approval)	\$250.00

D. Certificate of Occupancy

		\$75.00
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E. Inspections

1.	Outside of normal business hours	\$100.00
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MASTER FEE SCHEDULE

2.	Re-inspection fee after permit approval	\$75.00 per inspection
F.	Licenses and contractor registration	Annual
1.	Plumber - Master	State Law \$0.00
2.	Electrician - Master, Journeyman, or Residential	State Law \$0.00
3.	Mechanical - License Holder	State Law \$0.00
4.	Backflow Specialist - Testers	\$100.00
5.	Irrigation - License Holder	\$100.00
6.	General Contractor	\$100.00
7.	Contractors (other than listed above)	\$100.00
G.	Permits	
1.	Electrical	
a.	Residential	\$75.00
b.	Non-residential	\$100.00
2.	Mechanical permits	
a.	Residential (minimum)	\$75.00
b.	Non-Residential (minimum)	\$100.00
3.	Plumbing	
a.	Residential	\$75.00
b.	Non-residential	\$100.00
4.	Antenna permit - private	\$50.00
5.	Demolition	
a.	Residential structure	\$100.00
b.	Non-Residential structure	\$200.00
6.	Fence/screen wall/retaining wall	
a.	Residential - Fence	\$50.00
b.	Residential - Screen wall	\$250.00
c.	Residential - Retaining wall	\$50.00
d.	Commercial (fence, retaining wall and screen wall)	\$250.00
7.	Lawn irrigation	\$100.00
8.	Miscellaneous	
		Based on valuation of construction materials only-see section VIII. A. Building permit fee schedule
a.	Flatwork (patios, driveways, pads, sidewalks)	
		Based on valuation of construction materials only-see section VIII. A. Building permit fee schedule
b.	Accessory - Residential (buildings greater than 120 square feet)	
c.	All other Residential permits (includes but not limited to foundation repair, flag poles, roofing, re-brick)	\$50.00
d.	Use of outside consultants for plan checking and/or inspections	Actual costs plus 15% administrative fee
e.	Taxicab and limousine	\$200.00 per vehicle per year
f.	Massage establishment	\$400.00 per year
g.	Sexually-oriented business license (initial and renewal)	\$500.00



MASTER FEE SCHEDULE

	h.	Credit card transaction fee for totals \$1,000 and greater	3% transaction fee
9.	Sign		
	a.	Permanent (attached or freestanding)	\$125 per sign
	b.	Temporary	\$25 per sign
	c.	Repair	\$10 per sign
	d.	Sign variance application fee	\$25.00
	e.	Sign variance	\$300.00
H.	Park land dedication by developers		
	1.	Single-family residential	\$1,100 per lot
	2.	Multi-family	\$600 per unit
I.	Swimming Pools		
	1.	Storable Swimming Pool	\$50.00
	2.	Above Ground	\$200.00
	3.	In-Ground	\$500.00
	4.	Spa/Hot Tub	\$200.00
J.	Temporary Retail and seasonal sales		
	1.	Temporary seasonal sales	
	a.	Church/school/civic/City-sponsored events	No charge
	b.	All other	\$200.00
	2.	Temporary retail sales (5 consecutive days, at 6 month intervals by the same merchant holding certificate of occupancy.)	\$50.00
	3.	Temporary food sales	See Section II. D-2
K.	Board of adjustment or appeals		
	1.	Variance request	\$300.00
L.	Plat applications (all acreage shall be rounded up to the nearest acre when calculating fees)		
	1.	Preliminary plat	\$400.00 per plat plus \$15.00 per acre
	2.	Final plat, (includes replats and minor plats)	\$450.00 per plat plus \$15.00 per acre
	3.	Conveyance plat	\$350.00 per plat plus \$15.00 per acre
	4.	Amending plat	\$350.00 per plat plus \$15.00 per acre
	5.	Vacating plat	\$350.00 per plat plus \$15.00 per acre
M.	Water System		
	1.	Water meter installation fee (single family and/or multi-family)	
	a.	5/8" X 3/4"	\$225.00
	b.	1"	\$300.00
	c.	1 1/2"	\$520.00
	d.	2"	\$675.00
	e.	3" (including Octave)	\$675.00 City installation. Developer installs vault/bears cost.



MASTER FEE SCHEDULE

		\$800.00 Developer installs vault/bears cost.
f.	4" and above (including Octave)	
2.	Water system tap charges	
a.	5/8" X 3/4"	\$300.00
b.	1"	\$300.00
c.	1 1/2"	\$322.00
d.	2"	\$345.00
		\$675.00 City installation. Developer installs vault/bears cost.
e.	3" (including Octave)	
		\$800.00 Developer installs vault/bears cost.
f.	4" and above (including Octave)	
3.	Water system bore charges	
a.	5/8" X 3/4"	\$450.00
b.	1"	\$500.00
c.	1 1/2"	\$500.00
d.	2"	\$500.00
		\$675.00 City installation. Developer installs vault/bears cost.
e.	3" (including Octave)	
		\$800.00 Developer installs vault/bears cost.
f.	4" and above (including Octave)	
4.	Water Meter Cost	
a.	Multi-Jet 5/8" X 3/4"	\$324.00
b.	Multi-Jet 1"	\$428.63
c.	Multi-Jet 1 1/2"	\$731.78
d.	Multi-Jet 2"	\$947.97
e.	Octave 2"	\$2,153.57
f.	Octave 3"	\$2,523.61
g.	Octave 4"	\$3,243.02
h.	Octave 6"	\$5,121.19
i.	Octave 8"	\$5,982.91
N.	Zoning	
		\$500.00 per request plus \$15.00 per acre
1.	Standard	
2.	Special use permit	\$650.00
		\$750.00 per request plus \$15.00 per acre
3.	Planned development zoning request	
4.	Zoning verification letter	\$150.00
O.	Miscellaneous	
1.	Right-of-Way Abandonment Application	\$500.00



MASTER FEE SCHEDULE

X. NETWORK PROVIDER FEES (Resolution 3846, adopted January 2018)

A.	Small Cell Application Fees:	
1.	One - Five network nodes	\$500.00
2.	More than 5 nodes	\$250.00
3.	Per Pole	\$1,000.00
B.	Small Cell User Fees	
1.	Annual fee for each network node	\$250.00
2.	Annual City pole attachment fee	\$20.00
C.	Transport Facility Monthly user fee	\$28.00 multiplied by the #of network provider's network

XI. IMPACT FEES (State requires update every 5 years. Last revision 12/3/12. Reviewed 2017.)

A.	Roadway impact fee (land use category)	
1.	Port and Terminal	
a.	Truck Terminal (acre)	\$15,880.78
B.	Industrial	
1.	General Light Industrial (1,000 SF GFA)	\$2,356.57
2.	General Heavy Industrial (1,000 SF GFA)	\$458.80
3.	Industrial Park (1,000 SF GFA)	\$2,085.46
4.	Warehousing (1,000 SF GFA)	\$771.62
5.	Mini-Warehouse (1,000 SF GFA)	\$625.64
C.	Residential	
1.	Single-Family Detached Housing (Dwelling Unit)	\$2,450.42
2.	Apartment / Multifamily (Dwelling Unit)	\$1,501.53
3.	Residential Condominium/ Townhome (Dwelling Unit)	\$1,261.70
4.	Mobile Home Park / Manufactured Housing (Dwelling Unit)	\$1,428.54
5.	Senior Adult Housing-Detached (Dwelling Unit)	\$656.92
6.	Senior Adult Housing-Attached (Dwelling Unit)	\$385.81
7.	Assisted Living (Beds)	\$531.79
D.	Lodging	
1.	Hotel (Room)	\$761.55
2.	Motel / Other Lodging Facilities (Room)	\$761.51
E.	Recreational	
1.	Golf Driving Range (Tee)	\$3,034.34
2.	Golf Course (acre)	\$729.91
3.	Recreational Community Center (1,000 SF GFA)	\$2,063.42
4.	Ice Skating Rink (Seats)	\$291.96
5.	Miniature Golf Course (Hole)	\$802.90
6.	Multiplex Movie Theater (Screens)	\$16,076.19
7.	Racquet / Tennis Club (Court)	\$8,122.87



MASTER FEE SCHEDULE

F.	Institutional	
1.	Church (1,000 SF GFA)	\$0.00
2.	Day Care Center (1,000 SF GFA)	\$2,537.90
3.	Primary / Middle School (1-8) (Students)	\$385.81
4.	High School (Students)	\$312.82
5.	Junior / Community College (Students)	\$291.96
6.	University / College (Students)	\$510.94
G.	Medical	
1.	Clinic (1,000 SF GFA)	\$6,277.74
2.	Hospital (Beds)	\$2,200.15
3.	Nursing Home (Beds)	\$531.79
4.	Animal Hospital / Veterinary Clinic (1,000 SF GFA)	\$4,577.59
H.	Office	
1.	Corporate Headquarters Building (1,000 SF GFA)	\$2,549.48
2.	General Office Building (1,000 SF GFA)	\$2,705.89
3.	Medical-Dental Office Building (1,000 SF GFA)	\$6,287.66
4.	Single Tenant Office Building (1,000 SF GFA)	\$3,143.83
5.	Office Park (1,000 SF GFA)	\$2,690.24
I.	Commercial – Automobile Related	
1.	Automobile Care Center (1,000 SF Occ. GFA)	\$4,921.69
2.	Automobile Parts Sales (1,000 SF GFA)	\$8,258.42
3.	Gasoline / Service Station (Vehicle Fueling Position)	\$19,373.92
4.	Gasoline / Service Station w Conv Market (Vehicle Fueling Position)	\$14,274.97
5.	Gasoline / Service Station w/ Conv Market and Car Wash (Vehicle Fueling Position)	\$14,869.33
6.	New Car Sales (1,000 SF GFA)	\$5,025.96
7.	Quick Lubrication Vehicle Shop (Servicing Bays)	\$6,287.66
8.	Self-Service Car Wash (Stall)	\$6,715.18
9.	Tire Store (1,000 SF GFA)	\$7,246.97
J.	Commercial – Dining	
1.	Fast Food Restaurant with Drive-Thru Window (1,000 SF GFA)	\$12,057.22
2.	Fast Food Restaurant without Drive-Thru Window (1,000 SF GFA)	\$4,441.03
3.	High Turnover (Sit-down) Restaurant (1,000 SF GFA)	\$1,903.33
4.	Quality Restaurant (1,000 SF GFA)	\$1,268.79
5.	Coffee / Donut Shop with Drive-Thru Window (1,000 SF GFA)	\$10,788.44
K.	Commercial – Other Retail	
1.	Free-Standing Retail Store (1,000 SF GFA)	\$4,363.83
2.	Nursery (Garden Center) (1,000 SF GFA)	\$3,686.05
3.	Home Improvement Superstore (1,000 SF GFA)	\$1,496.32
4.	Pharmacy / Drugstore without Drive-Thru Window (1,000 SF GFA)	\$4,796.56
5.	Pharmacy / Drugstore with Drive-Thru Window (1,000 SF GFA)	\$6,397.15
6.	Shopping Center (1,000 SF GFA)	\$2,982.21
7.	Supermarket (1,000 SF GFA)	\$8,143.72
8.	Toy / Children's Superstore (1,000 SF GFA)	\$4,233.49
9.	Department Store (1,000 SF GFA)	\$1,511.96
10.	Video Rental Store (1,000 SF GFA)	\$16,485.56



MASTER FEE SCHEDULE

L.	Services	
1.	Walk-In Bank (1,000 SF GFA)	\$17,642.99
2.	Drive-In Bank (Drive-In Lanes)	\$33,179.67
3.	Hair Salon (1,000 SF GFA)	\$2,815.37
M.	Water impact fee	
1.	Multi-Jet	
a.	5/8"x3/4"	\$2,521.69
b.	1"	\$6,304.24
c.	1 1/2"	\$12,608.48
d.	2"	\$20,173.57
2.	Octave	
a.	2"	\$25,216.95
b.	3"	\$60,520.70
c.	4"	\$105,911.22
d.	6"	\$231,966.00
e.	8"	\$403,471.30
f.	10"	\$630,423.91
g.	12"	\$832,159.56
N.	Wastewater impact fee	
1.	Multi-Jet	
a.	5/8"x3/4"	\$1,857.68
b.	1"	\$4,644.21
c.	1 1/2"	\$9,288.42
d.	2"	\$14,861.47
2.	Octave	
a.	2"	\$18,576.83
b.	3"	\$44,584.40
c.	4"	\$78,022.71
d.	6"	\$170,906.88
e.	8"	\$297,229.36
f.	10"	\$464,420.87
g.	12"	\$613,035.55

XII. REFUSE SERVICES FEES Current contract expires April 2024.

A.	Residential	
1.	Trash, Recycle, and Bulk Collection	\$18.57
2.	Residential Franchise Fees	\$1.34
3.	Administrative Fee	\$0.28
4.	Additional Solid Waste Polycart	\$8.85
5.	Additional Recycle Polycart	\$3.97
6.	Polycart replacement Fee	\$87.35
7.	Excess Individual Bulk collection (Billed direct to customer)	\$15.21 per yard
B.	Small Commercial Container Service (95 gallon cart) Does not include franchise fees, billing fees or taxes)	



MASTER FEE SCHEDULE

1.	Monthly per unit charge	\$21.36
2.	Additional Polycart	\$19.47
3.	Commercial Franchise Fees	3%

XIII. WATER RATE SCHEDULE (Rate Study conducted 2019 by New GenStrategies concludes 09/30/24)

A. Residential		
1.	Base Rate by meter size	
a.	5/8" X 3/4"	\$16.83
b.	1"	\$16.83
c.	1 1/2"	\$16.83
d.	2"	\$16.83
2.	Tier Rate usage per 000's gallons	
a.	0-10,000	\$5.00
b.	10,001-20,000	\$6.68
c.	20,001-30,000	\$8.67
d.	Over 30,000	\$10.20
B. Non-Residential		
1.	Base Rate by meter size	
a.	5/8" X 3/4"	\$16.83
b.	1"	\$26.62
c.	1 1/2"	\$43.00
d.	2"	\$62.62
e.	3"	\$87.31
f.	4"	\$116.38
g.	6" and above	\$291.01
2.	Tier Rate usage per 000's gallons	
a.	0-10,000	\$5.00
b.	10,001-20,000	\$6.68
c.	20,001-30,000	\$8.67
d.	Over 30,000	\$10.20
C. Irrigation		
1.	Base Rate by meter size	
a.	5/8" X 3/4"	\$16.83
b.	1"	\$26.62
c.	1 1/2"	\$43.00
d.	2"	\$62.62
e.	3"	\$87.31
f.	4"	\$116.38
g.	6" and above	\$291.01
2.	Tier Rate usage per 000's gallons	
a.	0-10,000	\$5.00
b.	10,001-20,000	\$6.68
c.	20,001-30,000	\$8.67



MASTER FEE SCHEDULE

d.	Over 30,000	\$10.20
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XIV. WATER SERVICE CONNECTION FEES

A.	Deposit by meter size (Exception: Letter of Credit (24 month service history) or Senior Citizen (62+))	
1.	5/8" X 3/4"	\$150.00
2.	1"	\$150.00
3.	1 1/2"	\$175.00
4.	2"	\$200.00
5.	3"	\$300.00
6.	4"	\$400.00
7.	6" and above	\$600.00
B.	Multi-family unit deposit	\$100.00
C.	Real Estate properties deposit (per 5 units)	\$150.00
D.	Fire Hydrant Meter	
1.	Deposit (refundable, but must stay on the account while account is active)	\$2,000.00
2.	Connection fee	\$25.00
3.	Minimum monthly billing	\$100.00
4.	Fire Hydrant Relocation Fee	One relocation No charge, \$50.00 each subsequent move
5.	Fire Hydrant Meter Tamper Fee	\$500.00 minimum plus the actual costs of any damage to City property
a.	First offense	
b.	Second offense	\$1,000.00 plus the actual costs of any damage to City property
c.	Third and subsequent offenses	\$1,500.00 plus the actual costs of any damage to City property
E.	Late charge	10%. Not to exceed \$50 per statement
F.	Disconnection service fee	
1.	Monday-Friday, 8:00 a.m. - 5:00 p.m.	\$35.00
G.	Personnel onsite meter review - after two trips in a 12-month period	See L. Trip fee charge
H.	Reconnection service fee	
1.	After hours	\$40.00
I.	Returned check fee	\$35.00
J.	Same day connect fee for all new services	\$40.00
K.	Transfer fee	\$10.00
L.	Trip charge	\$50.00



MASTER FEE SCHEDULE

M. Meter-related	
	Reimburse the City actual costs of meter testing plus shipping and handling
1. Meter Testing	
2. Meter box replacement	\$75.00
3. Meter lid replacement	\$25.00
4. Meter locking device replacement	\$30.00
5. Meter register replacement	\$254.31
6. Meter register with antenna connection	\$323.43
7. Octave encoder & Allegro module with antenna replacement	\$343.00
8. Obstruction charge	\$50.00
9. Usage report requested in-house versus mywateradvisor.com	\$5.00
	\$250.00 minimum plus the actual costs of any damage to City property
10. Tampering fee	

XV. WASTE WATER RATE SCHEDULE

A. Residential	
1. Water Meter	\$13.83
2. Volume charge per 1,000 gallons	\$7.70
B. Non-Residential	
1. Per water meter size	
a. 5/8" X 3/4"	\$24.74
b. 1"	\$39.37
c. 1 1/2"	\$56.24
d. 2"	\$75.36
e. 4"	\$78.73
f. 6"	\$78.73
g. 8"	\$101.23
2. Volume charge per 1,000 gallons	\$8.15



MASTER FEE SCHEDULE

XVI. MUNICIPAL DRAINAGE UTILITY SYSTEM FEE effective January 1, 2018

Based on Equivalent Residential Unit (ERU) of impervious surface area on the property. The impervious area (IA) on the property is measured and divided by 4,300 sq ft to determine the number of billing units for non-residential properties.

Single family residential properties equal 1 ERU.

A.	Single Family Residential (1 ERU)	\$1.66 monthly per household
B.	Non-Residential	
	1. Based on Equivalent Residential Unit (ERU)	\$1.66 monthly per 4,300 sq ft of impervious surface area
C.	Undeveloped Properties	In accordance with State Law

XVII. CROSS CONNECTION CONTROL FEES

A.	Testing Fee	\$200.00
B.	Retest Fee	\$100.00
C.	Licensed BPAT Registration Fee	\$100.00
D.	Submittal and Reporting Fees	Testers shall be responsible for all costs, fees, and expenses related to the submittal and reporting requirements applicable to testers under Chapter 10, Article III, and all third-party fees incurred by the City.
E.	Deposit for Fire Hydrant Water Meter with Backflow Prevention Assembly	\$2,000.00
F.	Private Contractors Testing Fees	No additional charges by the City for testing conducted by private contractors on behalf of the City.



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	4. Approve a resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2022 Rate Review Mechanism filings.
Access	Public
Type	Action (Consent)
Recommended Action	Approve a resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2022 Rate Review Mechanism filings.

Public Content

BACKGROUND

Sachse, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2022, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2021, entitled it to additional system-wide revenues of \$141.3 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to \$115 million, \$83.26 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime would be \$95.8 million instead of the claimed \$141.3 million.

The Executive Committee recommends a settlement at \$115 million. The Effective Date for new rates is October 1, 2022. ACSC members should take action approving the Resolution/Ordinance before September 30, 2022.

OVERVIEW

The impact of the settlement on average residential rates is an increase of \$4.60 on a monthly basis, or 6.7 percent. The increase for average commercial usage will be \$14.34 or 4.3 percent. Atmos provided bill impact comparisons containing these figures.

POLICY CONSIDERATIONS

The governing body of a municipality has exclusive original jurisdiction over the rates, operations, and services of a gas utility within the municipality.

RECOMMENDATION

Approve a resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2022 Rate Review Mechanism filings.

2022 Atmos Mid-Tex RRM Model Staff Report.pdf (118 KB)

Resolution_2022 Atmos Mid-Tex RRM Settlement - September 2022.pdf (121 KB)

Resolution Attachment 1 - 2021 Atmos Mid-Tex RRM - Tariffs.pdf (81 KB)

Resolution Attachment 2 - 2021 Atmos Mid-Tex RRM - Pension Benchmark.pdf (23 KB)

2021 Atmos Mid-Tex RRM - Average Bill.pdf (38 KB)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

July 28, 2022

MODEL STAFF REPORT FOR RESOLUTION OR ORDINANCE

BACKGROUND AND SUMMARY

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2022, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2021, entitled it to additional system-wide revenues of \$141.3 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces the Company’s request to \$115 million, \$83.26 million of which would be applicable to ACSC members. ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$95.8 million instead of the claimed \$141.3 million.

The Executive Committee recommends a settlement at \$115 million. The Effective Date for new rates is October 1, 2022. ACSC members should take action approving the Resolution/Ordinance before September 30, 2022.

RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution/Ordinance will generate \$115 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos’ Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$4.60 on a monthly basis, or 6.7 percent. The increase for average commercial usage will be \$14.34 or 4.3 percent. Atmos provided bill impact comparisons containing this figures.

SUMMARY OF ACSC’S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission’s review of annual GRIP filings or allow recovery of Cities’ rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC’s view, the GRIP process unfairly raises customers’ rates without any regulatory oversight. In contrast, the RRM

process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on October 1, 2022, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

Comparison to Other Mid-Tex Rates (Residential)

	<u>Average Bill</u>	<u>Compared to RRM Cities</u>
RRM Cities:	\$73.22	-
DARR:	\$71.96	(\$1.26)
ATM Cities:	\$78.72	\$5.50
Environs:	\$78.53	\$5.31

Note: DARR rate is as-filed 1/22/22. Also note that DARR uses a test year ending in September rather than December.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

1. This section approves all findings in the Resolution/Ordinance.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks like the explosion in North Dallas or the evacuation in Georgetown.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$115 million from ACSC Cities.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution/Ordinance approving new rate tariffs.
7. This section repeals any resolution or ordinance that is inconsistent with the Resolution/Ordinance.
8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution/Ordinance. This section further directs that the remaining provisions of the Resolution/Ordinance are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage.
11. This section directs that a copy of the signed Resolution/Ordinance be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$141.3 million in additional system-wide revenues, the RRM settlement at \$115 million for ACSC Cities reflects substantial savings to ACSC Cities. Settlement at \$115 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution/Ordinance before September 30, 2022. New rates become effective October 1, 2022.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2022 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Sachse, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2022, Atmos Mid-Tex filed its 2022 RRM rate request with ACSC Cities based on a test year ending December 31, 2021; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2022 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$115 million on a system-wide basis with an Effective Date of October 1, 2022; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF THE CITY OF SACHSE, TEXAS:

SECTION 1. That the findings set forth in this Resolution are hereby in all things approved.

SECTION 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$115 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2022 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

SECTION 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

SECTION 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$115 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

SECTION 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

SECTION 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2022 RRM filing.

SECTION 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

SECTION 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

SECTION 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2022.

SECTION 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this 19th day of September, 2022.

CITY OF SACHSE, TEXAS

Jeff Bickerstaff, Mayor

ATTEST:

Leah K. Granger, City Secretary
(09-09-2022:TM 131387)

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 21.55 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 21.60 per month
Commodity Charge – All <u>Ccf</u>	\$0.36223 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 63.50 per month
Rider CEE Surcharge	(\$ 0.01) per month ¹
Total Customer Charge	\$ 63.49 per month
Commodity Charge – All Ccf	\$ 0.14137 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.58	0.1422	88.85	0.6666
Austin	9.90	0.1372	233.56	0.7819
Dallas	14.17	0.1938	186.38	0.9394
Waco	10.07	0.1308	140.10	0.7170
Wichita Falls	11.43	0.1398	131.57	0.5610

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2021

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	Post-Employment Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Proposed Benefits Benchmark - Fiscal Year 2022 Willis Towers Watson						
1	Report as adjusted (1) (2) (3)	\$ 1,715,323	\$ 982,708	\$ 3,137,022	\$ 313,319	\$ (341,412)	
2	Allocation to Mid-Tex	44.72%	44.72%	76.88%	100.00%	76.88%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 767,038	\$ 439,436	\$ 2,411,882	\$ 313,319	\$ (262,493)	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$ 767,038	\$ 439,436	\$ 2,411,882	\$ 313,319	\$ (262,493)	\$ 3,669,182
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	79.88%	79.88%	38.60%	11.00%	38.60%	
11							
12							
13	Total Pension Account Plan	\$ 612,700		\$ 931,100			\$ 1,543,800
14	Total Post-Employment Benefit Plan		\$ 351,016			\$ (101,335)	249,681
15	Total Supplemental Executive Benefit Plan				\$ 34,465		34,465
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 612,700	\$ 351,016	\$ 931,100	\$ 34,465	\$ (101,335)	\$ 1,827,946

Notes:

1. Studies not applicable to Mid-Tex or Shared Services are omitted.
2. Mid-Tex is proposing that the Fiscal Year 2022 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount.
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2021

Line No.						Current	Proposed	Change
1	Rate R @ 43.8 Ccf							
2	Customer charge					\$ 20.85		
3	Consumption charge	43.8	CCF	X \$ 0.27979	=	12.25		
4	Rider GCR Part A	43.8	CCF	X \$ 0.35744	=	15.66		
5	Rider GCR Part B	43.8	CCF	X \$ 0.35918	=	15.73		
6	Subtotal					\$ 64.49		
7	Rider FF & Rider TAX			X 0.06408	=	4.13		
8	Total					<u>\$ 68.62</u>		
9								
10	Customer charge						\$ 21.55	
11	Consumption charge	43.8	CCF	X \$ 0.36223	=		15.87	
12	Rider GCR Part A	43.8	CCF	X \$ 0.35744	=		15.66	
13	Rider GCR Part B	43.8	CCF	X \$ 0.35918	=		15.73	
14	Subtotal						\$ 68.81	
15	Rider FF & Rider TAX			X 0.06408	=		4.41	
16	Total						<u>\$ 73.22</u>	\$ 4.60
17								6.71%
18								
19	Rate C @ 345.7 Ccf							
20	Customer charge					\$ 56.50		
21	Consumption charge	345.7	CCF	X \$ 0.12263	=	42.39		
22	Rider GCR Part A	345.7	CCF	X \$ 0.35744	=	123.56		
23	Rider GCR Part B	345.7	CCF	X \$ 0.26532	=	91.71		
24	Subtotal					\$ 314.16		
25	Rider FF & Rider TAX			X 0.06408	=	20.13		
26	Total					<u>\$ 334.29</u>		
27								
28	Customer charge						\$ 63.50	
29	Consumption charge	345.7	CCF	X \$ 0.14137	=		48.87	
30	Rider GCR Part A	345.7	CCF	X \$ 0.35744	=		123.56	
31	Rider GCR Part B	345.7	CCF	X \$ 0.26532	=		91.71	
32	Subtotal						\$ 327.64	
33	Rider FF & Rider TAX			X 0.06408	=		20.99	
34	Total						<u>\$ 348.63</u>	\$ 14.34
35								4.29%

**ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2021**

Line No.									
36	Rate I @ 4278 MMBTU						Current	Proposed	Change
37	Customer charge					\$ 1,054.75			
38	Consumption charge	1,500	MMBTU	X \$	0.4330 =	649.50			
39	Consumption charge	2,778	MMBTU	X \$	0.3171 =	880.80			
40	Consumption charge	0	MMBTU	X \$	0.0680 =	-			
41	Rider GCR Part A	4,278	MMBTU	X \$	3.4906 =	14,931.86			
42	Rider GCR Part B	4,278	MMBTU	X \$	0.5485 =	2,346.33			
43	Subtotal					\$ 19,863.24			
44	Rider FF & Rider TAX		\$ 19,863.24	X	0.06408 =	1,272.82			
45	Total					<u>\$ 21,136.06</u>			
46									
47	Customer charge						\$ 1,204.50		
48	Consumption charge	1,500	MMBTU	X \$	0.4939 =	740.85			
49	Consumption charge	2,778	MMBTU	X \$	0.3617 =	1,004.69			
50	Consumption charge	0	MMBTU	X \$	0.0776 =	-			
51	Rider GCR Part A	4,278	MMBTU	X \$	3.4906 =	14,931.86			
52	Rider GCR Part B	4,278	MMBTU	X \$	0.5485 =	2,346.33			
53	Subtotal					\$ 20,228.23			
54	Rider FF & Rider TAX		\$ 20,228.23	X	0.06408 =	1,296.21			
55	Total					<u>\$ 21,524.44</u>	\$ 388.38		
56									1.84%
57	Rate T @ 4278 MMBTU						Current	Proposed	Change
58	Customer charge					\$ 1,054.75			
59	Consumption charge	1,500	MMBTU	X \$	0.4330 =	649.50			
60	Consumption charge	2,778	MMBTU	X \$	0.3171 =	880.80			
61	Consumption charge	0	MMBTU	X \$	0.0680 =	-			
62	Rider GCR Part B	4,278	MMBTU	X \$	0.5485 =	2,346.33			
63	Subtotal					\$ 4,931.38			
64	Rider FF & Rider TAX		\$ 4,931.38	X	0.06408 =	316.00			
65	Total					<u>\$ 5,247.38</u>			
66									
67	Customer charge						\$ 1,204.50		
68	Consumption charge	1,500	MMBTU	X \$	0.4939 =	740.85			
69	Consumption charge	2,778	MMBTU	X \$	0.3617 =	1,004.69			
70	Consumption charge	0	MMBTU	X \$	0.0776 =	-			
71	Rider GCR Part B	4,278	MMBTU	X \$	0.5485 =	2,346.33			
72	Subtotal					\$ 5,296.37			
73	Rider FF & Rider TAX		\$ 5,296.37	X	0.06408 =	339.39			
74	Total					<u>\$ 5,635.76</u>	\$ 388.38		
75									7.40%



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	5. Authorize the City Manager to execute a renewal of an agreement with Valley View Consulting, LLC for the purpose of investment advisory services for an additional two years.
Access	Public
Type	Action (Consent)
Preferred Date	Sep 19, 2022
Fiscal Impact	No
Budgeted	Yes
Budget Source	Interest Earnings
Recommended Action	Authorize the City Manager to execute a renewal of an agreement with Valley View Consulting, LLC for the purpose of investment advisory services for an additional two years.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

In October 2006, Valley View Consulting, LLC was initially contracted to provide investment advisory services to the City. The City desires to renew the contract which expires September 30, 2022, for a two-year period with the option to renew for an additional two years. The Public Funds Investment Act (PFIA) requires the investment advisory services contracts to be reviewed every two years.

The City has, under the guidance and advice of Valley View Consulting, laddered the City's portfolio with authorized investments whenever possible in order to address portfolio diversification, yield, and maturity, while maintaining the liquidity required for obligations as they come due. They also assist the City with the Investment Policy and Broker/Dealers list annual review as required by the PFIA and in the preparation of Quarterly Investment Reports.

As part of the advisory service, Valley View assisted with the recent bank depository request for proposals for the new depository bank contract that began June 1, 2022.

Attached are the Investment Agreement for approval and Form ADV, used by investment advisors to register with both the SEC and state securities authorities. Form ADV requires investment advisors to prepare brochures that include disclosures of the advisor's business practices, fees, conflicts of interest, and disciplinary information, if any.

OVERVIEW

The cost of the advisory service has decreased from 0.06% to an annual fee equal to 0.05% of the City's average portfolio book value. The fee will be charged against interest earnings. These fees were taken into consideration for the FY 2022-2023 budget. The fees paid in 2019-2020 were approximately \$32,000. The fees paid in 2020-2021 were approximately \$34,000. The fees for 2021-2022 are projected to total approximately \$35,000. Fees fluctuate with the cash balances and interest earnings related to debt issuances, including the issuance of the 2021 Tax Notes and 2022 General Obligation Bonds.

POLICY CONSIDERATIONS

Investment strategies and objectives are to preserve principal, maintain liquidity, and attain competitive overall yields.

RECOMMENDATION

Authorize the City Manager to execute a renewal of an agreement with Valley View Consulting, LLC for the purpose of investment advisory services for an additional two years.

[IA Agreement 2022.pdf \(92 KB\)](#)

[Form ADV Part 2 2022 03 10.pdf \(554 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

**AGREEMENT
BY AND BETWEEN
THE CITY OF SACHSE, TEXAS
AND
VALLEY VIEW CONSULTING, L.L.C.**

It is understood and agreed that the City of Sachse (the *Investor*) will have from time to time money available for investment (the *Investable Funds*) and Valley View Consulting, L.L.C. (the *Advisor*) has been requested to provide professional services to the Investor with respect to the Investable Funds. This agreement (the *Agreement*) constitutes the understanding of the parties with regard to the subject matter hereof.

1. This Agreement shall apply to any and all Investable Funds of the Investor from time to time during the period in which this Agreement shall be effective.
2. The Advisor agrees to provide professional services as requested by the Investor while adhering to the rules and regulations of Securities and Exchange Commission-registered investment advisors.
3. The Advisor, if so requested, is prepared to perform the following duties, as requested:
 - a. Assist the Investor in developing cash flow projections,
 - b. Suggest appropriate investment strategies to achieve the Investor's objectives,
 - c. Advise the Investor on market conditions, general information and economic data,
 - d. Analyze risk/return relationships between various investment alternatives,
 - e. Attend occasional meetings as requested by the Investor,
 - f. Assist in the selection, purchase, and sale of investments. The Advisor shall not have discretionary investment authority over the Investable Funds and the Investor shall make all decisions regarding purchase and sale of investments. All funds shall be invested consistent with the Texas Public Funds Investment Act, Chapter 2256 Government Code and the Investor's Investment Policy. The eligible investments are listed in the Investor's Investment Policy,
 - g. Advise on the investment of bond funds as to provide the best possible rate of return to the Investor in a manner which is consistent with the proceedings of the Investor authorizing the investment of the bond funds or applicable federal rules and regulations,
 - h. Assist the Investor in creating investment reports in compliance with State legislation and the Investor's Investment Policy,
 - i. Assist the Investor in creating monthly portfolio accounting reports, and
 - j. Assist the Investor in selecting a primary depository services financial institution.

4. The Investor agrees to:

- a. Compensate the Advisor for any and all services rendered and expenses incurred as set forth in Appendix A attached hereto,
- b. Provide the Advisor with the schedule of estimated cash flow requirements related to the Investable Funds, and will promptly notify the Advisor as to any changes in such estimated cash flow projections,
- c. Allow the Advisor to rely upon all information regarding schedules, investment policies and strategies, restrictions, or other information regarding the Investable Funds as provided to it by the Investor and that the Advisor shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information,
- d. Recognize that there is no assurance that recommended investments will be available or that such will be able to be purchased or sold at the price recommended by the Advisor, and
- e. Not require the Advisor to place any order on behalf of the Investor that is inconsistent with any recommendation given by the Advisor or the policies and regulations pertaining to the Investor.

5. In providing the investment services in this Agreement, it is agreed that the Advisor shall have no liability or responsibility for any loss or penalty resulting from any investment made or not made in accordance with the provisions of this Agreement, except that the Advisor shall be liable for its own gross negligence or willful misconduct; nor shall the Advisor be responsible for any loss incurred by reason of any act or omission of any broker, selected with reasonable care by the Advisor and approved by the Investor, or of the Investor's custodian. Furthermore, the Advisor shall not be liable for any investment made which causes the interest on the Investor's obligations to become included in the gross income of the owners thereof.

6. The fee due to the Advisor in providing services pursuant to this Agreement shall be calculated in accordance with Appendix A attached hereto, and shall become due and payable as specified. Any and all expenses for which the Advisor is entitled to reimbursement in accordance with Appendix A attached hereto shall become due and payable at the end of each calendar quarter in which such expenses are incurred.

7. This Agreement shall remain in effect until September 30, 2024, with the option of the Investor to extend this Agreement in two-year increments thereafter. Provided, however, the Investor or Advisor may terminate this Agreement upon thirty (30) days written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to the Advisor for services provided and expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated, all investments and/or funds held by the Advisor shall be returned to the Investor as soon as practicable. In addition, the parties hereto agree that upon termination

of this Agreement the Advisor shall have no continuing obligation to the Investor regarding the investment of funds or performing any other services contemplated herein.

8. The Advisor reserves the right to offer and perform these and other services for various other clients. The Investor agrees that the Advisor may give advice and take action with respect to any of its other clients, which may differ from advice given to the Investor. The Investor agrees to coordinate with and avoid undue demands upon the Advisor to prevent conflicts with the performance of the Advisor towards its other clients.

9. The Advisor shall not assign this Agreement without the express written consent of the Investor.

10. The Investor acknowledges that:

- 1) _____ Investor was provided a written copy of Form ADV Part 2 not less than 48 hours prior to entering into this written contract, or
- 2) _____ Investor received a written copy of Form ADV Part 2 at the time of entering into this contract and has the right to terminate this contract without penalty within five business days after entering into this contract.
- 3) X Investor is renewing an expiring contract and has received in the past, and offered annually, a written copy of Form ADV Part 2.

When accepted by the Investor, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Investor and Advisor for the purposes and the consideration herein specified.

Respectfully submitted,



Richard G. Long, Jr.
Manager, Valley View Consulting, L.L.C.

This agreement is hereby agreed to and executed on behalf of the City of Sachse, Texas.

By: _____

Title: _____

Date: _____

APPENDIX A

REQUESTED SERVICES, FEE SCHEDULE AND EXPENSE ITEMS

In consideration for these services, an annual fee equal to 0.05% (5 basis points) of the investment portfolio's average book value. Said fee shall be due and payable at the end of each investment quarter.

In the event a flexible repurchase agreement or other similar investment option is utilized, the Advisor shall receive a normal and customary fee within the guidelines of the Internal Revenue Service, in lieu of Agreement Fee.

Said fee includes all costs related to the requested services, and all travel and business expenses related to attending one onsite meeting per quarter. Travel and business expenses for special meetings or requests of the Investor will be reimbursed by the Investor to the Advisor, to the extent any such expenses have been pre-approved by the Investor. The obligation of the Advisor to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar legal actions.

Any other services requested by the Investor will include appropriate fees and expenses as mutually agreed to by the Investor and the Advisor at the time of request.



FORM ADV Part 2 – The Brochure

Valley View Consulting, L.L.C.
2428 Carters Mill Road
Huddleston, VA 24104-4003

SEC File Number 801-56181

540.297.3419 phone

www.valleyviewconsultingllc.com

March 10, 2022

This brochure provides information about the qualifications and business practices of Valley View Consulting, L.L.C. If you have any questions about the contents of this brochure, please contact us at 540.297.3419. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Valley View Consulting, L.L.C. is available on the SEC’s website at www.adviserinfo.sec.gov.

This filing of Form ADV Part 2 is in conjunction with the Annual Updating Amendments requirement. General wording edits, Form ADV Part 2 requirements, and resume revisions have been incorporated. The last update to this brochure was March 4, 2021.



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Advisory Business

Valley View Consulting, L.L.C. ("Valley View"), established in 1998 and registered in 1999. Registration with the SEC does not imply a certain level of skill or training.

Valley View provides investment supervisory services primarily to government entities and their related organizations. Services are provided on a non-discretionary, non-custodial basis. State legislation and individual client investment policies determine authorized investments and appropriate strategies. Fixed income/fixed maturity securities, mutual funds, local government investment pools, and financial institution deposits provide the main investment options. Strategies are generally focused on safety of principal and maintenance of adequate liquidity to fund operational needs.

Each client's investment policy and cash flow requirements tailor the investment advice offered by Valley View. Clients have complete control and discretion over allowed investments and implemented strategies. Valley View does not participate in any wrap-fee programs.

As of December 31, 2021, Valley View provided non-discretionary advisory services to fifty-six entities with approximately \$8.4 billion (Book Value) in total assets under management. Additionally, Valley View provides other cash and investment consulting services to non-advisory clients.

Valley View is solely owned by Richard G. Long, Jr.

Fees and Compensation

Investment supervisory fees can be a percentage of assets under management, hourly rates, fixed fees, or a combination of these. All fees are negotiable, and direct-billed and payable in arrears. Fees structures generally range from 0.01% to 0.20%, annually, based on the book value of assets under management; \$100.00 to \$750.00 per hour; \$250 to \$25,000 per project; \$800 to \$3,000 per day; \$150.00 to \$500.00 per month; \$400.00 to \$1,000.00 per transaction; or other fees as negotiated at the time of contract. In some cases, a minimum or maximum annual fee may apply. Contracts are cancelable without cause with 30 days' notice. Clients maintain their own safekeeping agent/custodian relationships and are responsible for any related fees. Local government investment pools and mutual funds are subject to their own fee schedules. Recommended mutual funds have been, and are anticipated to be, no-load money market funds. Valley View assists each client in minimizing transactional expenses or any other normal business expenses that might be incurred in the management of its funds.

In the event that a guaranteed investment contract, flexible repurchase agreement or other structured investment option is utilized, Valley View may receive a normal and customary fee (usually paid by the counterparty) within the guidelines of the Internal Revenue Service, in lieu of the fee prescribed in the advisor agreement.

Although no other forms of compensation are anticipated, if any additional compensation is received, the amount and source will be disclosed to the client.

Performance-Based Fees and Side-By-Side Management

Valley View does not charge any performance-based fees nor participate in side-by-side management.



Types of Clients

Valley View generally provides investment advice to “government entity” investors, including, but not limited to state agencies, cities, counties, school districts, special districts, colleges and universities, and special authorities. Additionally, Valley View provides advice to clients on matters not directly involving investing.

Valley View does not impose a minimum dollar value of assets for starting or maintaining a relationship.

Methods of Analysis, Investment Strategies and Risk of Loss

Each client’s investment policy governs investment strategy selection and implementation, with most client investment objectives focused on preservation of principal and maintenance of adequate liquidity to fund ongoing operations. Investing in securities involves risk of loss that clients should be prepared to bear. Selecting investments with limited credit risk and matching short and long-term maturity purchases to client-based cash needs primarily manages the risk of realized loss. Most investments are cash equivalent or fixed income/fixed maturity that are held to maturity.

Depending upon investment and strategy selection, each client may risk loss of principal or anticipated earnings due to issuer default or adverse market movement.

Valley View most often offers advice on money market instruments, certificates of deposit and other financial institution deposits, municipal securities, mutual fund shares, United States government securities, repurchase agreements, and local government investment pools. Valley View’s analysis includes fundamental, cyclical, and client-based cash flow requirements. Information sources include financial newspapers and magazines, research material prepared by others, corporate rating services, annual reports, prospectuses, regulatory filings, and other financial information sources.

Credit Risk – Most government entities specifically manage and limit exposure to credit risk. Assuming large amounts of credit risk is inconsistent with the main objectives to “primarily emphasize safety of principal and liquidity.” All issuers contain incremental credit risk, although the markets believe certain ones have reduced credit risk (e.g., U.S. government securities). Generally, legislation does allow specific issuer-types with credit risk, but restricts that risk based on measurements of nationally recognized credit rating agencies or other criteria.

Credit risk considerations extend beyond the investments that are selected to be included in the entity’s portfolio. Properly collateralized deposits or repurchase agreements, secured in accordance with the investment policy and federal banking regulations, essentially reduce the inherent credit risk of the financial institution or counterparty. Each client retains control and responsibility for collateral fair value monitoring. Valley View may periodically review collateral values and financial institution strength.

Prior to investment, accurate identification of the individual issuer’s risk profile or the local government investment pool/mutual fund’s investment criteria, and analysis of the historical risk/return relationship determines if the client will potentially receive adequate return for any increased risk. Although



minimum credit rating requirements may apply, the investment policies and strategies of available pools/funds are reviewed to ensure that their policies are congruent with those of the client.

Market/Opportunity Risk – The restriction of most credit risks focuses portfolio management on controlling market risk and opportunity risk. Working with the yield curve, issuer yield spreads, and cash flow requirements addresses these two risks.

Appropriate yield curve positioning, with limited interest rate cycle timing, provides most yield enhancement. Our services include the research and analysis necessary to assist the client in formulating strategy recommendations. Cash flow predictability creates the baseline for investment strategy development. Keeping current-use funds in expenditure-related maturities or cash-equivalent alternatives, while positioning stable and longer-range funds further out the yield curve, generally provides overall portfolio enhancement.

For government entities, the higher yield-advantage of extended maturities most safely manifests itself in increased interest earnings (not speculative gains). Therefore, a hold-to-maturity strategy is primarily utilized.

Disciplinary Information

Valley View attempts to comply with all registration requirements and has not experienced any legal or disciplinary event that is material to a client's evaluation of its advisory business or to the integrity of its management personnel.

Other Financial Industry Activities and Affiliations

Valley View is not affiliated with any other financial institution and no related person is a general partner in any partnership in which clients are solicited to invest. There are no registrations (current or pending) for either the firm or its management personnel to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person to the forgoing entities.

Any and all investment advice and security transactions are separately handled and are not subject to any commingling or front loading. Except as described above, Valley View is not compensated by any investment provider or investment manager.

Valley View is actively engaged in business other than giving investment advice, and anticipates spending less than 50% of its resources pursuing and providing non-investment advisory services. Other activities include, but are not limited to, bank service analysis and provider selection, cash and investment management policies and procedures creation and revision, and other finance-related services.

Code of Ethics, Privacy Policy, Participation or Interest in Client Transactions, and Personal Trading

Valley View maintains a Code of Ethics that is available upon request to its clients. The Code is designed to prevent client-based conflicts of interest and attempts to comply with applicable laws and regulations.



Valley View advises governmental entities subject to various open records requirements. Therefore most, if not all, client information is considered public. If Valley View and its advisory personnel do have access to non-public information, Valley View pledges its best efforts to not disclose the information without the prior written client approval and destroy any discarded files (e.g., shredding).

As a firm, Valley View does not participate in, nor have an interest in, investments that may be recommended to clients or resulting client transactions. However, the team members are allowed to purchase similar investments for his or her personal account and related accounts. The team member is not allowed to commingle or execute in front of client transactions.

To further reduce any conflict of interest, individual Valley View team members primarily invest in “non-reportable securities” or securities not eligible for client portfolios.

Brokerage Practices

Specific client consent is required to determine the investments to be bought or sold, the amount of the investments to be bought or sold, the broker-dealer or financial institution to be used, or the commission rates to be paid (where applicable). In most cases, the client authorizes and annually re-approves a broker-dealer list. Valley View may assist clients in selecting broker-dealers based on the firm and representative’s government funds experience, compliance with client investment policies, competitive pricing, and responsiveness to client needs. Valley View does receive “general” market research from investment providers; however, no products, services, or soft dollar benefits are provided to Valley View. Eligible securities are usually sold by each broker-dealer “as principal” without additional commissions. Multiple client transactions are not aggregated as each client has specific needs and settlement requirements. Given the commonality of most investment options, not aggregating client transaction generally does not result in higher commissions or costs.

Review of Accounts

At relationship initiation, Valley View reviews each client’s investment policy, eligible investment products, current investment practices, cash flow requirements, recent investment reports, authorized broker-dealer and investment provider lists, and other pertinent documentation. Investment maturities, significant cash inflows and/or outflows, bond issuance, quarter end, fiscal year end, major market movements, and other factors trigger periodic reviews. Ongoing reviews include current portfolio, projected cash flows, investment policy requirements, investment strategy targets, market conditions, and other considerations.

As Chief Investment Officer, Mr. Long performs the investment supervisory function and reviews all accounts. Ms. Anderson, Mr. Day, Mr. Hufstedler, Mr. Pinon, Mr. Ross, and Ms. Upshaw assist in all aspects of client service as registered investment adviser representatives. Mr. Phifer and Ms. Mendoza primarily focus on monthly accounting and quarterly investment reports. Mr. Ross, Mr. Pinon, and Mr. Hufstedler also support bank relationship selection and documentation. Ms. Gerhardt and Ms. Hobbs assist as needed.

Client reports include, but are not limited to:

- Individual transaction information (at time of transaction).



- Broker-dealer trade and financial institution deposit confirmations and activity reports sent directly to the client by the respective firm.
- Safekeeping agent/security clearance receipts and holdings reports sent directly to the client by the respective firm.
- Written portfolio reports, prepared as per each client's investment policy and contract terms.

Fixed income security "Fair Value" is provided by client-specific safekeeping agents/custodians, by generally available market prices, or determined by reviewing generally available offering prices and decreasing the price by an appropriate bid/offer spread.

Client Referrals and Other Compensation

Valley View does not have any arrangements where it receives cash or other economic benefit from a non-client in connection with giving advice to clients. If fee sharing applies to future, new client referrals, the arrangement and potential compensation will be disclosed to each potential client prior to contract initiation, and on an ongoing basis thereafter.

Custody

Valley View does not have custody of client funds.

Investment Discretion

Valley View does not have investment discretion over client funds. Any and all investment advice and investment transactions are separately handled and are not subject to any commingling or front loading.

Voting Client Securities

Valley View does not vote client proxies. Each client's safekeeping agent/custodian is responsible for communicating any and all proxy events.

Financial Information

Valley View does not have discretion over investment transactions, custody of client funds, or require payment of more than \$1,200 in fees per client, six or more months in advance. Audited financial statements are not available.



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March 10, 2022

This brochure supplement provides information about all Valley View personnel supplementing the Valley View Consulting, L.L.C. brochure. It is usually attached to the brochure. Please contact Richard G. Long, Jr., Chief Compliance Officer (540.297.3419) if you did not receive Valley View's brochure or if you have any questions about the contents of this supplement.

Additional information about all registered investment adviser representatives is available on the SEC's website at www.adviserinfo.sec.gov.



As Chief Compliance Officer, Richard G. Long, Jr. (540.297.3419) provides supervisory oversight of all Valley View personnel. That oversight includes individual adherence with the firm's Compliance Manual and Code of Ethics. Client reports, transactions, correspondence, and other activities are routinely monitored to confirm appropriateness and suitability.

Résumés

Susan K. Anderson

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Chief Executive Officer, Anderson Financial Management, L.L.C.
- Investing Public Funds since 1981
- Former City of Austin, Texas Treasurer & Investment Officer
- Served as Chief Investment Officer for State of Texas

Ms. Anderson has extensive public fund experience, beginning in 1971 with her first government position at the City of Austin. Ms. Anderson served the City in the Financial Services Division for over twenty-five years and was specifically dedicated to the management of the investment, debt and cash resources of the City. She was responsible for the \$1.5 billion investment portfolio, the \$3.3 billion debt portfolio and all cash management programs, including collections and bank relations. Additional responsibilities included serving as liaison to all three City pension programs and as Trustee on the City of Austin Firemen's Relief and Retirement Fund, and Board Member of the City of Austin Deferred Compensation Fund.

Following her retirement from the City of Austin, she served as Chief Investment Officer for the State of Texas where she was responsible for the management of \$35 billion of combined operating, endowment and trust funds. After her public service, she joined a national financial and investment advisory firm.

Ms. Anderson (born 1952) founded Anderson Financial Management, LLC in 2008 and has partnered with Valley View to bring her expertise to the Valley View team.

Ms. Anderson earned a Bachelor of Science, Business Administration degree in Finance from St. Edward's University. She is a Certified Cash Manager and a registered investment adviser representative. Ms. Anderson has presented information to multiple investment management organizations.

Benjamin F. Day

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Investment industry since 1984
- Diversified background in sales and trading
- Extensive client-based risk/return analysis experience



Mr. Day first entered the securities industry in 1984 and has sales and trading desk experience in equity, matched book and fixed income investments. His various positions with large and regional investment-related firms developed a knowledgeable assessment of the major market rallies and melt downs of the last thirty years. This background enhances his outlook regarding portfolio risk/reward and client expectation. He has over fifteen years' experience in developing and delivering investment portfolio management seminars.

Mr. Day (born 1957) is a graduate of Northwood University with a Bachelor of Business Administration degree and is a registered investment adviser representative.

Julie S. Gerhardt

- Investment industry since 1993
- Responsible for administration, marketing, and organizational activities
- Experienced in customer support and reporting

Ms. Gerhardt (born 1970) is primarily responsible for administrative, marketing, and organizational activities. She began her career in the financial industry in 1993 with Legg Mason Wood Walker, and then subsequently with Smith Barney. Ms. Gerhardt graduated with honors from the University of Phoenix with a Bachelor of Science in Health Administration.

Jamie D. Hobbs, CPA

- Twenty years of 401k plan administration experience
- Accounting and client services background
- Certified Public Accountant

Ms. Hobbs enjoyed twenty years of service in retirement plan administration. She specialized in plan design and compliance for a wide range of clientele. In this role, she had the opportunity to work with both corporate owners and individual plan participants to problem solve and achieve desired retirement goals. Ms. Hobbs transitioned into a private sector position in accounting & finance. She participated in the acquisition and transition of companies, as well as expanding her knowledge of corporate accounting.

Ms. Hobbs (born 1972) joined Valley View in June 2021. She is a graduate of Texas Tech University with a Bachelor of Business Administration in Accounting. Ms. Hobbs is a Certified Public Accountant.

E.K. Hufstedler, III

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Banking industry since 1982



- Former regional bank President
- Experienced in financial institution deposit and service products

Mr. Hufstedler has been actively involved in the banking profession since 1982. He has been involved in nearly all aspects of the banking business. Mr. Hufstedler served in executive roles for several banks and has participated in actively bidding on public funds banking relationships as well as depository support services. Mr. Hufstedler most recently served as a Regional President for a \$20 billion asset Texas based organization.

Mr. Hufstedler (born 1959) earned a Bachelor of Business Administration in Banking and Finance in 1982 from Abilene Christian University in Abilene, Texas and is a registered investment adviser representative.

Richard G. Long, Jr.

- * Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- * Manager, Valley View Consulting, L.L.C.
- * Investment industry since 1981
- * Founded Valley View Consulting, L.L.C. and registered with the SEC as an investment advisory firm

Mr. Long has been actively involved in government entity investment legislation; investment policies and strategies; cash flow-based investment portfolios; eligible investment options; appropriate asset allocations; investment transaction settlement and safekeeping procedures; bank service agreements; and arbitrage rebate regulation.

Mr. Long founded Valley View, in the fall of 1998 and registered the firm as an investment adviser with the Securities and Exchange Commission effective January 1999. Since 1988, Mr. Long has primarily provided cash and investment-related services to government entities. In earlier capacities, Mr. Long originated corporate, asset backed and tax-exempt securities, managed a government trading operation, and distributed both public and private securities.

Mr. Long (born 1957) earned a Bachelor of Science, Business Administration degree in Finance from Colorado State University and a Masters of Business Administration degree from the University of Dallas. Mr. Long has presented information to multiple investment management organizations.

Maria Teresa Mendoza

- Extensive background in Accounting & Finance (since 2007)
- Investment reporting experience
- Government experience since 2010

Ms. Mendoza has a background in Customer Service and Accounting & Finance. Teresa is experienced with cash management, banking relations, financial reporting,



maintaining treasury records, pledged collateral, and investment reports. She recently worked at Trinity Metro (aka Fort Worth Transportation Authority) as their Finance Administrator which has given her a client's perspective.

Ms. Mendoza (born 1979) joined Valley View in February 2020.

Johnny L. Phifer

- Former City of Keller, Texas Finance Director
- Over thirty years public-sector experience
- Lengthy finance and accounting career

Mr. Phifer, former Finance Director of the City of Keller, brings with him a wealth of knowledge and experience attained during a career of over thirty years of public-sector experience. Mr. Phifer also brings a comprehensive and distinctive client operations perspective to the Valley View practice in the areas of cash management, governmental accounting and financial reporting, banking relations, management reporting, portfolio/treasury management, financial analysis and financial and budget administration.

Mr. Phifer is a member of the Government Finance Officers Association of Texas (GFOAT), where he earned the designation of Certified Government Finance Officer (CGFO), and the Government Treasurer's Organization of Texas (GTOT).

Mr. Phifer (born 1957) is a graduate of The University of North Alabama with a Bachelor of Science in Accounting.

Timothy D. Pinon

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Banking industry since 1987
- Former government banking relationship manager
- Depository banking service experience

Mr. Pinon began his banking career in 1987. He worked for seven years as a Series 7 registered representative, helping bank customers invest their short-term funds. Following that, he spent the next 24 years working in Treasury Management and Relationship Management on the banking side. Prior to joining Valley View, he worked for eleven years as a Government Banking Relationship Manager, which involved bidding for government contracts for depository bank services, and managing a portfolio of bank customers consisting of cities, schools, counties, and special districts. His background in investments, treasury management, and banking have provided him with a wealth of experience that he can share with government clients.



Mr. Pinon earned a Bachelor of Business Administration in Finance in 1987 from the University of Texas at Arlington. He went on to complete his Master of Business Administration in 1993, also from the University of Texas at Arlington.

Mr. Pinon (born 1964) joined Valley View in January 2020. Mr. Pinon has presented information to multiple investment management organizations.

Thomas H. Ross

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Former City of Bedford, Texas Director of Administrative Services
- Public-sector experience since 1992
- Lengthy corporate finance and accounting career

Mr. Ross has a background in financial operations and information technology management and most recently completed fourteen years of service with the City of Bedford, Texas, retiring as Director of Administrative Services. Joining the team in February 2010, Mr. Ross brings a broad and unique client operations perspective to the areas of cash management, governmental accounting, banking relations, management reporting, portfolio management, and general financial analysis.

Mr. Ross is a member of the Government Finance Officers Association of Texas (GFOAT), where he earned the designation of Certified Government Finance Officer (CGFO), and the Government Treasurer's Organization of Texas (GTOT).

Mr. Ross (born 1944) is a graduate of Texas A&M University with a Bachelor of Business Administration degree in Management and is a registered investment adviser representative.

Emily A. Upshaw, CPA

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Accounting, client service and transaction facilitation background
- Cash Flow modeling, market analysis, trading and funds management experience
- Chief Executive Officer, Live Oak Portfolios, L.L.C.

Ms. Upshaw began her career in taxation with Ernst & Young in Austin, Texas where she completed her Certified Public Accountant designation. With an interest in investment management, she then worked as an associate of an employee retirement plan advisor in charge of various client services and transactions. There she expanded her knowledge of cash flow modeling, market analysis, trading and fund management for individual client accounts and business qualified retirement accounts in the central Texas area.

Ms. Upshaw (born 1987) graduated with honors from the University of Texas at Austin with a Bachelor of Business Administration and a Master in Professional Accounting from the McCombs School of Business. She is a registered investment adviser



representative. Ms. Upshaw has presented information to multiple investment management organizations.

William J. Koch (retired)

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- President, Avalon Financial Services
- Public-sector consulting since 1990
- Over forty years financial management experience

Mr. Koch is a capable and versatile financial professional with extensive management and operational credentials that include a strong background in accounting, cash management, treasury, and information systems. He has broad industry experience with both publicly traded and privately held firms, including international market activities and public sector organizations. His career has included management positions with Fortune magazine ranked firms in which he was responsible for accounting and financial reporting, treasury, and information services.

Since 1990, Mr. Koch has been a management consultant providing specialized financial services primarily to public sector organizations, including municipalities, school districts, colleges, hospital districts, and regional transportation authorities. With proven financial expertise, solidly versed in statutes and legal requirements, and extensive knowledge of banking systems and services, he has a unique blend of capabilities to offer his clients.

Formerly a partner with a regional consulting group, Mr. Koch founded Avalon Financial Services in 1996 and serves as its president. Mr. Koch is a graduate of Texas A&M University and is a registered investment adviser representative.

Mr. Koch (born 1939) retired from full-time service December 2019, but may assist selectively.



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Mr. Ross has a background in financial operations and information technology management and most recently completed fourteen years of service with the City of Bedford, Texas, retiring as Director of Administrative Services. Joining the team in February 2010, Mr. Ross brings a broad and unique client operations perspective to the areas of cash management, governmental accounting, banking relations, management reporting, portfolio management, and general financial analysis.

Mr. Ross is a member of the Government Finance Officers Association of Texas (GFOAT), where he earned the designation of Certified Government Finance Officer (CGFO), and the Government Treasurer's Organization of Texas (GTOT).

Mr. Ross (born 1944) is a graduate of Texas A&M University with a Bachelor of Business Administration degree in Management and is a registered investment adviser representative.

Emily A. Upshaw, CPA

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Accounting, client service and transaction facilitation background
- Cash Flow modeling, market analysis, trading and funds management experience
- Chief Executive Officer, Live Oak Portfolios, L.L.C.

Ms. Upshaw began her career in taxation with Ernst & Young in Austin, Texas where she completed her Certified Public Accountant designation. With an interest in investment management, she then worked as an associate of an employee retirement plan advisor in charge of various client services and transactions. There she expanded her knowledge of cash flow modeling, market analysis, trading and fund management for individual client accounts and business qualified retirement accounts in the central Texas area.

Ms. Upshaw (born 1987) graduated with honors from the University of Texas at Austin with a Bachelor of Business Administration and a Master in Professional Accounting from the McCombs School of Business. She is a registered investment adviser



representative. Ms. Upshaw has presented information to multiple investment management organizations.

William J. Koch (retired)

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- President, Avalon Financial Services
- Public-sector consulting since 1990
- Over forty years financial management experience

Mr. Koch is a capable and versatile financial professional with extensive management and operational credentials that include a strong background in accounting, cash management, treasury, and information systems. He has broad industry experience with both publicly traded and privately held firms, including international market activities and public sector organizations. His career has included management positions with Fortune magazine ranked firms in which he was responsible for accounting and financial reporting, treasury, and information services.

Since 1990, Mr. Koch has been a management consultant providing specialized financial services primarily to public sector organizations, including municipalities, school districts, colleges, hospital districts, and regional transportation authorities. With proven financial expertise, solidly versed in statutes and legal requirements, and extensive knowledge of banking systems and services, he has a unique blend of capabilities to offer his clients.

Formerly a partner with a regional consulting group, Mr. Koch founded Avalon Financial Services in 1996 and serves as its president. Mr. Koch is a graduate of Texas A&M University and is a registered investment adviser representative.

Mr. Koch (born 1939) retired from full-time service December 2019, but may assist selectively.



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	6. Authorize the City Manager to execute an agreement approving a construction contract for the Supervisory Control And Data Acquisition (SCADA) System Improvements project with WHECO Electric, Inc. in the amount not to exceed One Hundred Forty Thousand and No/100 Dollars (\$140,000.00).
Access	Public
Type	Action (Consent)
Preferred Date	Sep 06, 2022
Fiscal Impact	Yes
Dollar Amount	140,000.00
Budgeted	Yes
Budget Source	Utility Fund
Recommended Action	Authorize the City Manager to execute an agreement approving a construction contract for the Supervisory Control And Data Acquisition (SCADA) System Improvements project with WHECO Electric, Inc. in the amount not to exceed One Hundred Forty Thousand and No/100 Dollars (\$140,000.00).
Goals	Strategically invest in the City's existing and future infrastructure.

Public Content

BACKGROUND

Supervisory Control And Data Acquisition (SCADA) is a software and communication device(s) that allows remote monitoring and control of the pump stations (water levels in tanks and towers) and sewer lift stations. Staff can communicate via cellular devices to each site from the Public Works office or via two-factor authentication on City phones and laptops. It allows 24/7 monitoring of the system and also has a connection to the vendor for easy access to trouble-shoot alarms, error codes, or system alerts above what Public Works crews' ability.

This is for an upgrade to the current system and in preparation for two major facilities starting construction. As city pump stations, ground water storage tanks, elevated water tanks, and lift station facilities are upgraded and reconstructed, new technology is installed with each project. The outdated and obsolete communication systems need to be replaced and updated periodically.

The current cellular communication system at the Public Works facility is outdated and is in need of upgraded equipment due to poor connection with existing and future facilities.

OVERVIEW

With the proposed construction of the Maxwell Creek Pump Station and Sable Hills Lift Station, communication upgrades are included in each project. Other existing facilities have required additional maintenance and support to provide communication from the Public Works Facility to each respective site. The system needs to have all units at each site updated with current cellular communication systems. This project will complete the system upgrades for system communication and monitoring.

These upgrades were identified as potential system improvements for cybersecurity and remote access and monitoring in the Risk and Resilience Study. The new system will allow staff to monitor and respond to alerts via mobile or laptop devices, enhances cybersecurity firewalls, and helps protect the entire distribution and collection system.

Capital Project W-22-07, SCADA System Upgrades, is identified in the FY 2022-2023 Proposed Budget Capital Project Plan. Staff is requesting the required project budget, funded with undesignated/unbudgeted Utility Fund revenue.

POLICY CONSIDERATIONS

Cellular and communication system improvements to City facilities (lift stations, pump stations, water towers and water tanks) are part of routine required upgrades and outlined as part of the Risk and Resilience Study. The project will be funded from the Utility Fund.

RECOMMENDATION

Authorize the City Manager to execute an agreement approving a construction contract for the Supervisory Control And Data Acquisition (SCADA) System Improvements project with WHECO Electric, Inc. in the amount not to exceed One Hundred Forty Thousand and No/100 Dollars (\$140,000.00).

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	1. Consider a resolution accepting and approving a preliminary amended and restated service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1, approving Preliminary Limited Offering Memoranda, calling a public hearing at the Regular City Council meeting on October 17, 2022, for the levy of special assessments against property in the District and approving all other matters related thereto.
Access	Public
Type	Action, Discussion
Preferred Date	Sep 19, 2022
Absolute Date	Sep 19, 2022
Fiscal Impact	No
Recommended Action	Approve a resolution accepting and approving a preliminary amended and restated service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1, approving Preliminary Limited Offering Memoranda, calling a public hearing at the Regular City Council meeting on October 17, 2022, for the levy of special assessments against property in the District and approving all other matters related thereto.

Public Content

BACKGROUND

The Public Improvement District Assessment Act (the PID Act), Texas Local Government Code, Chapter 372, as amended, authorizes the City Council to create a public improvement district within the city. On January 22, 2019, the Council approved Resolution No. 3905 authorizing, establishing, and creating the Sachse Public Improvement District No. 1, and on December 2, 2019, the Council approved Resolution No. 3958 adding land to the District.

POLICY CONSIDERATIONS

This action item is authorized under Chapter 372 of the Texas Local Government Code and is contemplated within the original Development Agreement between the City and PMB Station Land LP that was executed on October 3, 2018.

RECOMMENDATION

Approve a resolution accepting and approving a preliminary amended and restated service and assessment plan and preliminary assessment rolls for the Sachse Public Improvement District No. 1, approving Preliminary Limited Offering Memoranda, calling a public hearing at the Regular City Council meeting on October 17, 2022, for the levy of special assessments against property in the District and approving all other matters related thereto.

[Sachse PID No. 1 2022--Resolution Calling Assessment Hearing.pdf \(109 KB\)](#)

[2022-09-15_SAC_PID No. 1_A&R SAP V4.3 yes bonds.pdf \(15,143 KB\)](#)

[Sachse, The Station PID, S2022 - IA #1B PLOM 4146-1924-4861 v.2.pdf \(4,987 KB\)](#)

[Sachse, The Station PID, S2022 - IA #2 PLOM 4166-0777-0935 v.3.pdf \(5,141 KB\)](#)

Sachse PID S2022 - Issuer CDA (IA#1B) 4125-5648-3642 v.2.pdf (254 KB)

Sachse PID S2022 - Issuer CDA IA#2-5 4133-1943-3277 v.21.pdf (255 KB)

Sachse, PID - IA #2-5 Bonds 2022 - Developer CDA 4159-3543-3789 v.4.pdf (500 KB)

Sachse PID No. 1 IA#1 2022--form of bond opinion for PLOM.pdf (106 KB)

Sachse PID No. 1 IA#2-5 2022--form of bond opinion for PLOM.pdf (106 KB)

PMB Station - PID Projects and Reimbursement Agreement.pdf (20,467 KB)

RESOLUTION NO. ____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING THE SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN, INCLUDING THE PROPOSED IMPROVEMENT AREAS #2-5 ASSESSMENT ROLLS; DIRECTING THE FILING OF SAID PROPOSED IMPROVEMENT AREAS #2-5 ASSESSMENT ROLLS WITH THE CITY SECRETARY; CALLING A PUBLIC HEARING TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN IMPROVEMENT AREAS #2-5 OF THE SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1; DIRECTING THE CITY SECRETARY TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; APPROVING PRELIMINARY LIMITED OFFERING MEMORANDA; PROVIDING AN EFFECTIVE DATE; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “PID Act”), authorizes the City Council (the “Council”) of the City of Sachse, Texas (the “City”), to create public improvement districts within the corporate limits of the city; and

WHEREAS, the Council has previously created the Sachse Public Improvement District No. 1 (the “District”); and

WHEREAS, the Council and City staff have been presented with the “Sachse Public Improvement District No. 1 Preliminary Amended and Restated Service and Assessment Plan” (the “Preliminary SAP”), which includes the proposed assessment rolls for Improvement Areas #2-5 of the District (the “Proposed Assessment Rolls”) attached thereto, a copy of which is attached hereto as **Exhibit A** and incorporated herein for all purposes; and

WHEREAS, the PID Act requires that the Proposed Assessment Rolls be filed with the City Secretary of the City (the “City Secretary”) and be subject to public inspection; and

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

WHEREAS, the PID 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; and

WHEREAS, the Council finds it to be in the public interest to (i) accept the Preliminary SAP and the Proposed Assessment Rolls, (ii) establish a date and time for the Assessment Hearing and (iii) take such further action as required by the PID Act;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

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

SECTION 2. The Preliminary SAP, including the Proposed Assessment Rolls, is hereby accepted, and the Proposed Assessment Rolls shall be filed with the City Secretary and the same shall be available for public inspection.

SECTION 3. A public hearing (the Assessment Hearing as defined above) shall be conducted during the regular meeting of the Council to be held on October 17, 2022, at 6:30 p.m., during which the Council shall, among other actions, hear and pass on any objections to the proposed assessments. Upon the adjournment of the Assessment Hearing, the Council may consider an ordinance approving the levy of assessments on certain benefitted property within the District.

SECTION 4. The City Secretary is hereby authorized and directed to (i) publish notice of the Assessment Hearing, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes (the “Notice”), in a newspaper of general circulation in the city, as required by Section 372.016(b) of the PID Act, and (ii) mail the Notice to owners of property liable for the assessments as set forth in the Proposed Assessment Rolls, as required by Section 372.016(c) of the PID Act.

SECTION 5. The form and content of the Preliminary Limited Offering Memorandum (the “IA#1 PLOM”) relating to the “City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Area #1 Project)” (the “IA#1 Bonds”) are hereby approved and deemed final, except for the omission of such information which is dependent upon the final pricing of the IA#1 Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”), with such changes, addenda, supplements, or amendments as may be approved by the City Manager. The City hereby authorizes the IA#1 PLOM to be used by FMSbonds, Inc. in connection with the marketing and sale of the IA#1 Bonds.

SECTION 6. The form and content of the Preliminary Limited Offering Memorandum (the “IA#2-5 PLOM”) relating to the “City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project)” (the “IA#2-5 Bonds”) are hereby approved and deemed final, except for the omission of such information which is dependent upon the final pricing of the IA#2-5 Bonds for completion, all as permitted to be excluded by the Rule, with such changes, addenda, supplements, or amendments as may be approved by the City Manager. The City hereby authorizes the IA#2-5 PLOM to be used by FMSbonds, Inc. in connection with the marketing and sale of the IA#2-5 Bonds.

SECTION 7. This Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED on September 19, 2022.

Jeff Bickerstaff
Mayor

ATTEST:

Leah K Granger
City Secretary

Exhibit A

**SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1
PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**

Sachse Public Improvement District No. 1

AMENDED AND RESTATED PRELIMINARY SERVICE AND
ASSESSMENT PLAN

SEPTEMBER 15, 2022, VERSION 4.3



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 January 22, 2019, the City Council passed and approved Resolution No. 3905 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon publication in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 170.686 acres located within the corporate limits of the City, as described by boundary description on **Exhibit Q-1** and depicted on **Exhibit A-1**.

On October 26, 2020, the City Council approved the Service and Assessment Plan and levied Assessments to finance the Authorized Improvements to be constructed for the benefit of the Assessed Property within the District by approving the 2020 Assessment Ordinance. The Service and Assessment Plan identified the Authorized Improvements to be provided by the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements. The City also adopted Assessment Rolls identifying the Assessment on each Lot within the District, based on the method of assessment identified in the Service and Assessment Plan.

On July 26, 2021, the City Council approved the 2021 Annual Service Plan Update by approving Resolution No. 4021. The 2021 Annual Service Plan Update updated the Assessment Rolls for 2021.

This Amended and Restated Service and Assessment Plan serves to amend and restate the Service and Assessment Plan, including the 2021 Annual Service Plan Update, in its entirety for the purposes of (1) dividing the Major Improvement Area into Improvement Area #2, Improvement Area #3, Improvement Area #4, Improvement Area #5, Improvement Area #6, and Improvement Area #7; (2) levying the Improvement Area #2 Assessment; (3) levying the Improvement Area #3 Assessment; (4) levying the Improvement Area #4 Assessment; (5) levying the Improvement Area #5 Assessment; (6) issuing the Improvement Area #2-5 Bonds; and (7) updating the Assessment Rolls.

The PID Act requires a service plan to (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the buyer disclosure notice forms required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the buyer disclosure notice forms are attached as **Appendix C**.

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

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll for the Major Improvement Area is included as **Exhibit F-1**. The Assessment Roll for Improvement Area #1 is included as **Exhibit G-1**. The Assessment Roll for Improvement Area #2 is included as **Exhibit H-1**. The Assessment Roll for Improvement Area #3 is included as **Exhibit I-1**. The Assessment Roll for Improvement Area #4 is included as **Exhibit J-1**. The Assessment Roll for Improvement Area #5 is included as **Exhibit K-1**.

SECTION I: DEFINITIONS

“2020 Assessment Ordinance” means Ordinance No. 3998 which was passed and adopted by the City Council on October 26, 2020, and levied the Improvement Area #1 Assessments and the Major Improvement Area Assessments.

“2022 Assessment Ordinance” means Ordinance No. _____ which was passed and adopted by the City Council on October 17, 2022 and levied the Improvement Areas #2-5 Assessment.

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Original Owner, including : (1) the costs incurred by the Original Owner, or on behalf of the Original Owner (either directly or through affiliates) or the City for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs incurred by or on behalf of the Original Owner for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, consulting, and other governmental fees and charges and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Original Owners.

“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, any Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Amended and Restated Service and Assessment Plan” means this Sachse Public Improvement District No. 1 Amended and Restated Service and Assessment Plan, which was approved by the 2022 Assessment Ordinance, as updated, and amended from time to time.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Amended and Restated Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

“Annual Service Plan Update” means an update to this 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 the Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

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

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

“Assessment Roll” means any assessment roll for the Assessed Property, including the Major Improvement Area Assessment Roll, the Improvement Area #1 Assessment Roll, the Improvement Area #2 Assessment Roll, the Improvement Area #3 Assessment Roll, the Improvement Area #4 Assessment Roll, and the Improvement Area #5 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 in any Annual Service Plan Update.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, and described in Section III, as further depicted on **Exhibit L-1, Exhibit L-2, Exhibit L-3, Exhibit L-4, Exhibit L-5, and Exhibit L-6.**

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, Trustee and paying agent/registrar fees, 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 Sachse Texas.

“City Contribution” means cash provided by the City to finance a portion of the total costs of the Major Improvements. The City Contribution exceeds the benefit received or to be received by the Authorized Improvements allocable to the City Land and is made in lieu of an Assessment on the City Land.

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

“City Land” means approximately 37.33 acres within the Major Improvement Area that is benefitted from the Major Improvements but will not be assessed and is depicted on **Exhibit A-2.** The City Land is any land that is owned by the City or will be dedicated to the City.

“Commercial Lot Type 1” means Assessed Property intended for use as Inline Retail or Food Retail within Improvement Area #1, as provided by the Original Owner.

“Commercial Lot Type 2” means Assessed Property intended for use as Inline Retail, Food Retail, Pad Retail, or Office within the Major Improvement Area, as provided by the Original Owner.

“Commercial Lot Type 3” means Assessed Property intended for use as Jr. Anchor Retail or Office Flex within the Major Improvement Area, as provided by the Original Owner.

“County” means Dallas 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 that certain *Development Agreement* by and between PMB Station Developer, LLC (by assignment from PMB Station Land, LP per instrument dated August 14, 2019) and the City of Sachse, Texas, effective October 8, 2018, as amended by (i) that certain *First Amendment to Development Agreement and Consent to Assignment* effective September 5, 2019 and (ii) that certain *Second Amendment to Development Agreement* effective July 21, 2020, and inclusive of any subsequent amendments to the Development Agreement to which the parties to the Development Agreement may enter from time to time. A memorandum of the Development Agreement dated March 12, 2019, was recorded March 20, 2019, as Instrument No. 201900068907 in the Official Public Records of Dallas County, Texas.

“District” means the Sachse Public Improvement District No. 1 containing approximately 170.686 acres located within the corporate limits of the City, more specifically described in **Exhibit Q-1** and depicted on **Exhibit A-1**.

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

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

“Estimated Buildout Value” means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Original Owner, attached as **Appendix A**, and confirmed by the City Council. The Estimated Buildout Value for each Lot Type is established by **Exhibit M-1** for all Lot Types and all improvement areas and will not change in Annual Service Plan Updates.

“Future Improvement Area” means a distinct portion of the Major Improvement Area described by metes and bounds and developed as an individual improvement area after Improvement Area #1, with such area(s) to be described, designated, and subject to separate Assessments levied in this Amended and Restated Service and Assessment Plan. The Future Improvement Area includes the entire District save and except Improvement Area #1, and pursuant to this Amended and Restated Service and Assessment Plan, is being divided into Improvement Area #2, Improvement Area #3, Improvement Area #4, Improvement Area #5, Improvement Area #6, and Improvement Area #7.

“Improvement Area #1” means approximately 48.387 acres located within the District, more specifically described in **Exhibit Q-3** and depicted on **Exhibit A-2**, and the plats and/or site plans on **Exhibit B-1**.

“Improvement Area #1 Additional Bonds” means those certain “City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Area #1 Project)” that are secured by the Improvement Area #1 Assessments.

“Improvement Area #1 Annual Installment” means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #1; and (4) Additional Interest related to the Improvement Area #1 Bonds, as shown on **Exhibit G-2**, which amount may be reduced by the TIRZ No. 2 Annual Credit Amount.

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

“Improvement Area #1 Assessment” means an Assessment levied against the Improvement Area #1 Assessed Property and imposed pursuant to the 2020 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

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

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

“Improvement Area #1 Bonds” means the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds.

“Improvement Area #1 Improvements” means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.A** and depicted on **Exhibit L-2**.

“Improvement Area #1 Initial Bonds” means those certain “City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2020 (Sachse Public Improvement District No. 1 Improvement Area #1 Project)” that are secured by the Improvement Area #1 Assessments.

“Improvement Area #1 Maximum Assessment” means for each Lot within Improvement Area #1, the amount shown on **Exhibit M-1**.

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

“Improvement Area #1 Single Family Lot Type” means an Assessed Property within Improvement Area #1 platted or anticipated to be platted into similarly benefitted Lots to be used and developed for single family detached dwelling units and being marketed to homebuilders as a uniform lot type that may be developed with and sold for single family detached dwelling units. See **Appendix C-1** for homebuyer disclosures for Improvement Area #1 Single Family Lot Type Lots.

“Improvement Area #2” means approximately 7.421 acres located within the District, more specifically described in **Exhibit Q-4** and depicted on **Exhibit A-2**, and the plats and/or site plans on **Exhibit B-2**.

“Improvement Area #2 Annual Installment” means the Annual Installment of the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #2; and (4) Improvement Area #2’s portion of the Additional Interest related to the Improvement Area #2-5 Bonds, as shown on **Exhibit H-2**, which amount may be reduced by the TIRZ No. 2 Annual Credit Amount.

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

“Improvement Area #2 Assessment” means an Assessment levied against Improvement Area #2 Assessed Property and imposed pursuant to the 2022 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation 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 H-1**.

“Improvement Area #2 Authorized Improvements” means, collectively, (1) the Improvement Area #2 Improvements; (2) the first year’s Annual Collection Costs related to Improvement Area #2; and (3) Improvement Area #2’s portion of the Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #2-5 Bonds.

“Improvement Area #2 Commercial Lot Type 2” means a Lot within Improvement Area #2 intended for use as Inline Retail, Food Retail, Pad Retail, or Office.

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit the Improvement Area #2 Assessed Property, as further described in **Section III.A** and depicted on **Exhibit L-3**.

“Improvement Area #2 Maximum Assessment” means for each Lot within Improvement Area #2, the amount shown on **Exhibit M-1**.

“Improvement Area #2 Owners” means PMB Station Retail 2, LLC, Vaquero Sachse Partners, LP and the Original Owner.

“Improvement Area #3” means approximately 7.779 acres located within the District, more specifically described in **Exhibit Q-5** and depicted on **Exhibit A-2**, and the plats and/or site plans on **Exhibit B-3**.

“Improvement Area #3 Annual Installment” means the Annual Installment of the Improvement Area #3 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #3; and (4) Improvement Area #3’s portion of the Additional Interest related to the Improvement Area #2-5 Bonds, as shown on **Exhibit I-2**, which amount may be reduced by the TIRZ No. 2 Annual Credit Amount.

“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 the Improvement Area #3 Assessed Property and imposed pursuant to the 2022 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #3 Assessment Roll, subject to reallocation 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 I-1**.

“Improvement Area #3 Authorized Improvements” means collectively, (1) the Improvement Area #3 Improvements; (2) the first year’s Annual Collection Costs related to Improvement Area #3; and (3) Improvement Area #3’s portion of the Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #2-5 Bonds.

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit the Improvement Area #3 Assessed Property, as further described in **Section III.A** and depicted on **Exhibit L-4**.

“Improvement Area #3 Maximum Assessment” means for each Lot within Improvement Area #3, the amount shown on **Exhibit M-1**.

“Improvement Area #3 Owner” means K Hovnanian DFW Villas at the Station, LLC.

“Improvement Area #3 Single Family Lot Type” means an Assessed Property within Improvement Area #3 platted or anticipated to be platted into similarly benefitted Lots to be used and developed for single family detached dwelling units and being marketed to homebuilders as a uniform lot type that may be developed with and sold for single family detached dwelling units. See **Appendix C-7** for homebuyer disclosures for Improvement Area #3 Single Family Lot Type Lots.

“Improvement Area #4” means approximately 22.340 acres located within the District, more specifically described in **Exhibit Q-6** and depicted on **Exhibit A-2**, and the plats and/or site plans on **Exhibit B-4**.

“Improvement Area #4 Annual Installment” means the Annual Installment of the Improvement Area #4 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #4; and (4) Improvement Area #4’s portion of the Additional Interest related to the Improvement Area #2-5 Bonds, as shown on **Exhibit J-2**, which amount may be reduced by the TIRZ No. 2 Annual Credit Amount.

“Improvement Area #4 Assessed Property” means any Parcel within Improvement Area #4 against which an Improvement Area #4 Assessment is levied.

“Improvement Area #4 Assessment” means an Assessment levied against the Improvement Area #4 Assessed Property and imposed pursuant to the 2022 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #4 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Improvement Area #4 Assessment Roll” means the Assessment Roll for the Improvement Area #4 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 #4 Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit J-1**.

“Improvement Area #4 Authorized Improvements” means collectively, (1) the Improvement Area #4 Improvements; (2) the first year’s Annual Collection Costs related to Improvement Area #4; and (3) Improvement Area #4’s portion of the Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #2-5 Bonds.

“Improvement Area #4 Commercial Lot Type 2” means a Lot within Improvement Area #4 intended for use as Inline Retail, Food Retail, Pad Retail, or Office.

“Improvement Area #4 Commercial Lot Type 3” means a Lot within Improvement Area #4 intended for use as Jr. Anchor Retail or Office Flex.

“Improvement Area #4 Improvements” means the Authorized Improvements which only benefit the Improvement Area #4 Assessed Property, as further described in **Section III.A** and depicted on **Exhibit L-5**.

“Improvement Area #4 Maximum Assessment” means for each Lot within Improvement Area #4, the amount shown on **Exhibit M-1**.

“Improvement Area #4 Owner” means PMB Station MF1 LP and the Original Owner.

“Improvement Area #5” means approximately 27.417 acres located within the District, more specifically described in **Exhibit Q-7** and depicted on **Exhibit A-2**, and the plats and/or site plans on **Exhibit B-5**.

“Improvement Area #5 Annual Installment” means the Annual Installment of the Improvement Area #4 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #5; and (4) Improvement Area #5’s portion of the Additional Interest related to the Improvement Area #2-5 Bonds, as shown on **Exhibit K-2**, which amount may be reduced by the TIRZ No. 2 Annual Credit Amount.

“Improvement Area #5 Assessed Property” means any Parcel within Improvement Area #5 against which an Improvement Area #5 Assessment is levied.

“Improvement Area #5 Assessment” means an Assessment levied against the Improvement Area #5 Assessed Property and imposed pursuant to the 2022 Assessment Ordinance and the

provisions herein, as shown on the Improvement Area #5 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Improvement Area #5 Assessment Roll” means the Assessment Roll for the Improvement Area #5 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 #5 Assessment Roll is included in this Amended and Restated Service and Assessment Plan as **Exhibit K-1**.

“Improvement Area #5 Authorized Improvements” means collectively, (1) the Improvement Area #5 Improvements; (2) the first year’s Annual Collection Costs related to Improvement Area #5; and (3) Improvement Area #5’s portion of Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #2-5 Bonds.

“Improvement Area #5 Commercial Lot Type 2” means a Lot within Improvement Area #5 intended for use as Inline Retail, Food Retail, Pad Retail, or Office.

“Improvement Area #5 Improvements” means the Authorized Improvements which only benefit the Improvement Area #5 Assessed Property, as further described in **Section III.A** and depicted on **Exhibit L-6**.

“Improvement Area #5 Maximum Assessment” means for each Lot within Improvement Area #5, the amount shown on **Exhibit M-1**.

“Improvement Area #5 Owner” means Sachse Station Boulevard Owner LLC, TRHS MOB One LP, and the Original Owner.

“Improvement Area #6” means approximately 8.747 acres located within the District, more specifically described in **Exhibit Q-8** and depicted on **Exhibit A-2**, and the plats and/or site plans on **Exhibit B-6**.

“Improvement Area #6 Commercial Lot Type 3” means a Lot within Improvement Area #6 intended for use as Jr. Anchor Retail or Office Flex.

“Improvement Area #7” means approximately 11.266 acres located within the District, more specifically described in **Exhibit Q-9** and depicted on **Exhibit A-2**, and the plats and/or site plans on **Exhibit B-7**.

“Improvement Area #7 Commercial Lot Type 3” means a Lot within Improvement Area #7 intended for use as Jr. Anchor Retail or Office Flex.

“Improvement Areas #2-5” means, collectively, Improvement Area #2, Improvement Area #3, Improvement Area #4, and Improvement Area #5.

“Improvement Area #2-5 Assessments” means, collectively, the Improvement Area #2 Assessment, the Improvement Area #3 Assessment, the Improvement Area #4 Assessment, and the Improvement Area #5 Assessment.

“Improvement Area #2-5 Bonds” means those certain “City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project)” that are secured by the Improvement Area #2-5 Assessment.

“Improvement Areas #2-5 Improvements” means the Authorized Improvements which only benefit Improvement Areas #2-5.

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

“Inline Retail” means a property intended to be developed into a retail building where tenants are placed contiguous to neighboring tenants, under a single roof, such that their frontages are in a straight line.

“Jr. Anchor Retail” means a property intended to be developed for a single tenant which can attract or generate traffic for the surrounding retail properties.

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

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. retail, office, multi-family, single family residential), as determined by the Administrator and confirmed by the City Council, as shown on **Exhibit M-1**.

“Major Improvement Area” means approximately 122.299 acres located within the District, and more specifically described in **Exhibit Q-2** and depicted on **Exhibit A-2**. The Major Improvement Area includes all of the District save and except Improvement Area #1.

“Major Improvement Area Annual Installment” means the Annual Installment of the Major Improvement Area Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to the Major Improvement Area; and (4) Additional Interest related to the Major Improvement Area Bonds.

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

“Major Improvement Area Assessment” means an Assessment levied against the Major Improvement Area Assessed Property, related to the Major Improvement Area Authorized Improvements, and imposed pursuant to the 2020 Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

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

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

“Major Improvement Area Bonds” means those certain “City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2020 (Sachse Public Improvement District No. 1 Major Improvement Area Project).”

“Major Improvement Area Initial Parcel” means all the Major Improvement Area Assessed Property against which the entire Major Improvement Area Assessment is levied as shown on the Major Improvement Area Assessment Roll.

“Major Improvement Area Maximum Assessment per Net Acre” means the amount shown on **Exhibit M-5** as reduced annually in each future Annual Service Plan Update by principal payments and any Prepayments made on the Major Improvement Area Assessment.

“Major Improvement Area Platted Property” means any portion of the Major Improvement Area that has been allocated a portion of the Major Improvement Area Assessment because it has met the requirements of **Section VI.C** of this Amended and Restated Service and Assessment Plan.

“Major Improvement Area Remaining Parcel” means all the Major Improvement Area Initial Parcel less the Major Improvement Area Platted Property.

“Major Improvement Area True-Up” means the true up performed by the City: (1) at the time the Improvement Area #2-5 Bonds are issued, and (2) when 20%, 40%, 60%, and 80% of the Major Improvement Area Assessments are allocated to Major Improvement Area Platted Properties to verify that the Major Improvement Area Remaining Property will have a Major Improvement Area Assessment per net acre equal to or less than the Major Improvement Area Maximum Assessment Per Net Acre depicted on **Exhibit M-5**, as described in **Section VI.D**.

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

“Multi-family Lot Type” means an Assessed Property within the District intended to be developed as multi-family housing.

“Net Acres” means acres per block as depicted on the concept plan shown on Exhibit A-1 pertaining to the Major Improvement Area Remaining Parcel. The total Net Acres in the Major Improvement Area, as shown on **Exhibit M-5** will not change in Annual Service Plan Updates.

“Non-Assessed Property” means Parcels within the boundaries of the District that accrue special benefit from the Authorized Improvements as determined by the City Council, but are not assessed for the costs of the Authorized Improvements.

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

“Notice of Assessment Termination” means a document that shall be recorded in the Official Public Records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit O**.

“Office Flex” means a property designed to be versatile that may be developed and used in combination with office, research and development, quasi-retail sales, and including, but not limited to, industrial, warehouse, and distribution uses.

“Office” means a property designed to house employees of business entities that produce a product or service primarily for support services such as administration, accounting, marketing, information processing and dissemination, consulting, human resource management, financial and insurance services, education and medical services, and other professional services.

“Operations and Maintenance Assessment” means a separate Assessment levied against a Parcel and imposed pursuant to an Assessment Ordinance, which pays for the City’s operation

and maintenance of the Authorized Improvements, as shown on an Assessment Roll in the Operations and Maintenance Amended and Restated Service and Assessment Plan.

“Operations and Maintenance Service and Assessment Plan” means the Operations and Maintenance Service and Assessment Plan, adopted on October 26, 2020, which governs the Operations and Maintenance Assessment, as it may be modified, amended, supplemented and updated by the City Council from time to time.

“Original Owner” means PMB Station Developer, LLC, and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

“Owners” means the Original Owner, PMB station Retail 2 LLC, Vaquero Sachse Partners, LP, K Hovnanian DFW Villas at the Station, LLC, PMB Station MF1 LP, Sachse Station Boulevard Owner LLC, TRHS MOB One LP, and SL6 Sachse LP.

“Pad Retail” means a free-standing building, oftentimes with a drive-thru, that compliments the surrounding retail’s existing tenant mix. Examples of such uses include banking, fuel, eating establishments, and other similar services.

“Parcel” or “Parcels” means a specific property within the District identified by either a tax parcel identification number assigned by the Dallas Central Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of the County, or by any other means determined by the City.

“PID Account” means a segregated account of the TIRZ No. 2 Fund in which the TIRZ No. 2 Annual Credit Amount is deposited.

“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 that are secured in whole or in part by Assessments.

“Plat” or “Subdivision Plat” means a “plat” as defined in and approved in accordance with Section 8-5 of the Code of Ordinances, City of Sachse, Texas, as amended.

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

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

“Service and Assessment Plan” means the Sachse Public Improvement District No. 1 Service and Assessment Plan, which was approved by the 2020 Assessment Ordinance, as updated and amended from time to time.

“Service Plan” means the plan described in Section VI which 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**.

“TIRZ No. 2” means the Reinvestment Zone Number Two, City of Sachse, Texas.

“TIRZ No. 2 Annual Credit Amount” means a portion of the TIRZ No. 2 Revenues generated from the Assessed Property to reduce the Annual Installments allocable to the Assessed Property on a Lot Type basis which shall not annually exceed the TIRZ No. 2 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ No. 2 Fund to the applicable pledged revenue fund pursuant to the TIRZ No. 2 Final Plan, as amended from time to time.

“TIRZ No. 2 Final Plan” means the Reinvestment Zone Number Two, City of Sachse, Texas Final Project and Financing Plan, dated October 26, 2020, providing for the payment of project costs related to certain public improvements, including the Major Improvements, Improvement Area #1 Improvements and Improvement Area #2-5 Improvements as provided pursuant to the Development Agreement, Section 7.07, as amended.

“TIRZ No. 2 Fund” means the tax increment fund created pursuant to the TIRZ No. 2 Ordinance into which TIRZ No. 2 Revenues are deposited annually.

“TIRZ No. 2 Maximum Annual Credit Amount” means the amount of TIRZ No. 2 Revenues that, when applied to Assessed Property on a Lot Type basis to reduce the Annual Installment next due for such Assessed Property, results in an aggregate equivalent tax rate of Annual Installments of Assessments plus all other overlapping taxing entities of \$3.15 per \$100 of assessed value for such Assessed Property. The TIRZ No. 2 Maximum Annual Credit Amount for each improvement area will be calculated based on the Estimated Buildout Value at the time the City Council approves the Assessment Ordinance levying the respective Assessments as shown on **Exhibit M-1**.

“TIRZ No. 2 Ordinance” means Ordinance No. 3898 enacted by the City Council approving the creation and boundary of TIRZ No. 2 and establishing the TIRZ No. 2 Fund, as amended by Ordinance No. 3990, and any later ordinance enacted by the City Council amending the boundaries of TIRZ No. 2.

"TIRZ No. 2 Revenues" mean, for each year, the amounts which are deposited in the TIRZ No. 2 Fund pursuant to the TIRZ No. 2 Ordinance, TIRZ No. 2 Final Plan, as amended from time to time.

"Townhome Lot Type" means an Assessed Property within the District platted or anticipated to be platted into townhome Lots and being marketed to homebuilders as townhome Lots. See **Appendix C-2** for homebuyer disclosures for townhome Lots.

"Trustee" means the trustee or successor trustee under an Indenture.

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SECTION II: THE DISTRICT

The District includes approximately 170.686 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit Q-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 214 Lots classified as Single Family Lot Types, 59 Lots classified as Townhome Lot Types, 790 Multi-family Lot Types, 15,688 square feet of Commercial Lot Type 1, 206,597 square feet of Commercial Lot Type 2, and 346,472 square feet of Commercial Lot Type 3.

Improvement Area #1 includes approximately 48.387 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit Q-3** and depicted on **Exhibit A-2**, and on the plats/site plans on **Exhibit B-1**. Improvement Area #1 is platted/site-planned and includes 165 Lots classified as Single Family Lot Types, 59 Lots classified as Townhomes Lot Types, 300 Multi-family Lot Types, and 15,688 square feet of Commercial Lot Type 1.

Improvement Area #2 includes approximately 7.421 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit Q-4** and depicted on **Exhibit A-2**, and on the plats and site plans on **Exhibit B-2**. Improvement Area #2 is partially platted/site-planned and includes 24,222 square feet of Commercial Lot Type 2 and is anticipated to eventually include an additional 6,000 square feet of Commercial Lot Type 2.

Improvement Area #3 includes approximately 7.779 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit Q-5** and depicted on **Exhibit A-2**, and on the plats and site plans on **Exhibit B-3**. Improvement Area #3 is fully platted/site-planned and includes 49 Lots classified as Single-Family Lot Types.

Improvement Area #4 includes approximately 22.340 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit Q-6** and depicted on **Exhibit A-2**, and on the plats and site plans on **Exhibit B-4**. Improvement Area #4 is partially platted/site-planned and, upon completion of vertical construction, will include 297 multifamily units, and is anticipated to eventually include an additional 37,800 square feet of Commercial Lot Type 2, and 24,000 square feet of Commercial Lot Type 3.

Improvement Area #5 includes approximately 27.417 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit Q-7** and depicted on **Exhibit A-2**, and on the plats and site plans on **Exhibit B-5**. Improvement Area #5 is partially platted/site-planned and upon completion of vertical construction, will

include 193 multifamily units and 89,922 square feet of Commercial Lot Type 2 and is anticipated to eventually include an additional 48,653 square feet of Commercial Lot Type 2.

Improvement Area #6 includes approximately 8.747 acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit Q-8** and depicted on **Exhibit A-2**, and on the plats and site plans on **Exhibit B-6**. Improvement Area #6 is fully platted/site-planned and, upon completing of vertical construction, will include 103,680 square feet of Commercial Lot Type 3.

Improvement Area #7 includes approximately 11.266 acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit Q-9** and depicted on **Exhibit A-2**, and on the plats and site plans on **Exhibit B-7**. Improvement Area #7 is fully platted/site-planned and, upon completion of vertical construction, will include 218,792 square feet of Commercial Lot Type 3.

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Original Owner and its engineer and reviewed by City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. The Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City or by a third party pursuant to a qualified management contract. The budget for the Authorized Improvements is shown on **Exhibit C-2**.

A. Major Improvements

- *Station Blvd/Bunker Hill Road*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, signage, dry utility infrastructure, drainage infrastructure, screen walls, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way.

- *Hudson Road*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, signage, drainage infrastructure, screen walls, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way.

- *Merritt Road*

Improvements include landscaping enhancements, screen walls, and retaining walls for the right-of-way of Merritt Road.

- *Commons Parkway/Street A*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, signage, dry utility infrastructure, drainage infrastructure, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way. The street improvements will provide a benefit to all property within the District.

- *Heritage Park Improvements*

Improvements include earthwork, excavation, erosion control, retaining wall, signage, playground equipment, shade structures, park furniture fixtures, fountains, splash pad, parking, sidewalks, trails, drainage infrastructure, landscaping, water and sewer utility improvements, concrete paving, irrigation, and re-vegetation of all disturbed areas.

- *Regional Detention*

Improvements include clearing, pond excavation, soil testing, retaining walls, erosion control, piping of inbound and outbound drainage lines, and construction of outlet structures. Hardscape and landscape improvements including a boardwalk, pedestrian bridge, trails, re-vegetation, and fountains are also included.

- *Master Water Line Extension*

Improvements including trench excavation and embedment, trench safety, piping, fire hydrant assemblies, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide water service to the District.

- *Master Sewer Main Extension – Line A*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to the District.

- *Master Sewer Main Extension – Line B*

Improvements including trench excavation and embedment, trench safety, piping, boring,

manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to the District.

- *Master Entry Monumentation/Artwork*

Improvements include public entry signage components such as monument signs, lighting, brick wall footings, and landscaping. Public art features such as statues and monuments are also included.

- *Public Collector Road B/Street B*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps and sidewalks located within the right of way. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within the District.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Major Improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, District Formation Costs, and other PID costs incurred and paid by the Original Owner.

B. Improvement Area #1 Improvements

- *Public Parking Access and In-Tract Improvements/Public Parking Area*

- *Street*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel, testing, ADA ramps, striping, drainage infrastructure, TxDOT Improvements, and curb cut driveways. All related earthwork, excavation, erosion control, retaining walls, street signs and traffic safety signs, landscaping, and irrigation and re-vegetation of all disturbed areas within the right of way are also included.

- *Water*

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

- *Sewer*

Improvements including trench excavation and embedment, trench safety, piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.
- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and necessary appurtenances to provide storm drainage for all Lots within Improvement Area #1.
- *Phase 1 SF/East Tract*
 - *Public Open Space*

Improvements include earthwork, excavation, erosion control, retaining walls, signage, playground equipment, shade structures, park furniture fixtures, lighting, fountains, parking, sidewalks, trails, drainage infrastructure, landscaping, screen wall, water and sewer utility improvements, concrete paving, irrigation, and re-vegetation of all disturbed areas within public open space within Improvement Area #1.
 - *Street*

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

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.
 - *Sewer*

Improvements including trench excavation and embedment, trench safety, piping,

ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #1.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, and other PID costs incurred and paid by the Original Owner.

C. Improvement Area #2 Improvements

- *Street*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, striping, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, hardscape, irrigation, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #2.

- *Water*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #2.

- *Miscellaneous*

Improvements including any general contractor or contractor's fees, street name blades and poles, stop signs, materials testing, paying and performance bonds, maintenance bonds, and hard cost contingency.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Improvement Area #2 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, soft costs, contingency, District Formation Costs and other PID costs incurred and paid by the Original Owner.

D. Improvement Area #3 Improvements

- *Street*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, striping and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, hardscape, irrigation, 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.

- *Water*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and 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, 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, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #3.

- *Miscellaneous*

Improvements including any general contractor or contractor's fees, street name blades and poles, stop signs, materials testing, payment and performance bonds, maintenance bonds, and hard cost contingency.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Improvement Area #3 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, soft cost contingency, District Formation Costs, and other PID costs incurred and paid by the Original Owner.

E. Improvement Area #4 Improvements

- *Street*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, striping, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, hardscape, irrigation, 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 #4.

- *Water*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #4.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, 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 #4.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #4.

- *Miscellaneous*

Improvements including any general contractor or contractor's fees, street name blades and poles, stop signs, materials testing, payment and performance bonds, maintenance bonds, and hard cost contingency.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Improvement Area #4 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, soft cost contingency, District Formation Costs, and other PID costs incurred and paid by the Original Owner.

F. Improvement Area #5 Improvements

- *Street*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, striping, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, hardscape, irrigation, 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 #5.

- *Water*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #5.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, 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 #5.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #5.

- *Miscellaneous*

Improvements including any general contractor or contractor's fees, street name blades and poles, stop signs, materials testing, payment and performance bonds, maintenance bonds, and hard cost contingency.

- *Soft Costs*

Costs related to designing, constructing, installing, and financing the Improvement Area #5 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, soft cost contingency, District Formation Costs, and other PID costs incurred and paid by the Original Owner.

G. Bond Issuance Costs

- *Debt Service Reserve Fund*

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

- *Capitalized Interest*

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

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds.

- *Underwriter's Counsel*

Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

- *Cost of Issuance*

Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, fees charged by the Texas Attorney General, Trustee

and paying agent/registrar fees, and any other cost or expense directly associated with the issuance of PID Bonds.

H. Other Costs

- *Initial Administrative Fund Deposit*

Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit D** summarizes the initial Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix C**.

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

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the 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 equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

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

A. Assessment Methodology

Acting in its legislative capacity and 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, the City Council has determined that the costs related to the Authorized Improvements shall be allocated as follows:

- The costs of the Major Improvements were allocated to Improvement Area #1 and the Major Improvement Area based upon Estimated Buildout Value of each Parcel or Assessed Property to the Estimated Buildout Value of all Assessed Property within the District at the time the Service and Assessment Plan was approved. At that time, Improvement Area #1 was allocated 41% of the Major Improvements, and the Major Improvement Area was allocated the remaining 59% of the Major Improvements, based on the Estimated Buildout Values of each area at the time the 2020 Assessment Ordinance was approved.
- The costs of the Major Improvement Area Authorized Improvements were allocated to each Parcel within the Major Improvement Area based on the ratio of the Estimated Buildout Value of each Parcel designated as Major Improvement Area Assessed Property to the Estimated Buildout Value of all Major Improvement Area Assessed Property at the time the Service and Assessment Plan was approved.
- The costs of the Improvement Area #1 Authorized Improvements were allocated to each Parcel within Improvement Area #1 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property at the time the Service and Assessment Plan was approved.

- The costs of the Improvement Area #2 Authorized Improvements are allocated to each Parcel within Improvement Area #2 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property.
- The costs of the Improvement Area #3 Authorized Improvements are allocated to each Parcel within Improvement Area #3 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.
- The costs of the Improvement Area #4 Authorized Improvements are allocated to each Parcel within Improvement Area #4 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #4 Assessed Property to the Estimated Buildout Value of all Improvement Area #4 Assessed Property.
- The costs of the Improvement Area #5 Authorized Improvements are allocated to each Parcel within Improvement Area #5 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #5 Assessed Property to the Estimated Buildout Value of all Improvement Area #5 Assessed Property.

B. Assessments

The Major Improvement Area Assessment was levied on the Major Improvement Area Assessed Property in the amount shown on the Major Improvement Area Assessment Roll, attached hereto as **Exhibit F-1**. The projected Major Improvement Area Annual Installments are shown on **Exhibit F-2**. Upon division or subdivision of the Major Improvement Area Assessed Property, the Major Improvement Area Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #1 Assessment was levied on the Improvement Area #1 Assessed Property in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G-2**. Upon division or subdivision of the Improvement Area #1 Assessed Property, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #2 Assessment will be levied on the Improvement Area #2 Assessed Property in the amount shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit H-1**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit H-2**. Upon division or subdivision of the Improvement Area #2 Assessed Property, the Improvement Area #2 Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #3 Assessment will be levied on the Improvement Area #3 Assessed Property in the amount shown on the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit I-1**. The projected Improvement Area #3 Annual Installments are shown on **Exhibit I-2**. Upon division or subdivision of the Improvement Area #3 Assessed Property, the Improvement Area #3 Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #4 Assessment will be levied on the Improvement Area #4 Assessed Property in the amount shown on the Improvement Area #4 Assessment Roll, attached hereto as **Exhibit J-1**. The projected Improvement Area #4 Annual Installments are shown on **Exhibit J-2**. Upon division or subdivision of the Improvement Area #4 Assessed Property, the Improvement Area #4 Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #5 Assessment will be levied on the Improvement Area #5 Assessed Property in the amount shown on the Improvement Area #5 Assessment Roll, attached hereto as **Exhibit K-1**. The projected Improvement Area #5 Annual Installments are shown on **Exhibit K-2**. Upon division or subdivision of the Improvement Area #5 Assessed Property, the Improvement Area #5 Assessment will be reallocated pursuant to **Section VI**.

The Major Improvement Area Maximum Assessment per Net Acre is shown on **Exhibit M-5**. In no case will the Major Improvement Area Assessment per acre for Lots within the Major Improvement Area exceed the Major Improvement Area Maximum Assessment per Net Acre.

The Improvement Area #1 Maximum Assessment for each Lot Type within Improvement Area #1 is shown on **Exhibit M-1**. In no case will the Improvement Area #1 Assessment for Lots within Improvement Area #1 exceed the corresponding Improvement Area #1 Maximum Assessment for each Lot classification.

The Improvement Area #2 Maximum Assessment for each Lot Type within Improvement Area #2 is shown on **Exhibit M-1**. In no case will the Improvement Area #2 Assessment for Lots within Improvement Area #2 exceed the corresponding Improvement Area #2 Maximum Assessment for each Lot classification.

The Improvement Area #3 Maximum Assessment for each Lot Type within Improvement Area #3 is shown on **Exhibit M-1**. In no case will the Improvement Area #3 Assessment for Lots within Improvement Area #3 exceed the corresponding Improvement Area #3 Maximum Assessment for each Lot classification.

The Improvement Area #4 Maximum Assessment for each Lot Type within Improvement Area #4 is shown on **Exhibit M-1**. In no case will the Improvement Area #4 Assessment for Lots within Improvement Area #4 exceed the corresponding Improvement Area #4 Maximum Assessment for each Lot classification.

The Improvement Area #5 Maximum Assessment for each Lot Type within Improvement Area #5 is shown on **Exhibit M-1**. In no case will the Improvement Area #5 Assessment for Lots within Improvement Area #5 exceed the corresponding Improvement Area #5 Maximum Assessment for each Lot classification.

C. Findings of Special Benefit

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

- *Major Improvement Area*
 - The costs of the Major Improvement Area Authorized Improvements, not including the City Contribution and private costs, equal \$8,540,000 as shown on **Exhibit C-2**;
 - The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Authorized Improvements equal to or greater than the Actual Costs of the Major Improvement Area Authorized Improvements;
 - With the adoption of the 2020 Assessment Ordinance, the Major Improvement Area Assessed Property was allocated 100% of the Major Improvement Area Assessment levied for the Major Improvement Area Authorized Improvements, which equals \$8,540,000; and
 - The special benefit ($\geq \$8,540,000$) received by the Major Improvement Area Initial Parcel from the Major Improvement Area Authorized Improvements is greater than or equal to the amount of the Major Improvement Area Assessment (\$8,540,000) levied on the Major Improvement Area Assessed Property for the Major Improvement Area Authorized Improvements.
- *Improvement Area #1*
 - The costs of the Improvement Area #1 Authorized Improvements, not including the private costs related to the Improvement Area #1 Improvements, equal \$12,938,481 as shown on **Exhibit C-2**;
 - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #1 Authorized Improvements;

- With the adoption of the 2020 Assessment Ordinance, the Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equals \$12,153,142; and
- The special benefit ($\geq \$12,938,481$) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment (\$12,153,142) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Authorized Improvements.
- *Improvement Area #2*
 - The costs of the Improvement Area #2 Authorized Improvements equal \$1,444,224 as shown on **Exhibit C-2**;
 - The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #2 Authorized Improvements;
 - The Improvement Area #2 Assessed Property will be allocated 100% of the Improvement Area #2 Assessment levied for the Improvement Area #2 Authorized Improvements, which equals \$305,000 as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit H-1**;
 - The special benefit ($\geq \$1,444,224$) received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Authorized Improvements is equal to or greater than the amount of the Improvement Area #2 Assessment (\$305,000) levied on the Improvement Area #2 Assessed Property for the Improvement Area #2 Authorized Improvements; and
- *Improvement Area #3*
 - The costs of the Improvement Area #3 Authorized Improvements equal \$1,570,666 as shown on **Exhibit C-2**;
 - The Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #3 Authorized Improvements;
 - The Improvement Area #3 Assessed Property will be allocated 100% of the Improvement Area #3 Assessment levied for the Improvement Area #3 Authorized

Improvements, which equals \$1,035,000 as shown on the Improvement Area #3 Assessment Roll attached hereto as **Exhibit I-1**;

- The special benefit ($\geq \$1,570,666$) received by the Improvement Area #3 Assessed Property from the Improvement Area #3 Authorized Improvements is equal to or greater than the amount of the Improvement Area #3 Assessment (\$1,035,000) levied on the Improvement Area #3 Assessed Property for the Improvement Area #3 Authorized Improvements; and
- *Improvement Area #4*
 - The costs of the Improvement Area #4 Authorized Improvements equal \$3,866,596 as shown on **Exhibit C-2**;
 - The Improvement Area #4 Assessed Property receives special benefit from the Improvement Area #4 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #4 Authorized Improvements;
 - The Improvement Area #4 Assessed Property will be allocated 100% of the Improvement Area #4 Assessment levied for the Improvement Area #4 Authorized Improvements, which equals \$3,478,000 as shown on the Improvement Area #4 Assessment Roll attached hereto as **Exhibit J-1**;
 - The special benefit ($\geq \$3,866,596$) received by the Improvement Area #4 Assessed Property from the Improvement Area #4 Authorized Improvements is equal to or greater than the amount of the Improvement Area #4 Assessment (\$3,478,000) levied on the Improvement Area #4 Assessed Property for the Improvement Area #4 Authorized Improvements; and
- *Improvement Area #5*
 - The costs of the Improvement Area #5 Authorized Improvements equal \$3,488,796 as shown on **Exhibit C-2**;
 - The Improvement Area #5 Assessed Property receives special benefit from the Improvement Area #5 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #5 Authorized Improvements;
 - The Improvement Area #5 Assessed Property will be allocated 100% of the Improvement Area #5 Assessment levied for the Improvement Area #5 Authorized Improvements, which equals \$3,139,000 as shown on the Improvement Area #5 Assessment Roll attached hereto as **Exhibit K-1**;

- The special benefit ($\geq \$3,488,796$) received by the Improvement Area #5 Assessed Property from the Improvement Area #5 Authorized Improvements is equal to or greater than the amount of the Improvement Area #5 Assessment (\$3,139,000) levied on the Improvement Area #5 Assessed Property for the Improvement Area #5 Authorized Improvements; and

E. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

F. Additional Interest

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

G. TIRZ No. 2 Annual Credit Amount

The City Council, in accordance with the TIRZ No. 2 Final Plan has agreed to use a portion of TIRZ No. 2 Revenues generated from each Assessed Property to reduce the Improvement Area #1 Annual Installment, Improvement Area #2 Annual Installment, Improvement Area #3 Annual Installments, Improvement Area #4 Annual Installment and Improvement Area #5 Annual Installment allocable to the respective Assessed Property on a Lot type basis by the TIRZ No. 2 Annual Credit Amount. The TIRZ No. 2 Annual Credit Amount will not be applied to reduce the Major Improvement Area Annual Installment.

1. The applicable Annual Installment for an Assessed Property shall receive a TIRZ No. 2 Annual Credit Amount on a Lot Type basis from the TIRZ No. 2 Revenue generated by the Assessed Property for the previous Tax Year (e.g. TIRZ No. 2 Revenue collected from the Assessed Property for Tax Year 2022 shall be applied as the TIRZ No. 2 Annual Credit Amount applicable to the Assessed Property's Annual Installment to be collected in Tax Year 2023), but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount shown in **Section V.F.2** as calculated on **Exhibit N** for each Assessed Property.
2. The TIRZ No. 2 Maximum Annual Credit Amount to reduce the Annual Installment for an Assessed Property is calculated for each Lot Type, as shown on **Exhibit N**. The TIRZ No. 2

Maximum Annual Credit Amount is calculated so that the average Annual Installment minus the TIRZ No. 2 Maximum Annual Credit Amount for each Lot Type does not produce an equivalent tax rate for such Lot Type which exceeds the competitive, composite equivalent ad valorem tax rate (\$3.15 per \$100 of assessed value) taking into consideration the 2021 tax rates of all applicable overlapping taxing units (which includes the Operations and Maintenance Assessment applicable to such Lot Type) and based on the Estimated Buildout Value at the time the Assessment Ordinance approving the applicable Assessment was approved. The resulting TIRZ No. 2 Maximum Annual Credit Amount for each Lot Type is shown below:

- *Improvement Area #1¹*
 - Single Family: \$608.61
 - Townhomes: \$406.61
 - Multifamily: \$270.05
 - Commercial 1: \$0.30
- *Improvement Area #2*
 - Commercial 2: \$0.65
- *Improvement Area #3*
 - Single Family: \$1,164.52
- *Improvement Area #4*
 - Multifamily: \$496.64
 - Commercial 2: \$0.61
 - Commercial 3: \$0.40
- *Improvement Area #5*
 - Multifamily: \$423.99
 - Commercial 2: \$0.52

3. The TIRZ No. 2 Annual Credit Amount shall be held in a segregated account by the City,

¹ Note: the TIRZ No. 2 Maximum Annual Credit Amounts shown for Improvement Area #1 were calculated in the Service and Assessment Plan. The TIRZ No. 2 Annual Credit Amount being applied to the Improvement Area #1 Annual Installment may be lower than the maximum. See Exhibit N for the TIRZ No. 2 Annual Credit Amount.

the PID Account of the TIRZ No. 2 Fund, which is then applied to provide a Parcel by Parcel credit towards a portion of the Annual Installment for the Assessed Property. Any excess revenues remaining in the PID Account of the TIRZ No. 2 Fund shall be used in accordance with the approved TIRZ No. 2 Final Plan, and in the Development Agreement, as amended.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this Section VI shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirement under the PID Act.

A. Reallocation of Assessments

1. *Upon Division Prior to Recording of Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Original Owner, relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Value for Single Family Lot Types, Multi-family Lot Types, Townhome Lot Types, Commercial Lot Type 1, Commercial Lot Type 2 and Commercial Lot Type 3 are shown on **Exhibit M-1** and will not change in future Annual Service Plan Updates but **Exhibit M-1** and **Exhibit M-2** may be updated in future Annual Service Plan Updates to account for additional Lot Types. The calculation as confirmed by the City Council shall be conclusive and binding.

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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 shown in **Exhibit M-1**. The Estimated Buildout Value for Single Family Lot Types, Multi-Family Lot Types, Townhome Lot Types, Commercial Lot Type 1, Commercial Lot Type 2 and Commercial Lot Type 3 are shown on **Exhibit M-1** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

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

reallocation. The calculation as confirmed by the City Council shall be conclusive and binding.

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 approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot may not exceed the maximum assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Such Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated to conveyed to the city for use as internal roads, utilities, and other similar public improvements in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel, provided the requirements of Section 14 of the PGBT Zoning District of the City's codified ordinance are followed. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of Assessment Termination," a form of which is attached hereto as **Exhibit O.**

C. True-Up of Assessments if Improvement Area #1 Maximum Assessment, Improvement Area #2 Maximum Assessment, Improvement Area #3 Maximum Assessment, Improvement Area #4 Maximum Assessment, or Improvement Area #5 Maximum Assessment is Exceeded

Upon submission of a preliminary plat and/or site plan by the Original Owner to the City, the Original Owner shall provide the City the gross building square footage and use type for land included in the preliminary plat and/or site plan for each Lot anticipated to be created by the preliminary plat and/or site plan considering factors that may impact value. The Administrator will review the preliminary plat and/or site plan to determine if such plat and/or site plan will or will not result in the Assessment per Lot for any Lot Type within the preliminary plat and/or site plan exceeding the respective maximum assessment. If the Administrator determines the

preliminary plat and/or site plan results in an Assessment per Lot for any Lot Type exceeding the respective maximum assessment, prior to the City issuing any building permit for any such Lot described in the reviewed preliminary plat or site plan, the Original Owner will make a Prepayment in an amount sufficient to reduce the Assessment for each Lot within such preliminary plat and/or site plan to the applicable maximum assessment. The City's approval of an Annual Service Plan Update, a preliminary plat, or a site plan without payment of such Prepayment amounts does not eliminate the obligation of the Owner to pay such amounts.

D. True-Up of Major Improvement Area Assessments if the Major Improvement Area Maximum Assessment per Net Acre is Exceeded

The City will perform the Major Improvement Area True-Up: (1) when the Improvement Area #2-5 Bonds are issued, and (2) when 20%, 40%, 60% and 80% of the Major Improvement Area Assessments are allocated to Major Improvement Area Platted Properties to verify that the Major Improvement Area Remaining Property will have a Major Improvement Area Assessment per net acre equal to or less than the Major Improvement Area Maximum Assessment Per Net Acre depicted on **Exhibit M-5**. Whenever the Major Improvement Area True-Up is performed, the City shall calculate the outstanding Major Improvement Area Assessment per net acre on the Major Improvement Area Remaining Parcel. If the outstanding Major Improvement Area Assessment per net acre on the Major Improvement Area Remaining Parcel is below the Major Improvement Area Maximum Assessment Per Net Acre, then no further action is needed. However, if the outstanding Major Improvement Area Assessment per net acre on the Major Improvement Area Remaining Parcel exceeds the Major Improvement Area Maximum Assessment Per Net Acre, the Original Owner shall be obligated to make a Prepayment, plus accrued interest in a principal amount sufficient to reduce the outstanding Major Improvement Area Assessment per net acre on the Major Improvement Area Remaining Parcel to the Major Improvement Area Maximum Assessment Per Net Acre prior to the City approving the Annual Service Plan Update for that year and prior to any future plats being filed. The City's approval of an Annual Service Plan Update or a plat without payment of such amounts does not eliminate the obligation of the owner of the Major Improvement Area Remaining Parcel to pay such amounts.

Prior to the filing of the last plat in the Major Improvement Area, the Administrator will ensure that the plat yields a uniform Major Improvement Area Assessment per Lot Type in the Major Improvement Area, notwithstanding the Improvement Area #2-5 Assessment. For example, if previously platted Commercial 3 Lot Type Parcels all have the same Major Improvement Area Assessment of \$5 per gross building square foot, and the last plat contains Commercial Lot Type 3, but due to previous Prepayments or an increase in building size, the amount to be allocated is less than \$5 per gross building square foot, then all the Major Improvement Area Assessments

on Commercial Lot Type 3 Parcels will be reduced so that all Commercial Lot Type 3 Parcels have the same Major Improvement Area Assessment.

E. Reduction of Assessments

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds, as directed by the City pursuant to the terms of such Indenture. In addition, the TIRZ No. 2 Annual Credit Amount shall be reduced in the same proportion as the Assessments. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

F. Prepayment of Assessments

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

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

If an Assessment on an Assessed Property is prepaid in part with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the

Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council 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.

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Major Improvement Area Annual Installments, **Exhibit G-2** shows the estimated Improvement Area #1 Annual Installments, **Exhibit H-2** shows the estimated Improvement Area #2 Annual Installments, **Exhibit I-2** shows the estimated Improvement Area #3 Annual Installments, **Exhibit J-2** shows the estimated Improvement Area #4 Annual Installments, and **Exhibit K-2** shows the estimated Improvement Area #5 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefitted Property or Non-Assessed Property, as shown by the Dallas Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. To the extent permitted by the PID Act or other applicable laws, the City Council may provide for other means of collecting Annual Installments, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed

Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

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

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

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

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

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "**Remaining Property**"), following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay 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 applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced

by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remainder Property.

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

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

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

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

SECTION VII: ASSESSMENT ROLL

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

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

The Improvement Area #2 Assessment Roll is attached as **Exhibit H-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 I-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.

The Improvement Area #4 Assessment Roll is attached as **Exhibit J-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #4 Assessment Roll and Improvement Area #4 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #5 Assessment Roll is attached as **Exhibit K-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #5 Assessment Roll and Improvement Area #5 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 after receipt of a written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that

an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 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 developers and their successors and assigns.

D. Filing Requirements

Within seven days of approval by the City Council, the City Secretary shall file and record the executed 2022 Assessment Ordinance, including all exhibits and appendices thereto, in the real property records of the County. In addition, the City Secretary shall similarly file in the real property records of the County each ordinance approving an Annual Service Plan Update, including all attachments thereto, with each such filing to occur within seven days of the date of each respective Annual Service Plan Update is approved by the City Council.

E. 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.

SECTION IX: ADDITIONAL INFORMATION

PARCEL SUBDIVISION

City Land

- The final plat for The Station Major Infrastructure Phase 1, consisting of 1 Lot within Dallas County, was recorded in the Official Public Records of the County on December 7, 2020. The Lot is classified as City Land and will therefore not be allocated an Assessment.

Improvement Area #1

- The final plat for The Station Phase 1 (Block A), consisting of 224 residential Lots and 9 non-benefitted Lots within Dallas County, was recorded in the Official Public Records of the County on August 6, 2020. 165 residential Lots are classified as Single-Family Lot Types, 59 Lots are classified as Townhome Lots, and 9 Lots are classified as Non-Benefitted Property. The plat is attached as **Exhibit B-1**.
- The final plat for The Station Retail Lot 1, Block M (Block K-1), consisting of 15,688 square feet of Commercial Lot Type 1 per the Site Plan provided by the Original Owner, was recorded in the Official Public Records of the County on August 25, 2021. The plat is attached as **Exhibit B-1**.
- Final Plat for IA#1 Multi-Family parcel [City, please provide]

Improvement Area #2

- The site plan for Block M, Lot 2 (Block K-2(A)), was submitted to the City on November 1, 2021, consisting of 18,172 square feet of Commercial Lot Type 2. The site plan is attached as **Exhibit B-2**.
- The preliminary site plan for Block K-2(C) was submitted to the City on March 11, 2022, consisting of 6,050 square feet of Commercial Lot Type 2. The site plan is attached as **Exhibit B-2**.

Improvement Area #3

- The preliminary plat for The Station Phase 3 (Block C), consisting of 49 residential Lots and 4 non-benefitted Lots within Dallas County, was approved by the City on

, and is expected to be recorded in the Official Public Records of the County in the first quarter of 2023. All 49 residential Lots are classified as Single-Family Lot Types, and 4 Lots are classified as Non-Benefitted Property. The plat is attached as **Exhibit B-3**.

Improvement Area #4

- The site plan for The Station Multi-Family Phase 2 (Block D partial) was submitted to the city on December 14, 2021, consisting of 297 Multi-Family units. The site plan is attached as **Exhibit B-4**.

Improvement Area #5

- The site plan for Sparrow Senior Living (Block F) was submitted to the City on January 29, 2021, consisting of 193 Multi-Family units. The site plan is attached as **Exhibit B-5**. The final plat for Block F has been approved by the City, but not yet filed with the County.
- The site plan for TRHS MOB One Block B, Lot 3 (Block L3) was submitted to the city originally on December 16, 2020, and resubmitted on February 23, 2021, consisting of 66,600 square feet of Commercial Lot Type 2. The site plan is attached as **Exhibit B-5**.
- The master site plan – West Tract for Trinity Regional Hospital Sachse Medical Office Building 1 was submitted to the City on October 28, 2020, consisting of one building containing 66,600 square feet of Commercial Lot Type 2 (which is the same building as in the site plan for TRHS MOB One Block B, Lot 3), and an additional building containing an additional 20,000 square feet of Commercial Lot Type 2 on Block L2, for a total of 86,600 square feet of Commercial Lot Type 2. The master site plan is attached as **Exhibit B-5**. The final plat for Block L2 and Block L3 has been approved by the City, but not yet filed with the County.

Improvement Area #6

- The conceptual site plan for Block I was submitted to the City in March of 2022 and consists of 103,680 square feet of Commercial Lot Type 3. The conceptual site plan is attached as **Exhibit B-6**.

Improvement Area #7

- The preliminary site plan for Project Apollo (Block J) was submitted to the City in September of 2021 and consists of 218,792 square feet of Commercial Lot Type 3. The preliminary site plan is attached as **Exhibit B-7**.

LOT AND HOME SALES

Improvement Area #1

Per the quarterly report dated June 30, 2022, the Original Owner has closed 59 22' Lots and 165 40' Lots within Improvement Area #1 to homebuilders. For 22' Lots, Aston Woods has 20 homes under construction. For 40' Lots, Aston Woods has 38 homes under construction and K. Hovnanian has 16 homes under construction. Ashton Woods has closed 14 22' homes to end users, and 25 40' homes to end users. K. Hovnanian Homes has closed 65 40' homes to end users. The estimated date of completion for all homes within Improvement Area #1 is December 2022.

See **Appendix C-1** for Single Family Lot Type and **Appendix C-2** for Townhome Lot Type buyer disclosures.

Major Improvement Area

Per the quarterly report dated June 30, 2022, the Original Owner has closed all 49 Lots in Block C to K. Hovnavian Homes. No Lots are under construction, and none have been sold to end-users. The estimated date of completion for all homes within the Major Improvement Area is December 2024. See **Appendix C-7** for Block C Single Family Lot Type buyer disclosure.

Block K2(C) has been sold to Vaquero Sachse Partners, LP and has not yet started construction, but is finalizing their construction plans and permitting with the City of Sachse. Block K2(C) is being developed as a 7-11, which is considered Commercial Lot Type 2 for the purposes of the District. See **Appendix C-6** for the Block K2(C) buyer disclosure.

Block F has been sold to Sachse Station Boulevard Owner LLC, and is currently under construction, with an estimated date of substantial completion of 12/31/2022. It is being developed as 193 Multifamily units. See **Appendix C-9** for the Block F buyer disclosure.

Block L2 and Block L3 have been sold to TRHS MOB One, LLP and, as of June 30, 2022, Block L3 is currently under construction, with an estimated date of substantial completion of 12/31/2022. It is being developed as a doctor's office/surgery center/other medical related use, which is considered Commercial Lot Type 2 for the purposes of the District. See **Appendix C-10** for the Block L3 buyer disclosure. Block L2 is expected to have an additional 20,000 square foot Medical Office Building. See **Appendix C-11** for the Block L2 buyer disclosure.

Block I has been sold to SL6 Sachse LP. Vertical construction is expected to begin in the first quarter of 2024. Block I is being developed as light industrial - last-mile logistics, which is considered Commercial Lot Type 3 for the purposes of the District. See **Appendix C-12** for the Block I buyer disclosure.

Block J has been sold to Evolve Biologics (USA), LLC. It is expected that Evolve Biologics (USA), LLC will begin construction in the third quarter of 2023. It is being developed as office/office flex (laboratory) use, which is considered Commercial Lot Type 3 for the purposes of the District. See **Appendix C-13** for the Block J buyer disclosure.

AUTHORIZED IMPROVEMENTS

Improvement Area #1

The budget for the Improvement Area #1 Authorized Improvements remains at \$11,116,299 (not including additional Heritage Park improvements), and the amount spent to date from the Improvement Area #1 project funds is \$9,444,228, as shown on the table below. The Improvement Area #1 Improvements are complete and Improvement Area #1's share of the Major Improvements are complete except for Regional Detention and Heritage Park Improvements, which are expected to be completed by the fourth quarter of 2023. City acceptance of the other Major Improvements was obtained on 3/7/2022.

Improvement Area #1			
	Budget	Spent to Date ¹	Percent Complete
<i>Improvement Area #1 Improvements</i>			
Public Parking and In-Tract Improvements/Public Parking Area	\$ 496,770	\$ 356,703	71.80%
Phase 1 SF/East Tract	5,146,352	5,146,352	100.00%
Soft Costs	800,721	791,755	98.88%
	\$ 6,443,843	\$ 6,294,810	97.69%
<i>Major Improvements</i>			
Station Blvd/Bunker Hill Road	\$ 1,951,801	\$ 1,948,022	99.81%
Hudson Road	227,354	227,354	100.00%
Merritt Road	108,302	108,302	100.00%
Commons Parkway/Street A	229,082	229,082	100.00%
Heritage Park Improvements	929,864	-	0.00%
Regional Detention ³	362,758	-	0.00%
Master Water Line Extension	74,590	15,483	20.76%
Master Sewer Main Extension - Line A	86,384	-	0.00%
Master Sewer Main Extension - Line B	3,374	-	0.00%
Master Entry Monumentation/Artwork (TBD)	121,083	121,083	100.00%
Public Collector Road B/Street B	174,208	141,380	81.16%
Soft Costs	403,500	358,712	88.90%
	\$ 4,672,299	\$ 3,149,418	67.41%
Total	\$ 11,116,141	\$ 9,444,228	84.96%

Notes:

¹ Per quarterly report dated March 31, 2022.

Major Improvement Area

The budget for the Major Improvement Area Authorized Improvements remains at \$6,723,552 (not including additional Heritage Park improvements), and the amount spent to date from the Major Improvement Area project funds is \$4,575,153, as shown on the table below. The Major Improvements are complete except for Regional Detention and Heritage Park Improvements, which are expected to be completed by the second quarter of 2023. City acceptance of the other Major Improvements was obtained on 3/7/2022.

Major Improvement Area			
	Budget	Spent to Date ¹	Percent Complete
<i>Major Improvements</i>			
Station Blvd/Bunker Hill Road	\$ 2,808,689	\$ 2,803,251	99.81%
Hudson Road	327,168	327,168	100.00%
Merritt Road	155,850	155,850	100.00%
Commons Parkway/Street A	329,654	329,654	100.00%
Heritage Park Improvements	1,338,096	-	0.00%
Regional Detention	522,017	-	0.00%
Master Water Line Extension	107,337	22,280	20.76%
Master Sewer Main Extension - Line A	124,308	-	0.00%
Master Sewer Main Extension - Line B	4,855	-	0.00%
Master Entry Monumentation/Artwork (TBD)	174,242	174,242	100.00%
Public Collector Road B/Street B	250,689	203,449	81.16%
Soft Costs	580,646	559,259	96.32%
	\$ 6,723,552	\$ 4,575,153	68.05%

Notes:

¹ Per quarterly report dated March 31, 2022.

OUTSTANDING ASSESSMENT

Improvement Area #1

Improvement Area #1 has a total outstanding Improvement Area #1 Assessment of \$11,188,000, of which \$6,560,000² is attributable to the Improvement Area #1 Bonds, and \$4,628,000 is attributable to the Improvement Area #1 Additional Bonds.

Major Improvement Area

The Major Improvement Area has an outstanding Major Improvement Area Assessment of \$8,410,000³. See **Exhibit M-2** for the allocation of the Major Improvement Area Assessment

² Net of \$140,000.00 Improvement Area #1 Initial Bonds principal payment due September 1, 2022 which will be paid using the Annual Installment collected on January 31, 2022.

³ Net of \$130,000.00 Major Improvement Area Bonds principal payment due September 1, 2022 which will be paid using the Annual Installment collected on January 31, 2022.

between the Major Improvement Area Platted Properties and the Major Improvement Area Remaining Parcel.

TIRZ ANNUAL CREDIT

Improvement Area #1

The TIRZ No. 2 Annual Credit Amount applicable to Improvement Area #1 for the Improvement Area #1 Annual Installment due 1/31/2023 is \$29,571.37. See **Exhibit G-1** for the Improvement Area #1 Assessment Roll which shows the TIRZ No. 2 Annual Credit Amount applicable to each Lot within Improvement Area #1

Major Improvement Area

No Parcels within the Major Improvement Area have met the requirements for receiving a TIRZ No. 2 Annual Credit Amount for the Major Improvement Area Annual Installment due 1/31/2023.

INSTALLMENT DUE 1/31/2023

Improvement Area #1

- **Improvement Area #1 Initial Bonds Principal and Interest** - The total principal and interest required for the Annual Installment for the Improvement Area #1 Initial Bonds is \$384,450.00.
- **Improvement Area #1 Initial Bonds Additional Interest** – The total Delinquency and Prepayment Reserve Requirement, 0.5% interest charged on the Improvement Area #1 Assessments related to the Improvement Area #1 Initial Bonds, due is \$32,800.00.
- **Improvement Area #1 Annual Collection Costs** - The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Improvement Area #1 Assessment remaining on the Parcel. The total Annual Collection Costs allocated for the Improvement Area #1 Annual Installment is \$94,681.67.

Improvement Area #1	
Due January 31, 2023	
<i>Improvement Area #1 Bonds</i>	
Principal	\$ 140,000.00
Interest	\$ 244,450.00
Additional Interest	\$ 32,800.00
	<u>\$ 417,250.00</u>
Annual Collection Costs	\$ 94,681.67
TIRZ Credit	\$ (29,571.37)
Total Annual Installment	\$ 482,360.30

Major Improvement Area

- **Major Improvement Area Bonds Principal and Interest** - The total principal and interest required for the Annual Installment allocable to the Major Improvement Area Bonds is \$603,212.50.
- **Major Improvement Area Bonds Additional Interest** - The total Delinquency and Prepayment Reserve Requirement, 0.5% interest charged on the Major Improvement Area Assessments, due is \$42,050.00.
- **Major Improvement Area Annual Collection Costs** - The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Major Improvement Area Assessment remaining on the Parcel. The total Annual Collection Costs allocated for the Major Improvement Area Annual Installment is \$44,134.58.

Major Improvement Area	
Due January 31, 2023	
Principal	\$ 140,000.00
Interest	\$ 463,212.50
	<u>\$ 603,212.50</u>
Additional Interest	\$ 42,050.00
Annual Collection Costs	\$ 44,134.58
Total Annual Installment	\$ 689,397.08

See **Exhibit P-1** and **P-2**, for the Debt Service Schedule for the Major Improvement Area Bonds, and the Improvement Area #1 Initial Bonds shown in the limited offering memorandum for such PID Bonds.

See **Exhibit M-3** for the Annual Collection Costs breakdown for every improvement area in the District.

PREPAYMENT OF ASSESSMENTS IN FULL

Improvement Area #1

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

Major Improvement Area

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

PARTIAL PREPAYMENTS OF ASSESSMENTS

Improvement Area #1

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

Major Improvement Area

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

EXTRAORDINARY OPTIONAL REDEMPTIONS

Improvement Area #1

There have been no extraordinary optional redemptions of Improvement Area #1 Initial Bonds.

Major Improvement Area

There have been no extraordinary optional redemptions of Major Improvement Area Bonds.

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	Map of the District/Block Map
Exhibit A-2	Map of the Major Improvement Area, Improvement Area #1, Improvement Area #2, Improvement Area #3, Improvement Area #4, Improvement Area #5, and City Land
Exhibit B-1	Improvement Area #1 Plats/Site Plans
Exhibit B-2	Improvement Area #2 Plats/Site Plans
Exhibit B-3	Improvement Area #3 Plats/Site Plans
Exhibit B-4	Improvement Area #4 Plats/Site Plans
Exhibit B-5	Improvement Area #5 Plats/Site Plans
Exhibit B-6	Improvement Area #6 Plats/Site Plans
Exhibit B-7	Improvement Area #7 Plats/Site Plans
Exhibit C-1	Project Costs
Exhibit C-2	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses of Funds
Exhibit F-1	Major Improvement Area Assessment Roll
Exhibit F-2	Major Improvement Area Annual Installments
Exhibit G-1	Improvement Area #1 Assessment Roll
Exhibit G-2	Improvement Area #1 Annual Installments
Exhibit H-1	Improvement Area #2 Assessment Roll
Exhibit H-2	Improvement Area #2 Annual Installments
Exhibit I-1	Improvement Area #3 Assessment Roll
Exhibit I-2	Improvement Area #3 Annual Installments
Exhibit J-1	Improvement Area #4 Assessment Roll
Exhibit J-2	Improvement Area #4 Annual Installments
Exhibit K-1	Improvement Area #5 Assessment Roll
Exhibit K-2	Improvement Area #5 Annual Installments
Exhibit L-1	Maps of Major Improvements
Exhibit L-2	Maps of Improvement Area #1 Improvements
Exhibit L-3	Maps of Improvement Area #2 Improvements
Exhibit L-4	Maps of Improvement Area #3 Improvements

Exhibit L-5	Maps of Improvement Area #4 Improvements
Exhibit L-6	Maps of Improvement Area #5 Improvements
Exhibit L-6	Maps of Park Improvements
Exhibit M-1	Maximum Assessment for Improvement Areas #2-5
Exhibit M-2	Maximum Assessment for Major Improvement Area
Exhibit M-3	Annual Collection Costs
Exhibit M-4	Improvement Area #1 Mandatory Prepayment
Exhibit M-5	Major Improvement Area Net Acres
Exhibit N	TIRZ No. 2 Annual Credit Amount by Lot Type
Exhibit O	Form of Notice of Assessment Termination
Exhibit P-1	Debt Service Schedule for Major Improvement Area Bonds
Exhibit P-2	Debt Service Schedule for Improvement Area #1 Initial Bonds
Exhibit P-3	Debt Service Schedule for Improvement Area #1 Additional Bonds
Exhibit P-4	Debt Service Schedule for the Improvement Area #2-5 Bonds
Exhibit Q-1	District Boundary Description
Exhibit Q-2	Major Improvement Area Boundary Description
Exhibit Q-3	Improvement Area #1 Boundary Description
Exhibit Q-4	Improvement Area #2 Boundary Description
Exhibit Q-5	Improvement Area #3 Boundary Description
Exhibit Q-6	Improvement Area #4 Boundary Description
Exhibit Q-7	Improvement Area #5 Boundary 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-1	Engineer's Report
Appendix A-2	Additional Heritage Park Improvements
Appendix B	Estimated Buildout Value and Unit Counts
Appendix C-1	Improvement Area #1 Block A Single Family Buyer Disclosure
Appendix C-2	Improvement Area #1 Block A Townhome Buyer Disclosure
Appendix C-3	Improvement Area #1 Block B Multi-Family Buyer Disclosure
Appendix C-4	Improvement Area #1 Block K-1 Commercial 1 Buyer Disclosure
Appendix C-5	Improvement Area #2 Block K2(A) Commercial 2 Buyer Disclosure
Appendix C-6	Improvement Area #2 Block K2(C) Commercial 2 Buyer Disclosure
Appendix C-7	Improvement Area #3 Block C Single Family Buyer Disclosure
Appendix C-8	Improvement Area #4 Block D1 Multi-Family Buyer Disclosure
Appendix C-9	Improvement Area #5 Block F Multi-Family Buyer Disclosure
Appendix C-10	Improvement Area #5 Block L3 Commercial 2 Buyer Disclosure
Appendix C-11	Improvement Area #5 Block L2 Commercial 2 Buyer Disclosure
Appendix C-12	Improvement Area #6 Block I Commercial 3 Buyer Disclosure
Appendix C-13	Improvement Area #7 Block J Commercial 3 Buyer Disclosure
Appendix C-14	Major Improvement Area Remaining Parcel Buyer Disclosure

EXHIBIT A-1 – MAP OF THE DISTRICT/BLOCK MAP

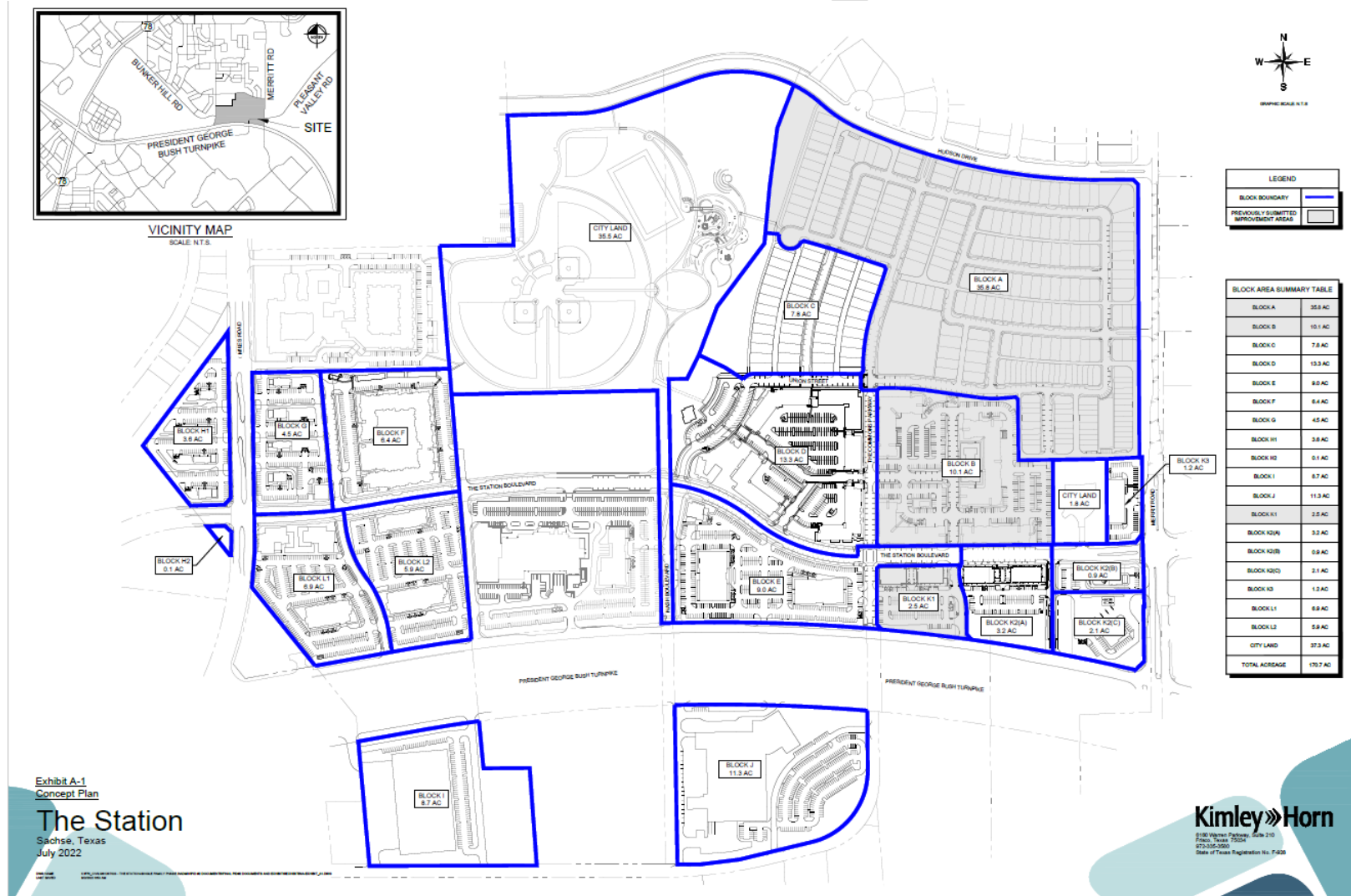


EXHIBIT A-2 – MAP OF MAJOR IMPROVEMENT AREA, IMPROVEMENT AREA #1, IMPROVEMENT AREA #2, IMPROVEMENT AREA #3, IMPROVEMENT AREA #4, IMPROVEMENT AREA #5, IMPROVEMENT AREA #6, IMPROVEMENT AREA #7, AND CITY LAND

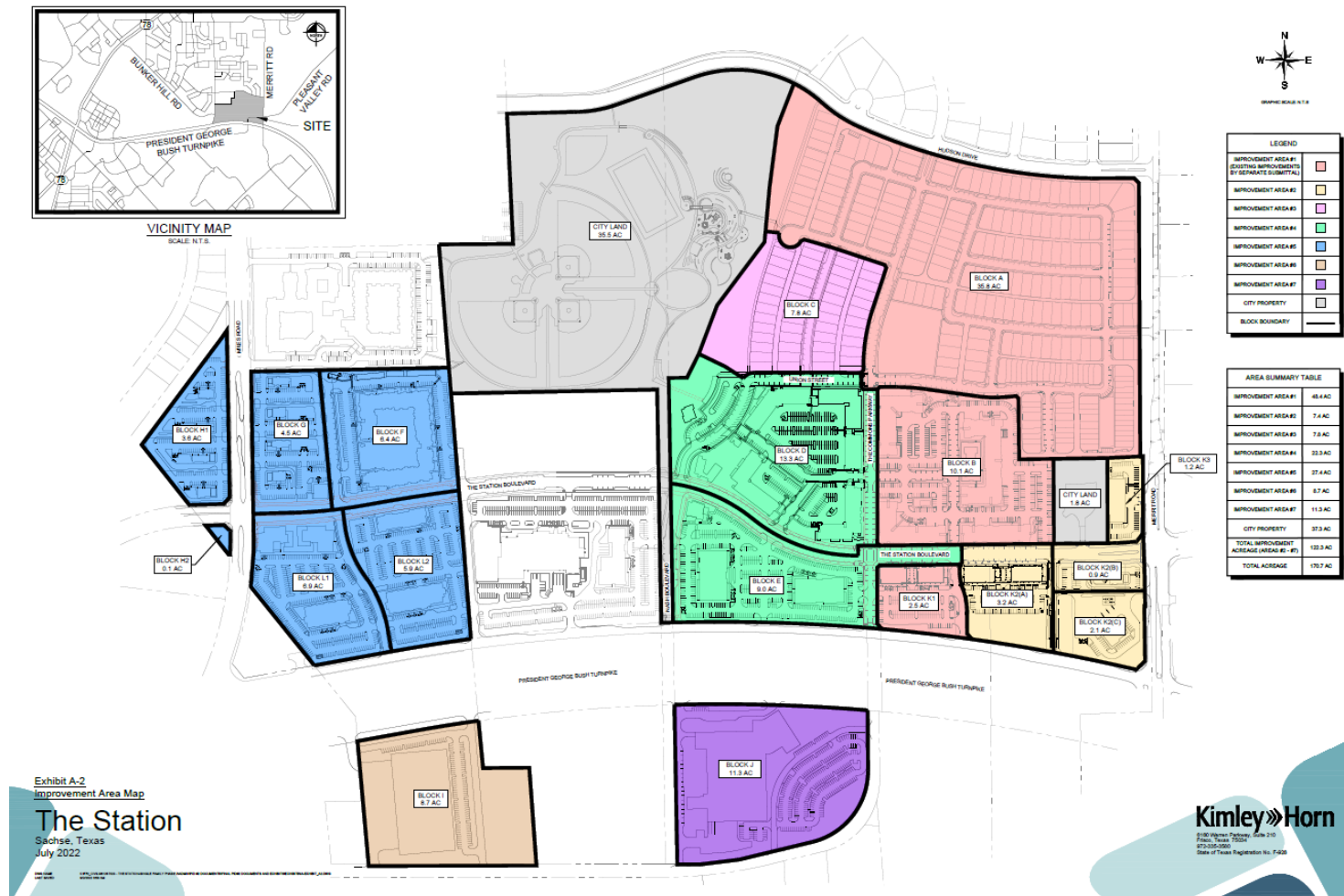
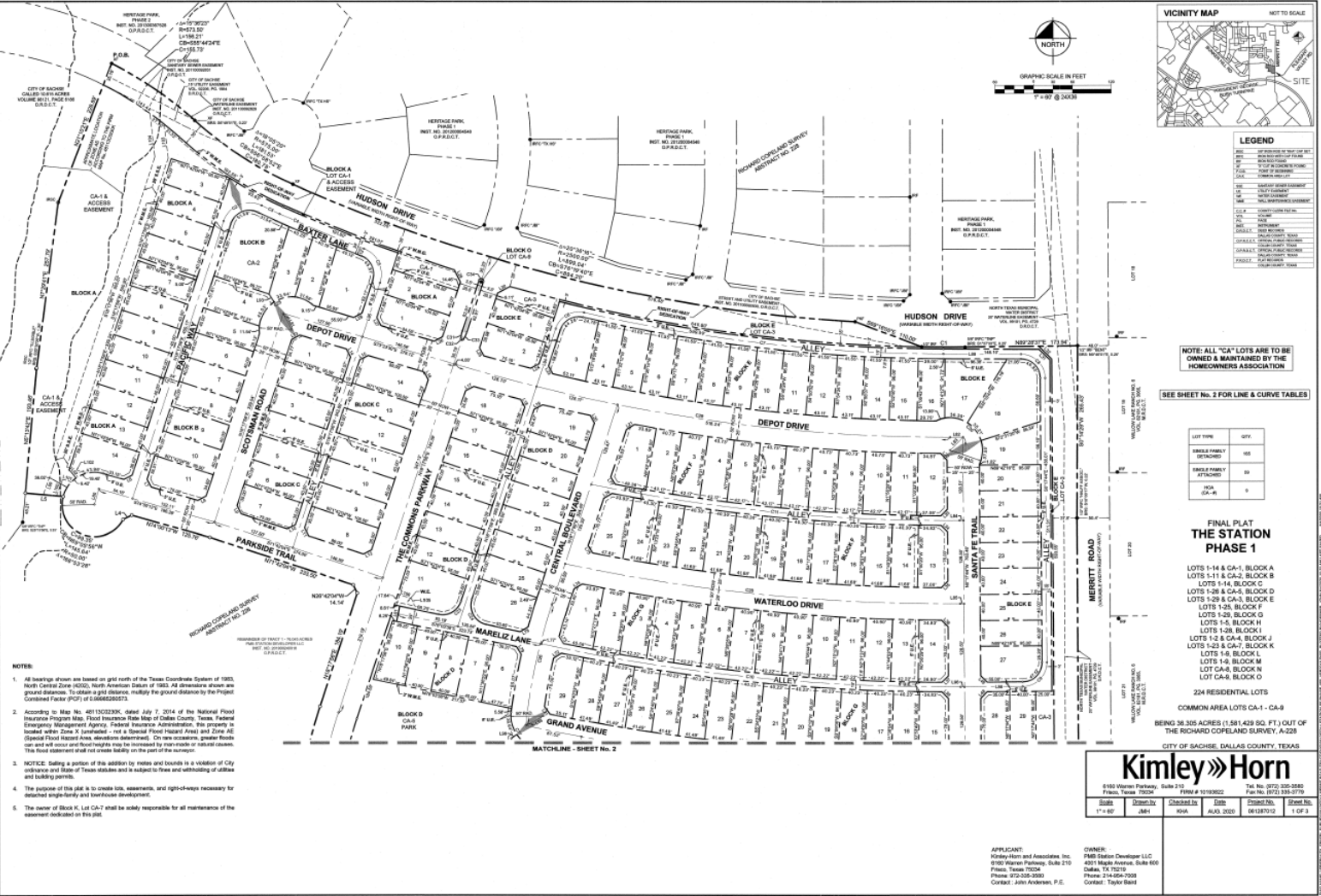


EXHIBIT B-1 – IMPROVEMENT AREA #1 PLATS/SITE PLANS



OWNER'S CERTIFICATE
STATE OF TEXAS
COUNTY OF DALLAS

WHEREAS, PNB STATION DEVELOPER LLC, is the sole owner of a tract of land situated in the Richard Copeland Survey, Acreage No. 228, City of Sachse, Dallas County, Texas, and being a portion of a called 70.40-acre tract of land described as Tract 1 in General Warranty Deed to PNB Station Developer LLC, recorded in Instrument No. 201900240016, Official Public Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEING: all of an "X" cut in concrete found for the northeastern-southeast corner of said Tract 1, same being on the southerly right-of-way line of Hudson Drive (a variable width right-of-way), same also being the beginning of a non-tangent curve to the right having a central angle of 15.3923°, a radius of 573.56 feet, a chord bearing and distance of South 89°46'45" East, 105.73 feet.

THENCE along the common line of said Tract 1 and said Hudson Drive the following courses and distances:

In a southeasterly direction, with said curve to the right, an arc distance of 180.21 feet to a point of the beginning of a reverse curve to the left having a central angle of 10°05'27", a radius of 275.95 feet, a chord bearing and distance of South 89°08'52" East, 183.78 feet, from which an "X" cut in concrete found bears South 8°40'51" East, 0.23 feet;

In a southeasterly direction, with said curve to the left, an arc distance of 181.63 feet to an "X" cut in concrete found for the beginning of a compound curve to the left having a central angle of 22°36'19", a radius of 2000.93 feet, a chord bearing and distance of South 70°16'00" East, 854.20 feet;

In a southeasterly direction, with said curve to the left, an arc distance of 886.04 feet to a "PNC" nail found for the end of said curve to the left;

South 89°18'00" East, a distance of 110.00 feet to a 1/2-inch iron nail found for corner, same being the beginning of a non-tangent curve to the left having a central angle of 1°31'17", a radius of 2000.00 feet, a chord bearing and distance of South 89°46'45" East, 97.22 feet;

In a southeasterly direction, with said curve to the left, an arc distance of 67.22 feet to a point for the end of said curve to the left, from which a 5/8-inch iron nail with plastic cap stamped "7887" found bears South 13°27'37" East, 0.23 feet;

North 80°28'37" East, a distance of 173.04 feet to the northeast corner of said Tract 1, common to the intersection of the southerly right-of-way of said Hudson Drive and the westerly right-of-way line of Merritt Road (a variable width right-of-way), from which a 1/2-inch iron nail "bent" found bears North 7°48'51" East, 0.38 feet;

THENCE along the common line of said Tract 1 and said Merritt Road the following courses and distances:

South 0°14'22" West, a distance of 265.43 feet to a point for corner, from which a 1/2-inch iron nail with plastic cap stamped "HALFT ASSOC" found bears South 10°00'17" West, 0.22 feet;

South 87°17'48" East, a distance of 749.82 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for the easterly-southeast corner of said Tract 1;

North 80°21'21" West, a distance of 17.13 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

South 0°18'18" East, a distance of 185.77 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for the easterly-southeast corner of said Tract 1;

South 87°17'48" West, passing at a distance of 8.51 feet the northeast corner of a called 1.245-acre tract of land described as Tract 2 in a General Warranty Deed to PNB Station Developer LLC, recorded in Instrument No. 201900240016, Official Public Records, from which a 1/2-inch iron nail with plastic cap stamped "9014" found bears North 10°10'42" East, 0.38 feet, and continuing on the same bearing and the common line of said Tract 1 and said Tract 2 for a complete distance of 160.00 feet to the northeast corner of said Tract 2, common to the northeast corner of a tract of land described in Special Warranty Deed to the City of Sachse, Texas, recorded in Instrument No. 201700478710, said Official Public Records, from which a 1/2-inch iron nail found for witness bears South 17°02'00" East, 0.38 feet, and a 1/2-inch iron nail with plastic cap stamped "JBF" found for witness bears North 80°37'37" East, 1.16 feet;

THENCE South 89°08'27" West, along the southerly line of said Tract 1 and said City of Sachse Tract, a distance of 238.49 feet to a 5/8-inch iron nail with plastic cap stamped "9014" found for the northwest corner of said City of Sachse Tract;

THENCE departing the southerly line of said Tract 1 and crossing said Tract 1 the following courses and distances:

South 89°22'57" West, a distance of 145.33 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

North 0°27'37" West, a distance of 243.39 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

North 82°12'44" West, a distance of 68.96 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

North 82°14'22" West, a distance of 308.14 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set at the beginning of a tangent curve to the left having a central angle of 7°10'47", a radius of 874.66 feet, a chord bearing and distance of North 89°46'45" West, 127.81 feet;

In a northeasterly direction, with said curve to the left, an arc distance of 127.70 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for the end of said curve to the left;

North 89°35'00" West, a distance of 70.12 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

South 45°13'50" West, a distance of 14.10 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

South 0°02'59" West, a distance of 6.53 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

North 89°27'01" West, a distance of 60.03 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

North 0°02'59" East, a distance of 106.09 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set at the beginning of a tangent curve to the right having a central angle of 10°14'07", a radius of 780.00 feet, a chord bearing and distance of North 8°19'39" East, 247.39 feet;

In a northeasterly direction, with said curve to the right, an arc distance of 248.44 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for the end of said curve to the right;

North 18°17'59" East, a distance of 184.16 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

North 26°42'59" East, a distance of 14.16 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

North 71°42'54" West, a distance of 235.93 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

North 74°00'18" West, a distance of 135.76 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

South 89°14'18" West, a distance of 14.82 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set at the beginning of a non-tangent curve to the right having a central angle of 169°52'28", a radius of 50.00 feet, a chord bearing and distance of North 89°25'59" West, 56.35 feet;

In a northeasterly direction, with said curve to the right, an arc distance of 140.64 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for the end of said curve to the right;

North 89°48'10" West, a distance of 58.84 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner on the westerly line of said Tract 1, same being on the westerly line of a tract of land described in a deed to the City of Sachse, Texas, recorded in Volume 99121, Page 6196, Deed Records, Dallas County, Texas;

THENCE North 0°13'42" East, along the common line of said Tract 1 and said City of Sachse Tract, a distance of 163.46 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner, from which a 1/2-inch iron nail with plastic cap "11.62582C" found for witness bears South 30°52'59" West, 1.20 feet;

THENCE North 7°29'41" East, continuing along said common line, a distance of 257.79 feet to a 5/8-inch iron nail with plastic cap stamped "9014" set for corner;

THENCE North 21°10'21" East, continuing along said common line and along the southerly right-of-way line of said Hudson Drive, a distance of 228.36 feet to the POINT OF BEGINNING and containing 36.305 acres (1,881,420 sq. ft.) of land, more or less.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS:

That, PNB STATION DEVELOPER LLC, (Owner) does hereby bind themselves and their heirs, assigns and successors of the this plat designating the hereinafter described property as PNB STATION PHASE 1, an addition to the City of Sachse, and does hereby dedicate to the public use forever the abutment, ways, and right-of-way easements shown thereon, and its heirs and assigns reserve the easement rights shown on this plat for the mutual use and accommodation of garbage collection agencies and all public utilities desiring to use or using same. 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 that in any way endanger or interfere with the construction, maintenance or efficiency of its respective systems on any of these easement strips and any public utility shall at all times have the right of ingress and egress to and from and upon the said easement strips for the purpose of constructing, reconstructing, inspecting, patrolling, without the necessity at any time of procuring the permission of anyone. This plat approved subject to all planning ordinances, rules, regulations and resolutions of the City of Sachse, Texas.

WITNESS OUR HANDS AT Dallas, TEXAS, this 5th day of August, 2020.

By: PNB STATION DEVELOPER LLC, a Texas limited liability company

[Signature]
Signature

Name: TAYLOR BARD

Title: MANAGER

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 Taylor Bard, 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 purpose and consideration therein expressed and under oath stated that the statements in the foregoing certificate are true.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 5th day of August, 2020.

[Signature]
Notary Public for the State of Texas



CITY APPROVAL CERTIFICATE
This plat is hereby approved by the Planning and Zoning Commission of the City of Sachse, Texas.

[Signature] 8-6-2020
City Manager

ATTEST:

[Signature] 8-6-2020
City Clerk

The Director of Development Services of the City of Sachse, Texas, hereby certifies that to the best of their knowledge or belief, this subdivision plat conforms to all requirements of the City of Sachse Code of Ordinances and with engineering construction standards and processes adopted by the City of Sachse, Texas to which their approval is required.

[Signature] 8-6-2020
Director of Development Services

ATTEST:

[Signature] 8-6-2020
City Clerk

SURVEYOR'S CERTIFICATION

KNOW ALL MEN BY THESE PRESENTS:

THAT, I, Michael B. Marx, do hereby certify that I have prepared this plat from an actual and accurate survey of the land and that the corner measurements shown thereon were properly placed under my personal supervision in accordance with the Planning Rules and Regulations of the City planning and zoning commission of the City of Sachse.

[Signature]
Michael B. Marx
Registered Professional Land Surveyor No. 5101
Kimley-Horn and Associates, Inc.
6190 Warren Pkwy., Suite 210
Frisco, Texas 75034
Ph: 972-335-0660



STATE OF TEXAS
COUNTY OF COLLIN

BEFORE, Me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Michael B. Marx, 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 purpose and consideration therein expressed and under oath stated that the statements in the foregoing certificate are true.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 4th day of August, 2020.

[Signature]
Notary Public for the State of Texas



Filed for Record
in the Official Records of:
Dallas County
On: 08/06/2020 11:24:55 AM
in the PLAT Records
Doc Number: 2020-3880000276
Reference of Page: 3
Amount: \$10.00
Recording Number: 08/06/2020
By: SR

FINAL PLAT
THE STATION
PHASE 1

LOTS 1-14 & CA-1, BLOCK A
LOTS 1-11 & CA-2, BLOCK B
LOTS 1-14, BLOCK C
LOTS 1-18 & CA-5, BLOCK D
LOTS 1-29 & CA-3, BLOCK E
LOTS 1-25, BLOCK F
LOTS 1-29, BLOCK G
LOTS 1-5, BLOCK H
LOTS 1-28, BLOCK I
LOTS 1-2 & CA-4, BLOCK J
LOTS 1-23 & CA-7, BLOCK K
LOTS 1-9, BLOCK L
LOTS 1-9, BLOCK M
LOT CA-8, BLOCK N
LOT CA-8, BLOCK O

224 RESIDENTIAL LOTS

COMMON AREA LOTS CA-1 - CA-8

BEING 36.305 ACRES (1,881,429 SQ. FT.) OUT OF
THE RICHARD COPELAND SURVEY, A-228

CITY OF SACHSE, DALLAS COUNTY, TEXAS

Kimley»Horn			
2700 WESTERN AVENUE, SUITE 470 Frisco, Texas 75034			
Phone: (972) 335-0660		Fax: (972) 335-0776	
State: TX	County: DALLAS	City: SACHSE	Project No.: 1010000276
Sub: N/A	Drawn: JAH	Rev: 0	Sheet No.: 3 OF 3

APPLICANT:
Kimley-Horn and Associates, Inc.
6190 Warren Parkway, Suite 210
Frisco, Texas 75034
Phone: 972-335-0660
Contact: John Anderson, P.E.

OWNER:
PNB Station Developer LLC
4810 Maple Avenue, Suite 600
Dallas, TX 75219
Phone: 214-644-0333
Contact: Taylor Bard

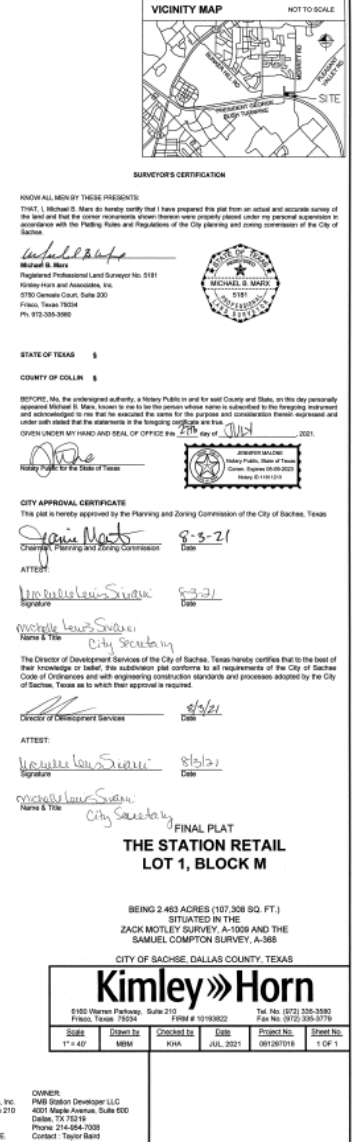
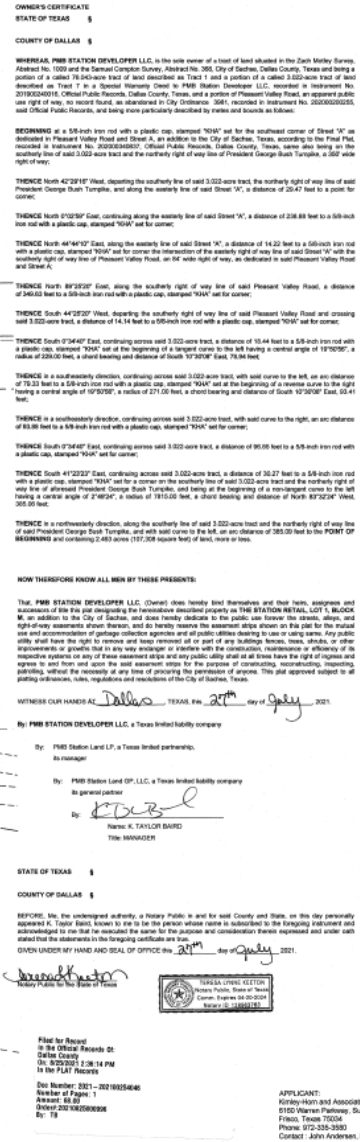
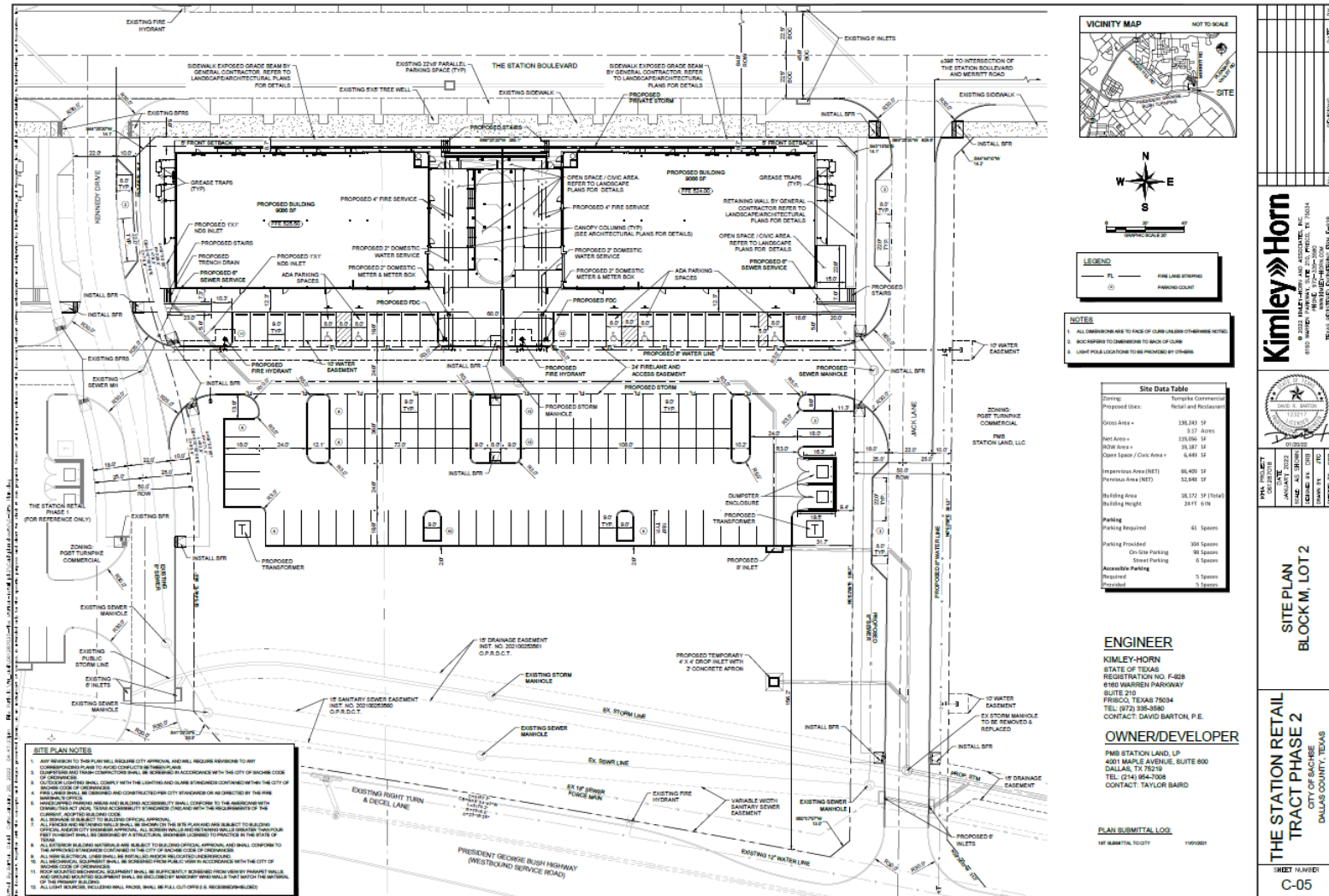


EXHIBIT B-2 – IMPROVEMENT AREA #2 PLATS/SITE PLANS



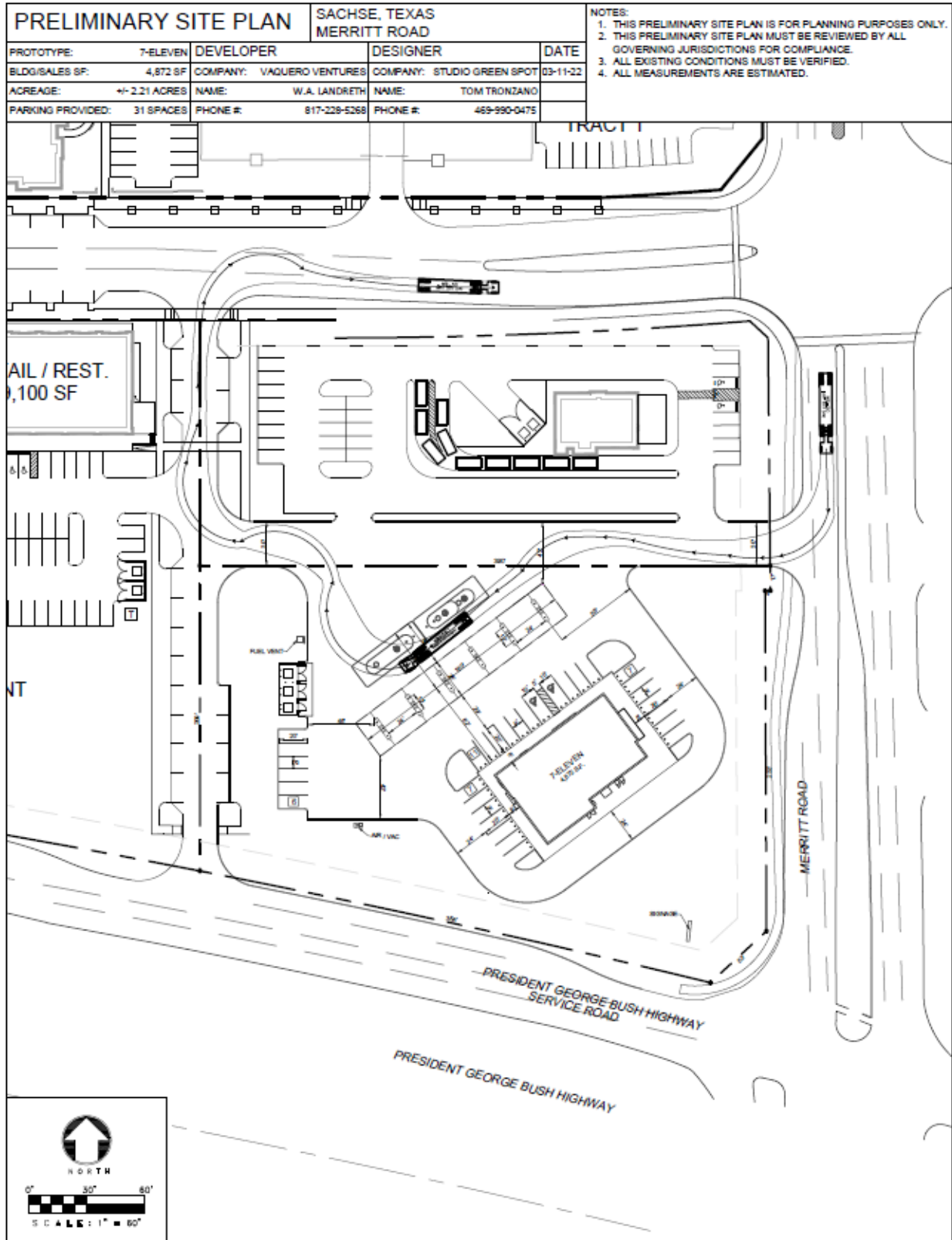


EXHIBIT B-3 – IMPROVEMENT AREA #3 PLATS/SITE PLANS

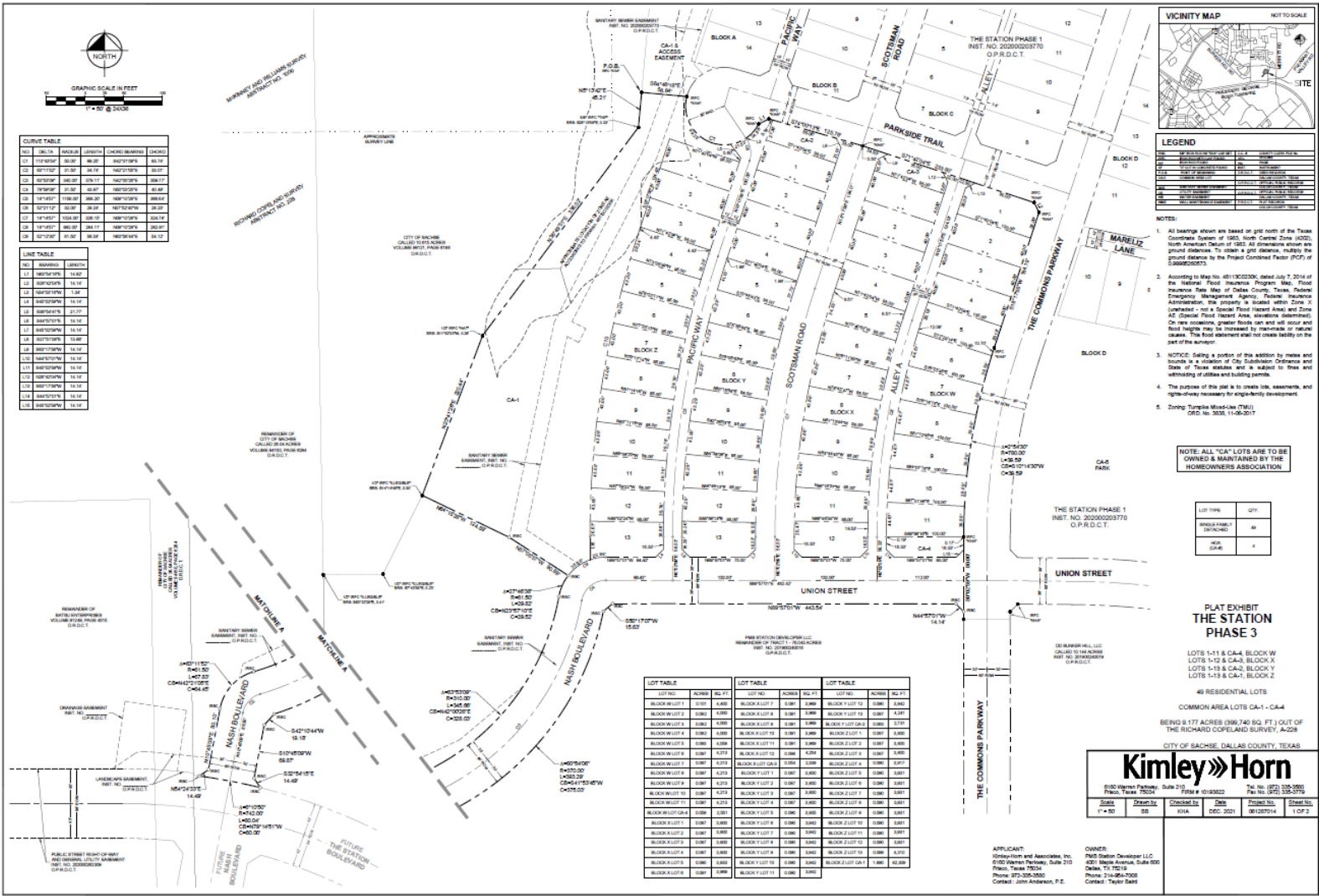


EXHIBIT B-4 – IMPROVEMENT AREA #4 PLATS/SITE PLANS

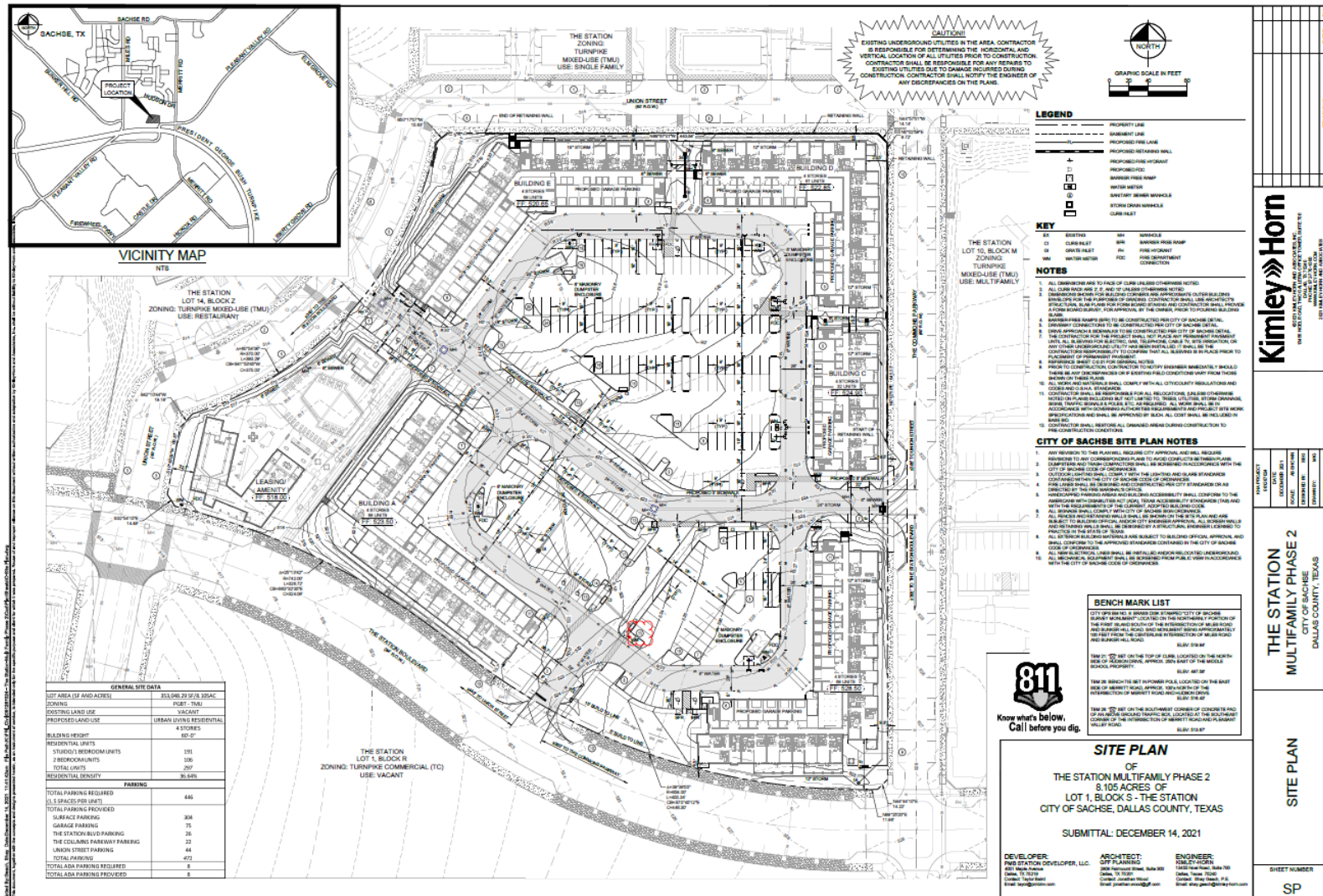


EXHIBIT B-5 – IMPROVEMENT AREA #5 PLATS/SITE PLANS



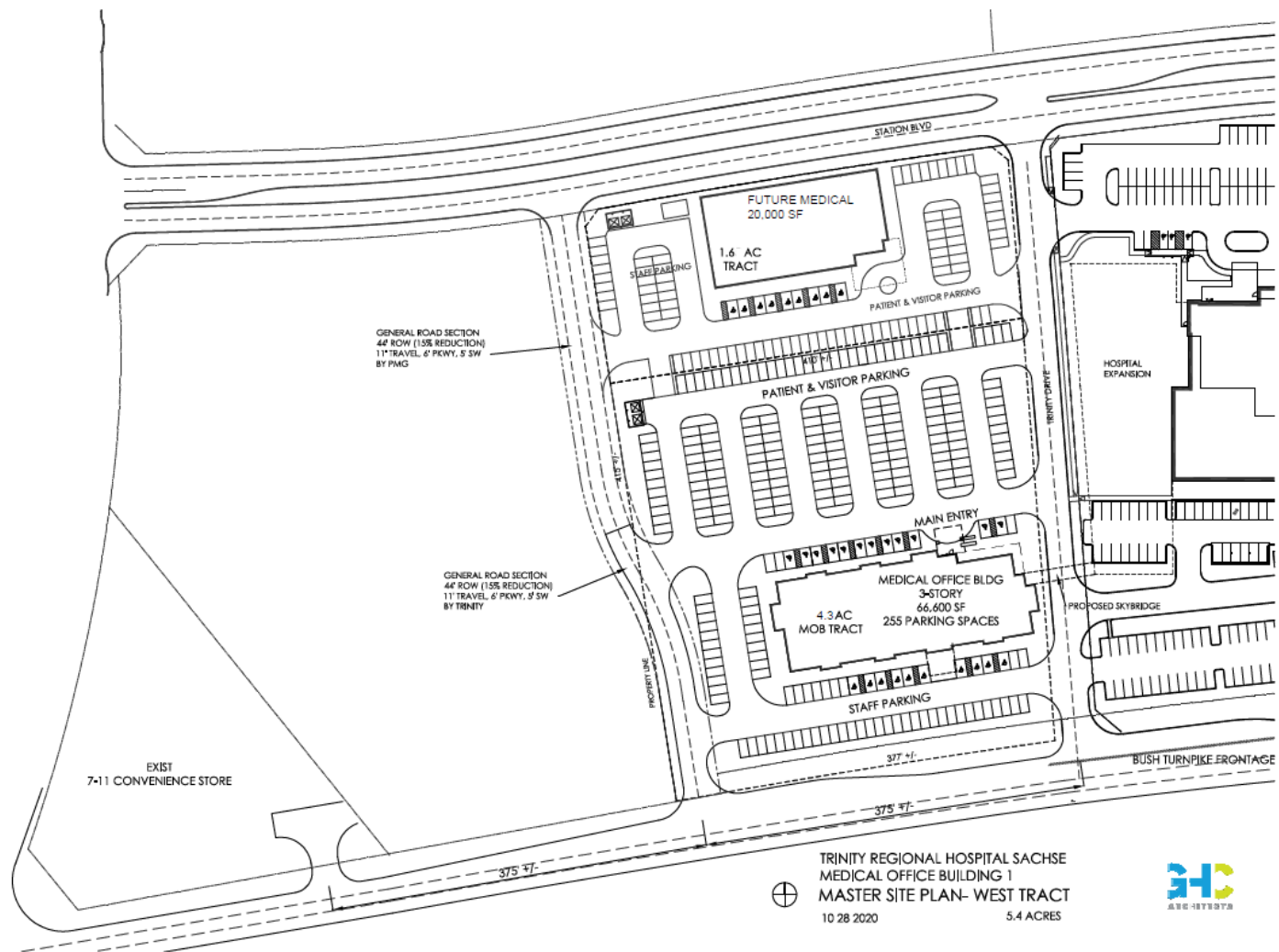


EXHIBIT B-6 – IMPROVEMENT AREA #6 PLATS/SITE PLANS



EXHIBIT B-7 – IMPROVEMENT AREA #7 PLATS/SITE PLANS

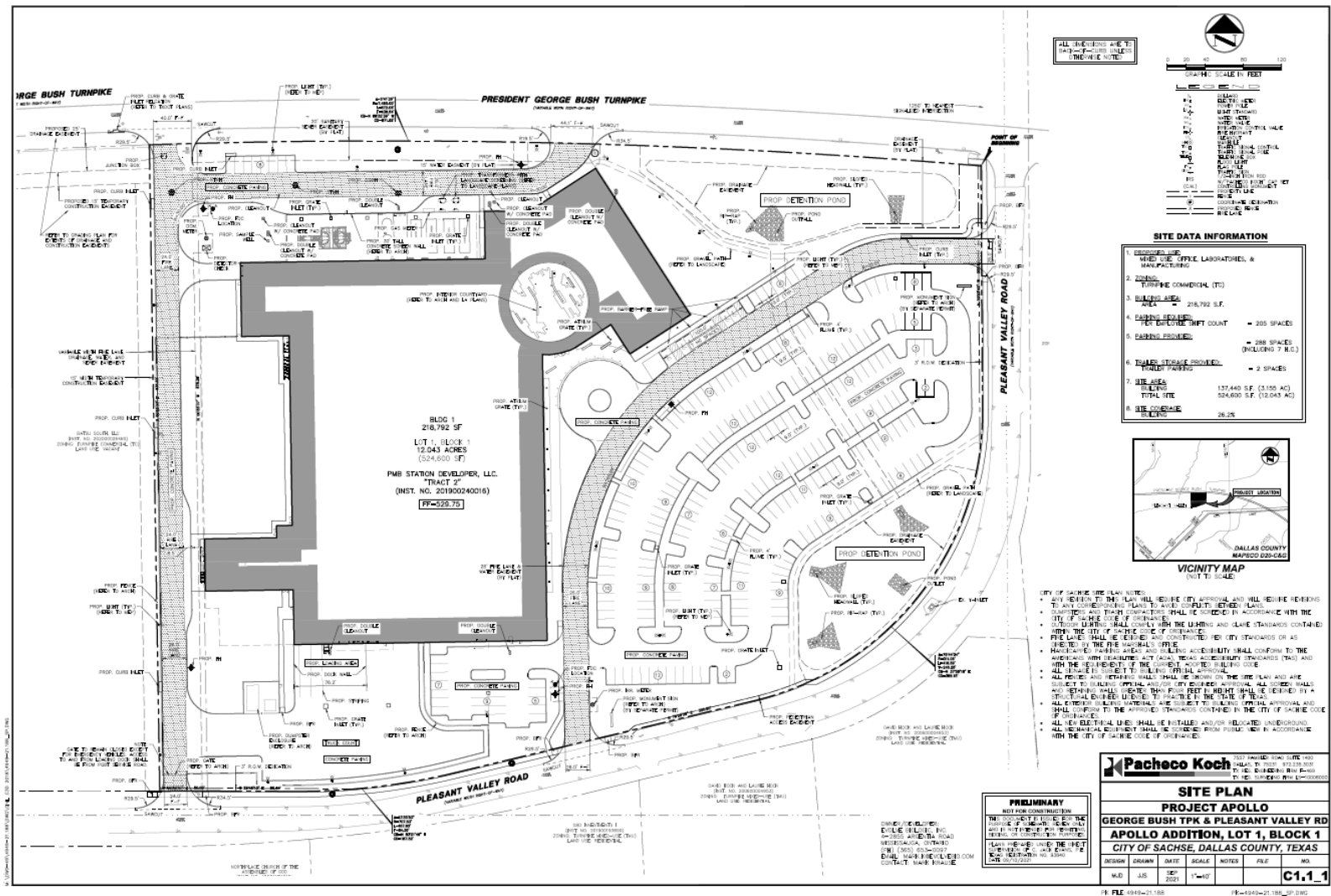


EXHIBIT C-1 – PROJECT COSTS

	Total Costs ¹	City Contribution ¹	Owner Contribution	Authorized Improvements
<i>Major Improvements</i>				
Station Blvd/Bunker Hill Road	\$ 6,270,174	\$ 1,419,000	\$ -	\$ 4,851,174
Hudson Road ^{2,3}	756,887	193,500	-	563,387
Merritt Road ^{2,3}	271,062	-	-	271,062
Commons Parkway/Street A	603,230	-	-	603,230
Heritage Park Improvements	4,000,000	1,732,040	-	2,267,960
Regional Detention ³	2,190,386	1,305,612	-	884,774
Master Water Line Extension	560,991	379,063	-	181,928
Master Sewer Main Extension - Line A	658,398	447,706	-	210,692
Master Sewer Main Extension - Line B	74,869	66,641	-	8,228
Master Entry Monumentation/Artwork (TBD)	295,325	-	-	295,325
Public Collector Road B/Street B	428,397	-	-	428,397
Soft Costs ⁴	1,886,586	902,440	-	984,145
	<u>\$ 17,996,305</u>	<u>\$ 6,446,001</u>	<u>\$ -</u>	<u>\$ 11,550,304</u>
<i>Improvement Area #1 Improvements</i>				
Public Parking and In-Tract Improvements/Public Parking Area	\$ 496,770	\$ -	\$ -	\$ 496,770
Phase 1 SF/East Tract	5,146,352	-	-	5,146,352
Soft Costs	800,721	-	-	800,721
	<u>\$ 6,443,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,443,843</u>
<i>Additional Heritage Park Improvements ⁶</i>	<u>\$ 3,339,906</u>	<u>\$ 1,700,000</u>	<u>\$ 1,300,000</u>	<u>\$ 339,906</u>
<i>Improvement Area #2 Improvements</i>				
Street ⁷	\$ 501,125	\$ -	\$ -	\$ 501,125
Water	93,439	-	-	93,439
Sewer	38,759	-	-	38,759
Storm Drainage	238,168	-	-	238,168
Miscellaneous ⁵	264,524	-	-	264,524
Soft Costs	252,344	-	-	252,344
	<u>1,388,359</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 1,388,359</u>
<i>Improvement Area #3 Improvements</i>				
Street	\$ 699,060	\$ -	\$ -	\$ 699,060
Water	138,781	-	-	138,781
Sewer	146,210	-	-	146,210
Storm Drainage	69,409	-	-	69,409
Miscellaneous ⁵	167,494	-	-	167,494
Soft Costs	171,517	-	-	171,517
	<u>1,392,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,392,471</u>
<i>Improvement Area #4 Improvements</i>				
Street	\$ 1,686,080	\$ -	\$ -	\$ 1,686,080
Water	300,033	-	-	300,033
Sewer	196,419	-	-	196,419
Storm Drainage	218,604	-	-	218,604
Miscellaneous ⁵	438,687	-	-	438,687
Soft Costs	438,913	-	-	438,913
	<u>3,278,736</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,278,736</u>
<i>Improvement Area #5 Improvements</i>				
Street	\$ 1,065,304	\$ -	\$ -	\$ 1,065,304
Water	159,681	-	-	159,681
Sewer	237,055	-	-	237,055
Storm Drainage	395,895	-	-	395,895
Miscellaneous ⁵	684,871	-	-	684,871
Soft Costs	414,935	-	-	414,935
	<u>2,957,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,957,741</u>
Total	\$ 36,797,360	\$ 8,146,001	\$ 1,300,000	\$ 27,351,359

Notes:

¹ Major Improvements and Improvement Area #1 Total Cost, and City Contribution for Major Improvements per 2020 Service and Assessment Plan. For changes to budget, and amounts spent to date, see **Section IX**.

² Includes screening walls and landscape

³ Retaining walls are included in Authorized Improvements.

⁴ City soft costs total is 14% of hard costs for a total of \$902,440. Soft costs include District Formation Costs.

⁵ Miscellaneous Costs include street name blades & poles, stop signs, materials testing, P&P and maintenance bonds, staking, contractor general conditions/insurance, and hard cost contingency.

⁶ Per The Station - Heritage Park DD Pricing, dated 3/2/2022 provided by the City, attached as **Appendix ___**. Note the City will make their \$1,700,000 contribution to cover the costs of the Additional Heritage Park Improvements first, then the Owner will make their \$1,300,000 contribution to cover Additional Heritage Park Improvements, with escrow required.

⁷ Street improvement amounts include landscape and hardscape costs.

EXHIBIT C-2 – AUTHORIZED IMPROVEMENTS

Major Improvements ¹	Authorized	Improvement Area #1		Major Improvement Area		Improvement Area #2		Improvement Area #3		Improvement Area #4		Improvement Area #5	
	Improvements	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost
Station Blvd/Bunker Hill Road	\$ 4,851,174	41.00%	\$ 1,988,981	59.00%	\$ 2,862,193	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Hudson Road	563,387	41.00%	230,989	59.00%	332,398	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Merritt Road	271,062	41.00%	111,135	59.00%	159,927	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Commons Parkway/Street A	603,230	41.00%	247,324	59.00%	355,906	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Heritage Park Improvements	2,267,960	41.00%	929,864	59.00%	1,338,096	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Regional Detention	884,774	41.00%	362,758	59.00%	522,017	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Master Water Line Extension	181,928	41.00%	74,590	59.00%	107,337	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Master Sewer Main Extension - Line A	210,692	41.00%	86,384	59.00%	124,308	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Master Sewer Main Extension - Line B	8,228	41.00%	3,374	59.00%	4,855	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Master Entry Monumentation/Artwork (TBD)	295,325	41.00%	121,083	59.00%	174,242	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Public Collector Road B/Street B	428,397	41.00%	175,643	59.00%	252,754	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Soft Costs	984,145	41.00%	403,500	59.00%	580,646	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 11,550,304</u>		<u>\$ 4,735,624</u>		<u>\$ 6,814,679</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #1 Improvements													
Public Parking and In-Tract Improvements/Public Pk	\$ 496,770	100.00%	\$ 496,770	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Phase 1 SF/East Tract	5,146,352	100.00%	5,146,352	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Soft Costs	800,721	100.00%	800,721	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 6,443,843</u>		<u>\$ 6,443,843</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Additional Heritage Park Improvements²													
	<u>\$ 339,906</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #2 Improvements													
Street	\$ 501,125	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 501,125	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Water	93,439	0.00%	-	0.00%	-	100.00%	93,439	0.00%	-	0.00%	-	0.00%	-
Sewer	38,759	0.00%	-	0.00%	-	100.00%	38,759	0.00%	-	0.00%	-	0.00%	-
Storm Drainage	238,168	0.00%	-	0.00%	-	100.00%	238,168	0.00%	-	0.00%	-	0.00%	-
Miscellaneous	264,524	0.00%	-	0.00%	-	100.00%	264,524	0.00%	-	0.00%	-	0.00%	-
Soft Costs	252,344	0.00%	-	0.00%	-	100.00%	252,344	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 1,388,359</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 1,388,359</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #3 Improvements													
Street	\$ 699,060	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 699,060	0.00%	\$ -	0.00%	\$ -
Water	138,781	0.00%	-	0.00%	-	0.00%	-	100.00%	138,781	0.00%	-	0.00%	-
Sewer	146,210	0.00%	-	0.00%	-	0.00%	-	100.00%	146,210	0.00%	-	0.00%	-
Storm Drainage	69,409	0.00%	-	0.00%	-	0.00%	-	100.00%	69,409	0.00%	-	0.00%	-
Miscellaneous	167,494	0.00%	-	0.00%	-	0.00%	-	100.00%	167,494	0.00%	-	0.00%	-
Soft Costs	171,517	0.00%	-	0.00%	-	0.00%	-	100.00%	171,517	0.00%	-	0.00%	-
	<u>\$ 1,392,471</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 1,392,471</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #4 Improvements													
Street	\$ 1,686,080	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 1,686,080	0.00%	\$ -
Water	300,033	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	300,033	0.00%	-
Sewer	196,419	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	196,419	0.00%	-
Storm Drainage	218,604	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	218,604	0.00%	-
Miscellaneous	438,687	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	438,687	0.00%	-
Soft Costs	438,913	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	438,913	0.00%	-
	<u>\$ 3,278,736</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 3,278,736</u>		<u>\$ -</u>
Improvement Area #5 Improvements													
Street	\$ 1,065,304	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 1,065,304
Water	159,681	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	159,681
Sewer	237,055	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	237,055
Storm Drainage	395,895	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	395,895
Miscellaneous	684,871	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	684,871
Soft Costs	414,935	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	414,935
	<u>\$ 2,957,741</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 2,957,741</u>
Bond Issuance Costs - 2020 Bonds													
Debt Service Reserve Fund	\$ 998,413		\$ 395,200		\$ 603,213		\$ -		\$ -		\$ -		\$ -
Capitalized Interest	398,364		-		398,364		-		-		-		-
Underwriter's Discount	308,300		137,500		170,800		-		-		-		-
Underwriter's Counsel	154,150		68,750		85,400		-		-		-		-
Cost of Issuance	903,792		405,550		498,242		-		-		-		-
	<u>\$ 2,763,019</u>		<u>\$ 1,007,000</u>		<u>\$ 1,756,019</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Other Costs - 2020 Bonds													
Initial Administrative Fund Deposit	\$ 90,000		\$ 30,000		\$ 60,000		\$ -		\$ -		\$ -		\$ -
	<u>\$ 90,000</u>		<u>\$ 30,000</u>		<u>\$ 60,000</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Rounding Amount - 2020 Bonds													
	\$ 430		\$ -		\$ 430		\$ -		\$ -		\$ -		\$ -
Bond Issuance Costs - 2022 Bonds													
Debt Service Reserve Fund	\$ 925,740		\$ 345,680		\$ -		\$ 22,640		\$ 75,620		\$ 253,200		\$ 228,600
Capitalized Interest	-		-		-		-		-		-		-
Underwriter's Discount	251,700		92,560		-		6,100		20,700		69,560		62,780
Underwriter's Counsel	125,850		46,280		-		3,050		10,350		34,780		31,390
Cost of Issuance	818,025		300,820		-		19,825		67,275		226,070		204,035
	<u>\$ 2,121,315</u>		<u>\$ 785,340</u>		<u>\$ -</u>		<u>\$ 51,615</u>		<u>\$ 173,945</u>		<u>\$ 583,610</u>		<u>\$ 526,805</u>
Other Costs - 2022 Bonds²													
Initial Administrative Fund Deposit	\$ 17,000		\$ -		\$ -		\$ 4,250		\$ 4,250		\$ 4,250		\$ 4,250
	<u>\$ 17,000</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 4,250</u>		<u>\$ 4,250</u>		<u>\$ 4,250</u>		<u>\$ 4,250</u>
Total	\$ 32,003,217		\$ 13,001,807		\$ 8,631,128		\$ 1,444,224		\$ 1,570,666		\$ 3,866,596		\$ 3,488,796

Notes:

¹ The Major Improvements are allocated between Improvement Area #1 and the Major Improvement Area pro rata based on the Estimated Buildout Value of each area at the time the Major Improvement Area Bonds and Improvement Area #1 Initial Bonds were issued, then rounded to the nearest percentage point.

² The financing for the Additional Heritage Park Improvements not covered by the City Contribution or Owner Contribution is still under discussion with the City and the Owner.

EXHIBIT D – SERVICE PLAN

Major Improvement Area						
Installments Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027
Major Improvement Area Bonds						
Principal		\$ 140,000	\$ 145,000	\$ 155,000	\$ 160,000	\$ 170,000
Interest		\$ 463,213	\$ 455,688	\$ 447,894	\$ 439,563	\$ 430,963
	(1)	\$ 603,213	\$ 600,688	\$ 602,894	\$ 599,563	\$ 600,963
Additional Interest	(2)	\$ 42,050	\$ 41,350	\$ 40,625	\$ 39,850	\$ 39,050
Annual Collection Costs	(3)	\$ 44,135	\$ 45,017	\$ 45,918	\$ 46,836	\$ 47,773
Total Major Improvement Area Annual Installment	(4) = (1) + (2) + (3)	\$ 689,397	\$ 687,055	\$ 689,436	\$ 686,248	\$ 687,785

Improvement Area #1						
Installments Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027
Improvement Area #1 Initial Bonds						
Principal		\$ 140,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000
Interest		\$ 244,450	\$ 240,950	\$ 237,325	\$ 233,575	\$ 228,700
Additional Interest		\$ 32,800	\$ 32,100	\$ 31,375	\$ 30,625	\$ 29,875
	(1)	\$ 417,250	\$ 418,050	\$ 418,700	\$ 414,200	\$ 413,575
Improvement Area #1 Additional Bonds						
Principal		\$ 68,000	\$ 72,000	\$ 76,000	\$ 80,000	\$ 85,000
Interest		\$ 277,680	\$ 273,600	\$ 269,280	\$ 264,720	\$ 259,920
Additional Interest		\$ 23,140	\$ 22,800	\$ 22,440	\$ 22,060	\$ 21,660
	(2)	\$ 368,820	\$ 368,400	\$ 367,720	\$ 366,780	\$ 366,580
Annual Collection Costs	(3)	\$ 94,682	\$ 96,575	\$ 98,507	\$ 100,477	\$ 102,486
TIRZ Credit¹	(4)	\$ (29,571)				
Total Improvement Area #1 Annual Installment	(5) = (1) + (2) + (3) + (4)	\$ 851,180	\$ 883,025	\$ 884,927	\$ 881,457	\$ 882,641

Improvement Area #2-5						
Installments Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027
Improvement Area #2-5 Reimbursement Obligation						
Improvement Area #2						
Principal		\$ 4,000	\$ 4,000	\$ 4,000	\$ 5,000	\$ 5,000
Interest		\$ 18,300	\$ 18,060	\$ 17,820	\$ 17,580	\$ 17,280
	(1)	\$ 22,300	\$ 22,060	\$ 21,820	\$ 22,580	\$ 22,280
Improvement Area #3						
Principal		\$ 13,000	\$ 14,000	\$ 15,000	\$ 16,000	\$ 17,000
Interest		\$ 62,100	\$ 61,320	\$ 60,480	\$ 59,580	\$ 58,620
	(2)	\$ 75,100	\$ 75,320	\$ 75,480	\$ 75,580	\$ 75,620
Improvement Area #4						
Principal		\$ 44,000	\$ 47,000	\$ 49,000	\$ 52,000	\$ 56,000
Interest		\$ 208,680	\$ 206,040	\$ 203,220	\$ 200,280	\$ 197,160
	(3)	\$ 252,680	\$ 253,040	\$ 252,220	\$ 252,280	\$ 253,160
Improvement Area #5						
Principal		\$ 40,000	\$ 42,000	\$ 45,000	\$ 47,000	\$ 50,000
Interest		\$ 188,340	\$ 185,940	\$ 183,420	\$ 180,720	\$ 177,900
	(4)	\$ 228,340	\$ 227,940	\$ 228,420	\$ 227,720	\$ 227,900
Additional Interest	(5)	\$ 39,785	\$ 39,280	\$ 38,745	\$ 38,180	\$ 37,580
Annual Collection Costs	(6)	\$ 17,000	\$ 17,340	\$ 17,687	\$ 18,041	\$ 18,401
Total Future Improvement Area Annual Installment	(7) = (1)+(2)+(3)+(4)+(5)+(6)	\$ 595,420	\$ 595,700	\$ 595,627	\$ 596,201	\$ 597,361

Notes:

¹ TIRZ Credit applicable to future Improvement Area #1 Annual Installments will be determined in future Annual Service Plan Updates.

EXHIBIT E – SOURCES AND USES OF FUNDS

	Private	Improvement Area #1	Major Improvement Area	Improvement Area #2	Improvement Area #3	Improvement Area #4	Improvement Area #5
Sources of Funds							
Improvement Area #1 Initial Bonds ¹	\$ -	\$ 6,875,000	\$ -	\$ -	\$ -	\$ -	\$ -
Improvement Area #1 Reimbursement Obligation ²	-	650,142	-	-	-	-	-
Major Improvement Area Bonds ³	-	-	8,540,000	-	-	-	-
Improvement Area #1 Additional Bonds	-	4,628,000	-	-	-	-	-
Improvement Area #2-5 Bonds	-	-	-	305,000	1,035,000	3,478,000	3,139,000
City Contribution	6,446,001	-	-	-	-	-	-
Owner Contribution - Authorized Improvements ⁴	339,906	848,665	91,128	1,139,224	535,666	388,596	349,796
Additional Heritage Park Improvements - City Contribution ⁵	1,700,000	-	-	-	-	-	-
Additional Heritage Park Improvements - Owner Contribution ⁵	1,300,000	-	-	-	-	-	-
Total Sources	\$ 9,785,907	\$ 13,001,807	\$ 8,631,128	\$ 1,444,224	\$ 1,570,666	\$ 3,866,596	\$ 3,488,796
Uses of Funds							
Major Improvements	\$ -	\$ 4,735,624	\$ 6,814,679	\$ -	\$ -	\$ -	\$ -
Improvement Area #1 Improvements	-	6,443,843	-	-	-	-	-
Improvement Area #2 Improvements	-	-	-	1,388,359	-	-	-
Improvement Area #3 Improvements	-	-	-	-	1,392,471	-	-
Improvement Area #4 Improvements	-	-	-	-	-	3,278,736	-
Improvement Area #5 Improvements	-	-	-	-	-	-	2,957,741
City Contribution	6,446,001	-	-	-	-	-	-
Additional Heritage Park Improvements	3,339,906	-	-	-	-	-	-
	\$ 9,785,907	\$ 11,179,467	\$ 6,814,679	\$ 1,388,359	\$ 1,392,471	\$ 3,278,736	\$ 2,957,741
Bond Issuance Costs - 2020 Bonds³							
Debt Service Reserve Fund	\$ -	\$ 395,200	\$ 603,213	\$ -	\$ -	\$ -	\$ -
Capitalized Interest	-	-	398,364	-	-	-	-
Underwriter's Discount	-	137,500	170,800	-	-	-	-
Underwriter's Counsel	-	68,750	85,400	-	-	-	-
Cost of Issuance	-	405,550	498,242	-	-	-	-
	\$ -	\$ 1,007,000	\$ 1,756,019	\$ -	\$ -	\$ -	\$ -
Other Costs - 2020 Bonds³							
Initial Administrative Fund Deposit	\$ -	\$ 30,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ 30,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Rounding Amount - 2020 Bonds³							
	\$ -	\$ -	\$ 430	\$ -	\$ -	\$ -	\$ -
Bond Issuance Costs - 2022 Bonds							
Debt Service Reserve Fund	\$ -	\$ 345,680	\$ -	\$ 22,640	\$ 75,620	\$ 253,200	\$ 228,600
Capitalized Interest	-	-	-	-	-	-	-
Underwriter's Discount	-	92,560	-	6,100	20,700	69,560	62,780
Underwriter's Counsel	-	46,280	-	3,050	10,350	34,780	31,390
Cost of Issuance	-	300,820	-	19,825	67,275	226,070	204,035
	\$ -	\$ 785,340	\$ -	\$ 51,615	\$ 173,945	\$ 583,610	\$ 526,805
Other Costs - 2022 Bonds							
Initial Administrative Fund Deposit	\$ -	\$ -	\$ -	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
	\$ -	\$ -	\$ -	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
Total Uses	\$ 9,785,907	\$ 13,001,807	\$ 8,631,128	\$ 1,444,224	\$ 1,570,666	\$ 3,866,596	\$ 3,488,796

Notes:

¹ Current outstanding Improvement Area #1 Initial Bonds is \$6,560,000 due to debt service payments reducing balance by \$315,000.

² Current Improvement Area #1 Reimbursement Obligation outstanding balance is currently \$0 due to \$403,224 reduction in principal due to payments to the Developer, \$92,656 paid down as part of the Annual Installment due 1/31/2021, \$92,622 paid down as part of the Annual Installment due 1/31/2022, \$61,312 reduction in the Improvement Area #1 Reimbursement Obligation due to a change in lot mix, 328 to be forgiven for rounding upon issuance of Improvement Area #1 Additional Bonds, and the remaining \$4,628,000 to be refinanced with the Improvement Area #1 Additional Bonds.

³ Current outstanding Major Improvement Area Bonds is \$8,410,000 due to debt service payments reducing balance by \$130,000.

⁴ Not reimbursable to Original Owner through Assessments or PID Bonds.

⁵ Note the City will make their \$1,700,000 contribution to cover the costs of the Additional Heritage Park Improvements first, then the Owner will make their \$1,300,000 contribution to cover Additional Heritage Park Improvements, with escrow required.

EXHIBIT F-1 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Parcel	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2023 ¹
Block K-2(A)	Commercial 2	\$ 166,010.90	\$ 13,608.49
Block K-2(C)	Commercial 2	\$ 55,269.97	\$ 4,530.67
Block C	Single-Family	\$ 816,570.82	\$ 66,937.16
Block D1	Multi-Family	\$ 2,196,145.49	\$ 180,025.71
Block F	Multi-Family	\$ 1,427,124.85	\$ 116,986.41
Block G1	Commercial 2	\$ 30,348.24	\$ 2,487.75
Block L3	Commercial 2	\$ 608,426.47	\$ 49,874.83
Block L2	Commercial 2	\$ 182,710.65	\$ 14,977.43
Block I	Commercial 3	\$ 623,235.64	\$ 51,088.81
Block J	Commercial 3	\$ 1,315,190.70	\$ 107,810.78
Major Improvement Area Remaining Parcel	Commercial 2 & Commercial 3	\$ 988,966.26	\$ 81,069.02
Total²		\$ 8,409,999.99	\$ 689,397.06

Notes:

¹ The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January 31, 2023.

² Totals may not match Service Plan or Annual Installment schedules due to rounding. The Major Improvement Area includes Improvement Areas #2-7. The Major Improvement Area Assessment and Annual Installment allocable to the Major Improvement Area Remaining Parcel will be allocated to each Property ID per the Dallas County Appraisal District pro rata based on acreage for billing purposes.

EXHIBIT F-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Installments Due January 31,	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ 140,000	\$ 463,213	\$ 42,050	\$ 44,135	\$ 689,397
2024	\$ 145,000	\$ 455,688	\$ 41,350	\$ 45,017	\$ 687,055
2025	\$ 155,000	\$ 447,894	\$ 40,625	\$ 45,918	\$ 689,436
2026	\$ 160,000	\$ 439,563	\$ 39,850	\$ 46,836	\$ 686,248
2027	\$ 170,000	\$ 430,963	\$ 39,050	\$ 47,773	\$ 687,785
2028	\$ 175,000	\$ 421,825	\$ 38,200	\$ 48,728	\$ 683,753
2029	\$ 185,000	\$ 412,419	\$ 37,325	\$ 49,703	\$ 684,446
2030	\$ 195,000	\$ 402,475	\$ 36,400	\$ 50,697	\$ 684,572
2031	\$ 205,000	\$ 391,994	\$ 35,425	\$ 51,711	\$ 684,129
2032	\$ 215,000	\$ 380,975	\$ 34,400	\$ 52,745	\$ 683,120
2033	\$ 230,000	\$ 369,419	\$ 33,325	\$ 53,800	\$ 686,544
2034	\$ 240,000	\$ 357,056	\$ 32,175	\$ 54,876	\$ 684,107
2035	\$ 250,000	\$ 344,156	\$ 30,975	\$ 55,973	\$ 681,105
2036	\$ 265,000	\$ 330,719	\$ 29,725	\$ 57,093	\$ 682,537
2037	\$ 280,000	\$ 316,475	\$ 28,400	\$ 58,235	\$ 683,110
2038	\$ 295,000	\$ 301,425	\$ 27,000	\$ 59,399	\$ 682,824
2039	\$ 310,000	\$ 285,569	\$ 25,525	\$ 60,587	\$ 681,681
2040	\$ 325,000	\$ 268,906	\$ 23,975	\$ 61,799	\$ 679,680
2041	\$ 345,000	\$ 251,438	\$ 22,350	\$ 63,035	\$ 681,823
2042	\$ 365,000	\$ 232,031	\$ 20,625	\$ 64,296	\$ 681,952
2043	\$ 385,000	\$ 211,500	\$ 18,800	\$ 65,582	\$ 680,882
2044	\$ 405,000	\$ 189,844	\$ 16,875	\$ 66,893	\$ 678,612
2045	\$ 430,000	\$ 167,063	\$ 14,850	\$ 68,231	\$ 680,144
2046	\$ 455,000	\$ 142,875	\$ 12,700	\$ 69,596	\$ 680,171
2047	\$ 480,000	\$ 117,281	\$ 10,425	\$ 70,988	\$ 678,694
2048	\$ 505,000	\$ 90,281	\$ 8,025	\$ 72,407	\$ 675,714
2049	\$ 535,000	\$ 61,875	\$ 5,500	\$ 73,856	\$ 676,231
2050	\$ 565,000	\$ 31,781	\$ 2,825	\$ 75,333	\$ 674,939
Total	\$ 8,410,000	\$ 8,316,700	\$ 748,750	\$ 1,635,240	\$ 19,110,690

¹ Interest is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2023 ¹ Pre TIRZ	TIRZ Credit	Annual Installment Due
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds			
480119100A0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.79	\$ 2,402.41
480119100A0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 130.35	\$ 2,419.85
480119100ACA10000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
480119100A0030000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100A0040000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100A0050000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100A0060000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100A0070000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100A0080000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100A0090000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100A0100000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100A0110000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100A0120000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100A0130000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100A0140000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 154.70	\$ 2,395.50
480119100B0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 227.29	\$ 2,322.91
480119100B0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 142.85	\$ 2,407.35
480119100B0030000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 98.08	\$ 2,452.12
480119100BCA20000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
480119100B0040000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 142.89	\$ 2,407.31
480119100B0050000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 117.79	\$ 2,432.41
480119100B0060000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100B0070000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100B0080000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100B0090000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100B0100000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 112.78	\$ 2,437.42
480119100B0110000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 128.41	\$ 2,421.79
480119100C0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 158.99	\$ 2,391.21
480119100C0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100C0030000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100C0040000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100C0050000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 160.36	\$ 2,389.84
480119100C0060000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100C0070000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 154.88	\$ 2,395.32
480119100C0080000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 142.61	\$ 2,407.59
480119100C0090000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 135.96	\$ 2,414.24
480119100C0100000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 135.96	\$ 2,414.24
480119100C0110000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 135.96	\$ 2,414.24
480119100C0120000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 161.74	\$ 2,388.46
480119100C0130000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 187.88	\$ 2,362.32
480119100C0140000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 196.95	\$ 2,353.25
480119100D0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 132.63	\$ 2,417.57
480119100D0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100D0030000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 173.09	\$ 2,377.11
480119100D0040000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 173.09	\$ 2,377.11
480119100D0050000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 171.53	\$ 2,378.67
480119100D0060000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 134.25	\$ 2,415.95
480119100D0070000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100D0080000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100D0090000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 112.78	\$ 2,437.42

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2023' Pre TIRZ	TIRZ Credit	Annual Installment Due
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds			
480119100D0100000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 125.60	\$ 2,424.60
480119100D0110000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 260.11	\$ 2,290.09
480119100D0120000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100D0130000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100D0140000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100D0150000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100D0160000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100D0170000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 112.78	\$ 2,437.42
480119100D0180000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 130.20	\$ 2,420.00
480119100D0190000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 135.09	\$ 2,415.11
480119100D0200000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100D0210000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100D0220000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100D0230000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.97	\$ 2,409.23
480119100D0240000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100D0250000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100D0260000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 167.54	\$ 2,382.66
480119100DCA50000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
480119100E0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100E0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 137.28	\$ 2,412.92
480119100ECA30000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
480119100E0030000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 195.39	\$ 2,354.81
480119100E0040000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 126.73	\$ 2,423.47
480119100E0050000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 126.73	\$ 2,423.47
480119100E0060000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 150.76	\$ 2,399.44
480119100E0070000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 150.76	\$ 2,399.44
480119100E0080000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 150.76	\$ 2,399.44
480119100E0090000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 126.73	\$ 2,423.47
480119100E0100000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 126.73	\$ 2,423.47
480119100E0110000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 126.73	\$ 2,423.47
480119100E0120000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 150.76	\$ 2,399.44
480119100E0130000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 126.73	\$ 2,423.47
480119100E0140000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 126.73	\$ 2,423.47
480119100E0150000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 126.73	\$ 2,423.47
480119100E0160000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 125.64	\$ 2,424.56
480119100E0170000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 232.86	\$ 2,317.34
480119100E0180000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 375.39	\$ 2,174.81
480119100E0190000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 225.26	\$ 2,324.94
480119100E0200000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 309.15	\$ 2,241.05
480119100E0210000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 357.02	\$ 2,193.18
480119100E0220000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 268.45	\$ 2,281.75
480119100E0230000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 200.62	\$ 2,349.58
480119100E0240000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 285.55	\$ 2,264.65
480119100E0250000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100E0260000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100E0270000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 185.41	\$ 2,364.79
480119100E0280000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 131.59	\$ 2,418.61
480119100E0290000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 119.75	\$ 2,430.45
480119100F0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 178.29	\$ 2,371.91
480119100F0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.62	\$ 2,402.58

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2023' Pre TIRZ	TIRZ Credit	Annual Installment Due
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds			
480119100F0030000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.62	\$ 2,402.58
480119100F0040000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.62	\$ 2,402.58
480119100F0050000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.62	\$ 2,402.58
480119100F0060000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.62	\$ 2,402.58
480119100F0070000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.62	\$ 2,402.58
480119100F0080000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.62	\$ 2,402.58
480119100F0090000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.62	\$ 2,402.58
480119100F0100000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 147.62	\$ 2,402.58
480119100F0110000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 211.36	\$ 2,338.84
480119100F0120000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 217.72	\$ 2,332.48
480119100F0130000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 159.78	\$ 2,390.42
480119100F0140000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 145.98	\$ 2,404.22
480119100F0150000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 145.98	\$ 2,404.22
480119100F0160000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 145.98	\$ 2,404.22
480119100F0170000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 122.70	\$ 2,427.50
480119100F0180000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 122.70	\$ 2,427.50
480119100F0190000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 145.98	\$ 2,404.22
480119100F0200000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 301.14	\$ 2,249.06
480119100F0210000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 349.94	\$ 2,200.26
480119100F0220000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 341.35	\$ 2,208.85
480119100F0230000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 122.70	\$ 2,427.50
480119100F0240000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 122.70	\$ 2,427.50
480119100F0250000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 177.44	\$ 2,372.76
480119100G0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 140.03	\$ 2,410.17
480119100G0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.41	\$ 2,431.79
480119100G0030000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 148.01	\$ 2,402.19
480119100G0040000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 148.01	\$ 2,402.19
480119100G0050000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 148.01	\$ 2,402.19
480119100G0060000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.42	\$ 2,425.78
480119100G0070000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.42	\$ 2,425.78
480119100G0080000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.42	\$ 2,425.78
480119100G0090000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.42	\$ 2,425.78
480119100G0100000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.42	\$ 2,425.78
480119100G0110000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.42	\$ 2,425.78
480119100G0120000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.42	\$ 2,425.78
480119100G0130000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.42	\$ 2,425.78
480119100G0140000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 134.19	\$ 2,416.01
480119100G0150000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 134.10	\$ 2,416.10
480119100G0160000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 685.57	\$ 1,864.63
480119100G0170000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 685.57	\$ 1,864.63
480119100G0180000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 122.33	\$ 2,427.87
480119100G0190000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 122.33	\$ 2,427.87
480119100G0200000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 122.33	\$ 2,427.87
480119100G0210000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 145.53	\$ 2,404.67
480119100G0220000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 145.53	\$ 2,404.67
480119100G0230000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 122.33	\$ 2,427.87
480119100G0240000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 116.43	\$ 2,433.77
480119100G0250000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 116.43	\$ 2,433.77
480119100G0260000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 116.43	\$ 2,433.77
480119100G0270000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 145.53	\$ 2,404.67

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2023' Pre TIRZ	TIRZ Credit	Annual Installment Due
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds			
480119100G0280000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 122.33	\$ 2,427.87
480119100G0290000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 159.71	\$ 2,390.49
480119100H0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 133.72	\$ 2,416.48
480119100H0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 170.91	\$ 2,379.29
480119100H0030000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 170.91	\$ 2,379.29
480119100H0040000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.50	\$ 2,431.70
480119100H0050000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.62	\$ 2,425.58
480119100I0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 133.29	\$ 2,416.91
480119100I0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 118.77	\$ 2,431.43
480119100I0030000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.79	\$ 2,425.41
480119100I0040000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.79	\$ 2,425.41
480119100I0050000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.79	\$ 2,425.41
480119100I0060000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 148.46	\$ 2,401.74
480119100I0070000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 148.46	\$ 2,401.74
480119100I0080000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.79	\$ 2,425.41
480119100I0090000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 124.79	\$ 2,425.41
480119100I0100000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 133.96	\$ 2,416.24
480119100I0110000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 82.59	\$ 1,621.18
480119100I0120000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 55.40	\$ 1,648.37
480119100I0130000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.84	\$ 1,648.93
480119100I0140000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.40	\$ 1,649.37
480119100I0150000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.04	\$ 1,649.73
480119100I0160000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 66.00	\$ 1,637.77
480119100I0170000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 65.76	\$ 1,638.01
480119100I0180000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 53.54	\$ 1,650.23
480119100I0190000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 53.63	\$ 1,650.14
480119100I0200000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 66.10	\$ 1,637.67
480119100I0210000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 67.13	\$ 1,636.64
480119100I0220000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 56.25	\$ 1,647.52
480119100I0230000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 58.17	\$ 1,645.60
480119100I0240000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 60.28	\$ 1,643.49
480119100I0250000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 62.46	\$ 1,641.31
480119100I0260000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 64.72	\$ 1,639.05
480119100I0270000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 67.13	\$ 1,636.64
480119100I0280000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 107.02	\$ 1,596.75
480119100J0010000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 125.30	\$ 2,424.90
480119100J0020000	Single Family Lot	\$ 18,994.45	\$ 13,400.35	\$ 2,550.20	\$ 114.13	\$ 2,436.07
480119100JCA40000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
480119100K0010000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 116.22	\$ 1,587.55
480119100K0020000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0030000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0040000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0050000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0060000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 67.36	\$ 1,636.41
480119100K0070000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 67.36	\$ 1,636.41
480119100K0080000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0090000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0100000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0110000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0120000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88

		Outstanding Assessment				
Property ID	Lot Type	Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds	Annual Installment Due 1/31/2023 ¹ Pre TIRZ	TIRZ Credit	Annual Installment Due
480119100K0130000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0140000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 66.89	\$ 1,636.88
480119100KCA70000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
480119100K0150000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 65.80	\$ 1,637.97
480119100K0160000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0170000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0180000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0190000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 75.93	\$ 1,627.84
480119100K0200000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 75.93	\$ 1,627.84
480119100K0210000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0220000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100K0230000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 83.53	\$ 1,620.24
480119100L0010000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 96.77	\$ 1,607.00
480119100L0020000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100L0030000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100L0040000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100L0050000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 78.37	\$ 1,625.40
480119100L0060000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 78.37	\$ 1,625.40
480119100L0070000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100L0080000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 54.89	\$ 1,648.88
480119100L0090000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 82.80	\$ 1,620.97
480119100M0010000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 113.66	\$ 1,590.11
480119100M0020000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 65.29	\$ 1,638.48
480119100M0030000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 65.29	\$ 1,638.48
480119100M0040000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 65.29	\$ 1,638.48
480119100M0050000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 102.65	\$ 1,601.12
480119100M0060000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 102.65	\$ 1,601.12
480119100M0070000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 65.29	\$ 1,638.48
480119100M0080000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 65.29	\$ 1,638.48
480119100M0090000	Townhome Lot	\$ 12,690.08	\$ 8,952.69	\$ 1,703.77	\$ 96.34	\$ 1,607.43
480119100MCA60000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
480119100NCA80000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
480119100OCA90000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
480119500A0010000	Multi-Family	\$ 2,528,452.65	\$ 1,783,792.51	\$ 339,472.39	\$ -	\$ 339,472.39
480119700M0010000	Commercial 1	\$ 148,748.87	\$ 104,940.51	\$ 19,971.16	\$ -	\$ 19,971.16
65100943010010000	Non-Benefitted	\$ -	\$ -	\$ -	\$ -	\$ -
Total²		\$ 6,560,000.49	\$ 4,627,999.48	\$ 880,748.98	\$ 29,571.37	\$ 851,177.61

Notes:

¹ The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January 31, 2023.

² Totals may not match Service Plan or Annual Installment schedules due to rounding.

EXHIBIT G-2 –IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installments Due January 31,	Improvement Area #1 Initial Bonds			Improvement Area #1 Additional Bonds			Annual Collection Costs	Total Installment ³
	Principal	Interest ¹	Additional Interest	Principal	Interest ²	Additional Interest		
2023	\$ 140,000	\$ 244,450	\$ 32,800	\$ 68,000	\$ 277,680	\$ 23,140	\$ 94,682	\$ 880,752
2024	\$ 145,000	\$ 240,950	\$ 32,100	\$ 72,000	\$ 273,600	\$ 22,800	\$ 96,575	\$ 883,025
2025	\$ 150,000	\$ 237,325	\$ 31,375	\$ 76,000	\$ 269,280	\$ 22,440	\$ 98,507	\$ 884,927
2026	\$ 150,000	\$ 233,575	\$ 30,625	\$ 80,000	\$ 264,720	\$ 22,060	\$ 100,477	\$ 881,457
2027	\$ 155,000	\$ 228,700	\$ 29,875	\$ 85,000	\$ 259,920	\$ 21,660	\$ 102,486	\$ 882,641
2028	\$ 160,000	\$ 223,663	\$ 29,100	\$ 90,000	\$ 254,820	\$ 21,235	\$ 104,536	\$ 883,354
2029	\$ 170,000	\$ 218,463	\$ 28,300	\$ 96,000	\$ 249,420	\$ 20,785	\$ 106,627	\$ 889,594
2030	\$ 175,000	\$ 212,938	\$ 27,450	\$ 101,000	\$ 243,660	\$ 20,305	\$ 108,759	\$ 889,112
2031	\$ 180,000	\$ 207,250	\$ 26,575	\$ 108,000	\$ 237,600	\$ 19,800	\$ 110,935	\$ 890,160
2032	\$ 185,000	\$ 200,500	\$ 25,675	\$ 114,000	\$ 231,120	\$ 19,260	\$ 113,153	\$ 888,708
2033	\$ 195,000	\$ 193,563	\$ 24,750	\$ 121,000	\$ 224,280	\$ 18,690	\$ 115,416	\$ 892,699
2034	\$ 200,000	\$ 186,250	\$ 23,775	\$ 128,000	\$ 217,020	\$ 18,085	\$ 117,725	\$ 890,855
2035	\$ 210,000	\$ 178,750	\$ 22,775	\$ 136,000	\$ 209,340	\$ 17,445	\$ 120,079	\$ 894,389
2036	\$ 215,000	\$ 170,875	\$ 21,725	\$ 144,000	\$ 201,180	\$ 16,765	\$ 122,481	\$ 892,026
2037	\$ 225,000	\$ 162,813	\$ 20,650	\$ 153,000	\$ 192,540	\$ 16,045	\$ 124,930	\$ 894,978
2038	\$ 235,000	\$ 154,375	\$ 19,525	\$ 162,000	\$ 183,360	\$ 15,280	\$ 127,429	\$ 896,969
2039	\$ 245,000	\$ 145,563	\$ 18,350	\$ 171,000	\$ 173,640	\$ 14,470	\$ 129,978	\$ 898,000
2040	\$ 250,000	\$ 136,375	\$ 17,125	\$ 182,000	\$ 163,380	\$ 13,615	\$ 132,577	\$ 895,072
2041	\$ 260,000	\$ 127,000	\$ 15,875	\$ 193,000	\$ 152,460	\$ 12,705	\$ 135,229	\$ 896,269
2042	\$ 275,000	\$ 116,600	\$ 14,575	\$ 204,000	\$ 140,880	\$ 11,740	\$ 137,933	\$ 900,728
2043	\$ 285,000	\$ 105,600	\$ 13,200	\$ 217,000	\$ 128,640	\$ 10,720	\$ 140,692	\$ 900,852
2044	\$ 295,000	\$ 94,200	\$ 11,775	\$ 230,000	\$ 115,620	\$ 9,635	\$ 143,506	\$ 899,736
2045	\$ 310,000	\$ 82,400	\$ 10,300	\$ 243,000	\$ 101,820	\$ 8,485	\$ 146,376	\$ 902,381
2046	\$ 320,000	\$ 70,000	\$ 8,750	\$ 258,000	\$ 87,240	\$ 7,270	\$ 149,303	\$ 900,563
2047	\$ 335,000	\$ 57,200	\$ 7,150	\$ 273,000	\$ 71,760	\$ 5,980	\$ 152,290	\$ 902,380
2048	\$ 350,000	\$ 43,800	\$ 5,475	\$ 290,000	\$ 55,380	\$ 4,615	\$ 155,335	\$ 904,605
2049	\$ 365,000	\$ 29,800	\$ 3,725	\$ 307,000	\$ 37,980	\$ 3,165	\$ 158,442	\$ 905,112
2050	\$ 380,000	\$ 15,200	\$ 1,900	\$ 326,000	\$ 19,560	\$ 1,630	\$ 161,611	\$ 905,901
Total	\$ 6,560,000	\$ 4,318,175	\$ 555,275	\$ 4,628,000	\$ 5,037,900	\$ 419,825	\$ 3,508,070	\$ 25,027,245

¹ Interest for the Improvement Area #1 Initial Bonds is calculated at a 2.50%, 3.25%, 3.75%, and 4.00% interest rate for bonds with a maturity of 9/15/2025, 2030, 2040, and 2050 respectively.

² Interest for the Improvement Area #1 Additional Bonds is calculated at a 5.75% interest rate for illustrative purposes.

³ Before application of the TIRZ No. 2 Annual Credit Amount.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H-1 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID ¹	Block ¹	Lot Type	Improvement Area #2-5 Bonds	
			Outstanding Assessment	Annual Installment Due 1/31/2023 ²
65022863010030000	Block K-3	Commercial 2	\$ 25,229.96	\$ 2,322.40
65100943010020100	Block K-2(B)	Commercial 2	\$ 606.79	\$ 55.85
65100943010030100	Block K-2(B) & Block K-2(C)	Commercial 2	\$ 91,034.08	\$ 8,379.61
65100943010020000	Block K-2(B)	Commercial 2	\$ 4,737.60	\$ 436.09
65100943010030000	Block K-2(A)	Commercial 2	\$ 183,391.57	\$ 16,881.04
Total³			\$ 305,000.00	\$ 28,074.99

Notes:

¹ The Outstanding Assessment and Annual Installment is allocated to each Block based on Estimated Buildout Value, as calculated by the Administrator based on square footage information from Site Plans provided by the Owner, then further allocated to each Property ID within the Block pro rata based on acreage.

² The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January 31, 2023.

³ Totals may not match Service Plan or Annual Installment schedules due to rounding. Note, parcels within Improvement Area #2 are also subject to a portion of the Major Improvement Area Assessment. See **Exhibit F-1** for the Major Improvement Area Assessment Roll.

EXHIBIT H-2 – IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Installments Due January 31,	Improvement Area #2-5 Reimbursement Obligation ¹				
	Principal	Interest ²	Additional Interest	Annual Collection Costs	Annual Installment
2023	\$ 4,000	\$ 18,300	\$ 1,525	\$ 4,250	\$ 28,075
2024	\$ 4,000	\$ 18,060	\$ 1,505	\$ 4,335	\$ 27,900
2025	\$ 4,000	\$ 17,820	\$ 1,485	\$ 4,422	\$ 27,727
2026	\$ 5,000	\$ 17,580	\$ 1,465	\$ 4,510	\$ 28,555
2027	\$ 5,000	\$ 17,280	\$ 1,440	\$ 4,600	\$ 28,320
2028	\$ 5,000	\$ 16,980	\$ 1,415	\$ 4,692	\$ 28,087
2029	\$ 5,000	\$ 16,680	\$ 1,390	\$ 4,786	\$ 27,856
2030	\$ 6,000	\$ 16,380	\$ 1,365	\$ 4,882	\$ 28,627
2031	\$ 6,000	\$ 16,020	\$ 1,335	\$ 4,980	\$ 28,335
2032	\$ 6,000	\$ 15,660	\$ 1,305	\$ 5,079	\$ 28,044
2033	\$ 7,000	\$ 15,300	\$ 1,275	\$ 5,181	\$ 28,756
2034	\$ 7,000	\$ 14,880	\$ 1,240	\$ 5,284	\$ 28,404
2035	\$ 8,000	\$ 14,460	\$ 1,205	\$ 5,390	\$ 29,055
2036	\$ 8,000	\$ 13,980	\$ 1,165	\$ 5,498	\$ 28,643
2037	\$ 9,000	\$ 13,500	\$ 1,125	\$ 5,608	\$ 29,233
2038	\$ 9,000	\$ 12,960	\$ 1,080	\$ 5,720	\$ 28,760
2039	\$ 10,000	\$ 12,420	\$ 1,035	\$ 5,834	\$ 29,289
2040	\$ 10,000	\$ 11,820	\$ 985	\$ 5,951	\$ 28,756
2041	\$ 11,000	\$ 11,220	\$ 935	\$ 6,070	\$ 29,225
2042	\$ 12,000	\$ 10,560	\$ 880	\$ 6,191	\$ 29,631
2043	\$ 12,000	\$ 9,840	\$ 820	\$ 6,315	\$ 28,975
2044	\$ 13,000	\$ 9,120	\$ 760	\$ 6,442	\$ 29,322
2045	\$ 14,000	\$ 8,340	\$ 695	\$ 6,570	\$ 29,605
2046	\$ 15,000	\$ 7,500	\$ 625	\$ 6,702	\$ 29,827
2047	\$ 16,000	\$ 6,600	\$ 550	\$ 6,836	\$ 29,986
2048	\$ 17,000	\$ 5,640	\$ 470	\$ 6,973	\$ 30,083
2049	\$ 17,000	\$ 4,620	\$ 385	\$ 7,112	\$ 29,117
2050	\$ 19,000	\$ 3,600	\$ 300	\$ 7,254	\$ 30,154
2051	\$ 20,000	\$ 2,460	\$ 205	\$ 7,399	\$ 30,064
2052	\$ 21,000	\$ 1,260	\$ 105	\$ 7,547	\$ 29,912
Total	\$ 305,000	\$ 360,840	\$ 30,070	\$ 172,414	\$ 868,324

¹ Represents Improvement Area #2-5 Bonds allocable to Improvement Area #2.

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT I-1 – IMPROVEMENT AREA #3 ASSESSMENT ROLL

Property ID	Block	Lot Type	Improvement Area #2-5 Bonds	
			Outstanding Assessment	Annual Installment Due 1/31/2023 ¹
65022863010020300	Block C	Single Family	\$ 1,035,000.00	\$ 84,525.00
Total²			\$ 1,035,000.00	\$ 84,525.00

Notes:

¹ The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January 31, 2023.

² Totals may not match Service Plan or Annual Installment schedules due to rounding. Note, parcels within Improvement Area #3 are also subject to a portion of the Major Improvement Area Assessment. See **Exhibit F-1** for the Major Improvement Area Assessment Roll.

EXHIBIT I-2 – IMPROVEMENT AREA #3 ANNUAL INSTALLMENTS

Installments Due January 31,	Improvement Area #2-5 Bonds ¹					
	Principal	Interest ²	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installments
2023	\$ 13,000	\$ 62,100	\$ -	\$ 5,175	\$ 4,250	\$ 84,525
2024	\$ 14,000	\$ 61,320	\$ -	\$ 5,110	\$ 4,335	\$ 84,765
2025	\$ 15,000	\$ 60,480	\$ -	\$ 5,040	\$ 4,422	\$ 84,942
2026	\$ 16,000	\$ 59,580	\$ -	\$ 4,965	\$ 4,510	\$ 85,055
2027	\$ 17,000	\$ 58,620	\$ -	\$ 4,885	\$ 4,600	\$ 85,105
2028	\$ 18,000	\$ 57,600	\$ -	\$ 4,800	\$ 4,692	\$ 85,092
2029	\$ 19,000	\$ 56,520	\$ -	\$ 4,710	\$ 4,786	\$ 85,016
2030	\$ 20,000	\$ 55,380	\$ -	\$ 4,615	\$ 4,882	\$ 84,877
2031	\$ 21,000	\$ 54,180	\$ -	\$ 4,515	\$ 4,980	\$ 84,675
2032	\$ 22,000	\$ 52,920	\$ -	\$ 4,410	\$ 5,079	\$ 84,409
2033	\$ 23,000	\$ 51,600	\$ -	\$ 4,300	\$ 5,181	\$ 84,081
2034	\$ 25,000	\$ 50,220	\$ -	\$ 4,185	\$ 5,284	\$ 84,689
2035	\$ 26,000	\$ 48,720	\$ -	\$ 4,060	\$ 5,390	\$ 84,170
2036	\$ 28,000	\$ 47,160	\$ -	\$ 3,930	\$ 5,498	\$ 84,588
2037	\$ 30,000	\$ 45,480	\$ -	\$ 3,790	\$ 5,608	\$ 84,878
2038	\$ 31,000	\$ 43,680	\$ -	\$ 3,640	\$ 5,720	\$ 84,040
2039	\$ 33,000	\$ 41,820	\$ -	\$ 3,485	\$ 5,834	\$ 84,139
2040	\$ 35,000	\$ 39,840	\$ -	\$ 3,320	\$ 5,951	\$ 84,111
2041	\$ 37,000	\$ 37,740	\$ -	\$ 3,145	\$ 6,070	\$ 83,955
2042	\$ 40,000	\$ 35,520	\$ -	\$ 2,960	\$ 6,191	\$ 84,671
2043	\$ 42,000	\$ 33,120	\$ -	\$ 2,760	\$ 6,315	\$ 84,195
2044	\$ 44,000	\$ 30,600	\$ -	\$ 2,550	\$ 6,442	\$ 83,592
2045	\$ 47,000	\$ 27,960	\$ -	\$ 2,330	\$ 6,570	\$ 83,860
2046	\$ 50,000	\$ 25,140	\$ -	\$ 2,095	\$ 6,702	\$ 83,937
2047	\$ 53,000	\$ 22,140	\$ -	\$ 1,845	\$ 6,836	\$ 83,821
2048	\$ 56,000	\$ 18,960	\$ -	\$ 1,580	\$ 6,973	\$ 83,513
2049	\$ 59,000	\$ 15,600	\$ -	\$ 1,300	\$ 7,112	\$ 83,012
2050	\$ 63,000	\$ 12,060	\$ -	\$ 1,005	\$ 7,254	\$ 83,319
2051	\$ 67,000	\$ 8,280	\$ -	\$ 690	\$ 7,399	\$ 83,369
2052	\$ 71,000	\$ 4,260	\$ -	\$ 355	\$ 7,547	\$ 83,162
Total	\$ 1,035,000	\$ 1,218,600	\$ -	\$ 101,550	\$ 172,414	\$ 2,527,564

¹ Represents Improvement Area #2-5 Bonds allocable to Improvement Area #3.

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT J-1 – IMPROVEMENT AREA #4 ASSESSMENT ROLL

Property ID	Block	Lot Type	Improvement Area #2-5 Bonds	
			Outstanding Assessment	Annual Installment Due 1/31/2023 ¹
65022863010020000	Block D1 Block D2 & Block E	Multi-Family, Commercial 2 & Commercial 3	\$ 3,478,000.00	\$ 274,320.00
Total²			\$ 3,478,000.00	\$ 274,320.00

Notes:

¹ The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January 31, 2023.

² Totals may not match Service Plan or Annual Installment schedules due to rounding. Note, parcels within Improvement Area #4 are also subject to a portion of the Major Improvement Area Assessment. See **Exhibit F-1** for the Major Improvement Area Assessment Roll.

EXHIBIT J-2 – IMPROVEMENT AREA #4 ANNUAL INSTALLMENTS

Installments Due January 31,	Improvement Area #2-5 Bonds ¹				
	Principal	Interest ²	Additional Interest	Annual Collection Costs	Annual Installment
2023	\$ 44,000	\$ 208,680	\$ 17,390	\$ 4,250	\$ 274,320
2024	\$ 47,000	\$ 206,040	\$ 17,170	\$ 4,335	\$ 274,545
2025	\$ 49,000	\$ 203,220	\$ 16,935	\$ 4,422	\$ 273,577
2026	\$ 52,000	\$ 200,280	\$ 16,690	\$ 4,510	\$ 273,480
2027	\$ 56,000	\$ 197,160	\$ 16,430	\$ 4,600	\$ 274,190
2028	\$ 59,000	\$ 193,800	\$ 16,150	\$ 4,692	\$ 273,642
2029	\$ 62,000	\$ 190,260	\$ 15,855	\$ 4,786	\$ 272,901
2030	\$ 66,000	\$ 186,540	\$ 15,545	\$ 4,882	\$ 272,967
2031	\$ 70,000	\$ 182,580	\$ 15,215	\$ 4,980	\$ 272,775
2032	\$ 74,000	\$ 178,380	\$ 14,865	\$ 5,079	\$ 272,324
2033	\$ 79,000	\$ 173,940	\$ 14,495	\$ 5,181	\$ 272,616
2034	\$ 84,000	\$ 169,200	\$ 14,100	\$ 5,284	\$ 272,584
2035	\$ 89,000	\$ 164,160	\$ 13,680	\$ 5,390	\$ 272,230
2036	\$ 94,000	\$ 158,820	\$ 13,235	\$ 5,498	\$ 271,553
2037	\$ 99,000	\$ 153,180	\$ 12,765	\$ 5,608	\$ 270,553
2038	\$ 105,000	\$ 147,240	\$ 12,270	\$ 5,720	\$ 270,230
2039	\$ 112,000	\$ 140,940	\$ 11,745	\$ 5,834	\$ 270,519
2040	\$ 118,000	\$ 134,220	\$ 11,185	\$ 5,951	\$ 269,356
2041	\$ 126,000	\$ 127,140	\$ 10,595	\$ 6,070	\$ 269,805
2042	\$ 133,000	\$ 119,580	\$ 9,965	\$ 6,191	\$ 268,736
2043	\$ 141,000	\$ 111,600	\$ 9,300	\$ 6,315	\$ 268,215
2044	\$ 150,000	\$ 103,140	\$ 8,595	\$ 6,442	\$ 268,177
2045	\$ 159,000	\$ 94,140	\$ 7,845	\$ 6,570	\$ 267,555
2046	\$ 168,000	\$ 84,600	\$ 7,050	\$ 6,702	\$ 266,352
2047	\$ 178,000	\$ 74,520	\$ 6,210	\$ 6,836	\$ 265,566
2048	\$ 189,000	\$ 63,840	\$ 5,320	\$ 6,973	\$ 265,133
2049	\$ 200,000	\$ 52,500	\$ 4,375	\$ 7,112	\$ 263,987
2050	\$ 212,000	\$ 40,500	\$ 3,375	\$ 7,254	\$ 263,129
2051	\$ 225,000	\$ 27,780	\$ 2,315	\$ 7,399	\$ 262,494
2052	\$ 238,000	\$ 14,280	\$ 1,190	\$ 7,547	\$ 261,017
Total	\$ 3,478,000	\$ 4,102,260	\$ 341,855	\$ 172,414	\$ 8,094,529

¹ Represents Improvement Area #2-5 Bonds allocable to Improvement Area #4.

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT K-1 – IMPROVEMENT AREA #5 ASSESSMENT ROLL

Property ID ¹	Block ¹	Lot Type	Improvement Area #2-5 Bonds	
			Outstanding Assessment	Annual Installment Due 1/31/2023 ²
65092877510020100	Block H-1	Commercial 2	\$ 4,380.21	\$ 346.46
65092877510020000	Block H-1	Commercial 2	\$ 91,453.49	\$ 7,233.68
480118200A0010200	Block F	Multi-Family	\$ 1,663,427.29	\$ 131,571.85
480118200A0030000	Block L3	Commercial 2	\$ 709,169.35	\$ 56,093.06
480118200A0020000	Block L2	Commercial 2	\$ 212,963.77	\$ 16,844.76
480118200A0010000	Block G1, Block G2 & Block L1	Commercial 2	\$ 457,605.90	\$ 36,195.18
65092877510020200	Block H-2	Non-Benefitted	\$ -	\$ -
Total³			\$ 3,139,000.01	\$ 248,284.99

Notes:

¹ The Outstanding Assessment and Annual Installment is allocated to each Block based on Estimated Buildout Value, as calculated by the Administrator based on square footage information from Site Plans provided by the Owner, then further allocated to each Property ID within the Block pro rata based on acreage.

² The Annual Installment covers the period September 15, 2022 to September 14, 2023 and is due by January 31, 2023.

³ Totals may not match Service Plan or Annual Installment schedules due to rounding. Note, parcels within Improvement Area #5 are also subject to a portion of the Major Improvement Area Assessment. See **Exhibit F-1** for the Major Improvement Area Assessment Roll.

EXHIBIT K-2 – IMPROVEMENT AREA #5 ANNUAL INSTALLMENTS

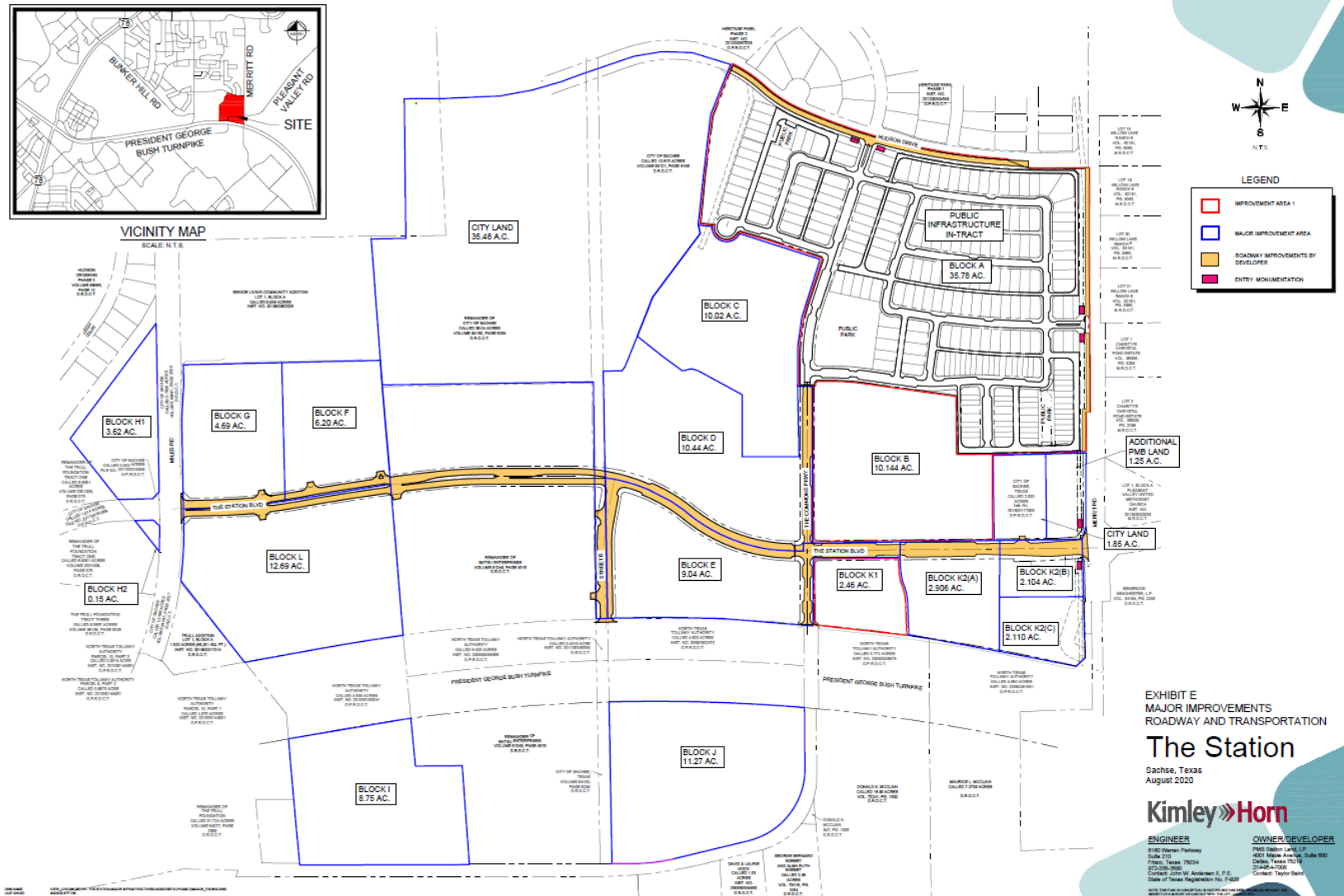
Installments Due January 31,	Improvement Area #2-5 Bonds ¹				
	Principal	Interest ²	Additional Interest	Annual Collection Costs	Annual Installment
2023	\$ 40,000	\$ 188,340	\$ 15,695	\$ 4,250	\$ 248,285
2024	\$ 42,000	\$ 185,940	\$ 15,495	\$ 4,335	\$ 247,770
2025	\$ 45,000	\$ 183,420	\$ 15,285	\$ 4,422	\$ 248,127
2026	\$ 47,000	\$ 180,720	\$ 15,060	\$ 4,510	\$ 247,290
2027	\$ 50,000	\$ 177,900	\$ 14,825	\$ 4,600	\$ 247,325
2028	\$ 53,000	\$ 174,900	\$ 14,575	\$ 4,692	\$ 247,167
2029	\$ 56,000	\$ 171,720	\$ 14,310	\$ 4,786	\$ 246,816
2030	\$ 60,000	\$ 168,360	\$ 14,030	\$ 4,882	\$ 247,272
2031	\$ 63,000	\$ 164,760	\$ 13,730	\$ 4,980	\$ 246,470
2032	\$ 67,000	\$ 160,980	\$ 13,415	\$ 5,079	\$ 246,474
2033	\$ 71,000	\$ 156,960	\$ 13,080	\$ 5,181	\$ 246,221
2034	\$ 75,000	\$ 152,700	\$ 12,725	\$ 5,284	\$ 245,709
2035	\$ 80,000	\$ 148,200	\$ 12,350	\$ 5,390	\$ 245,940
2036	\$ 85,000	\$ 143,400	\$ 11,950	\$ 5,498	\$ 245,848
2037	\$ 90,000	\$ 138,300	\$ 11,525	\$ 5,608	\$ 245,433
2038	\$ 95,000	\$ 132,900	\$ 11,075	\$ 5,720	\$ 244,695
2039	\$ 101,000	\$ 127,200	\$ 10,600	\$ 5,834	\$ 244,634
2040	\$ 107,000	\$ 121,140	\$ 10,095	\$ 5,951	\$ 244,186
2041	\$ 113,000	\$ 114,720	\$ 9,560	\$ 6,070	\$ 243,350
2042	\$ 120,000	\$ 107,940	\$ 8,995	\$ 6,191	\$ 243,126
2043	\$ 127,000	\$ 100,740	\$ 8,395	\$ 6,315	\$ 242,450
2044	\$ 135,000	\$ 93,120	\$ 7,760	\$ 6,442	\$ 242,322
2045	\$ 143,000	\$ 85,020	\$ 7,085	\$ 6,570	\$ 241,675
2046	\$ 152,000	\$ 76,440	\$ 6,370	\$ 6,702	\$ 241,512
2047	\$ 161,000	\$ 67,320	\$ 5,610	\$ 6,836	\$ 240,766
2048	\$ 170,000	\$ 57,660	\$ 4,805	\$ 6,973	\$ 239,438
2049	\$ 181,000	\$ 47,460	\$ 3,955	\$ 7,112	\$ 239,527
2050	\$ 192,000	\$ 36,600	\$ 3,050	\$ 7,254	\$ 238,904
2051	\$ 203,000	\$ 25,080	\$ 2,090	\$ 7,399	\$ 237,569
2052	\$ 215,000	\$ 12,900	\$ 1,075	\$ 7,547	\$ 236,522
Total	\$ 3,139,000	\$ 3,702,840	\$ 308,570	\$ 172,414	\$ 7,322,824

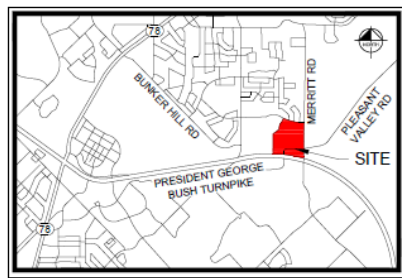
¹ Represents Improvement Area #2-5 Bonds allocable to Improvement Area #5.

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

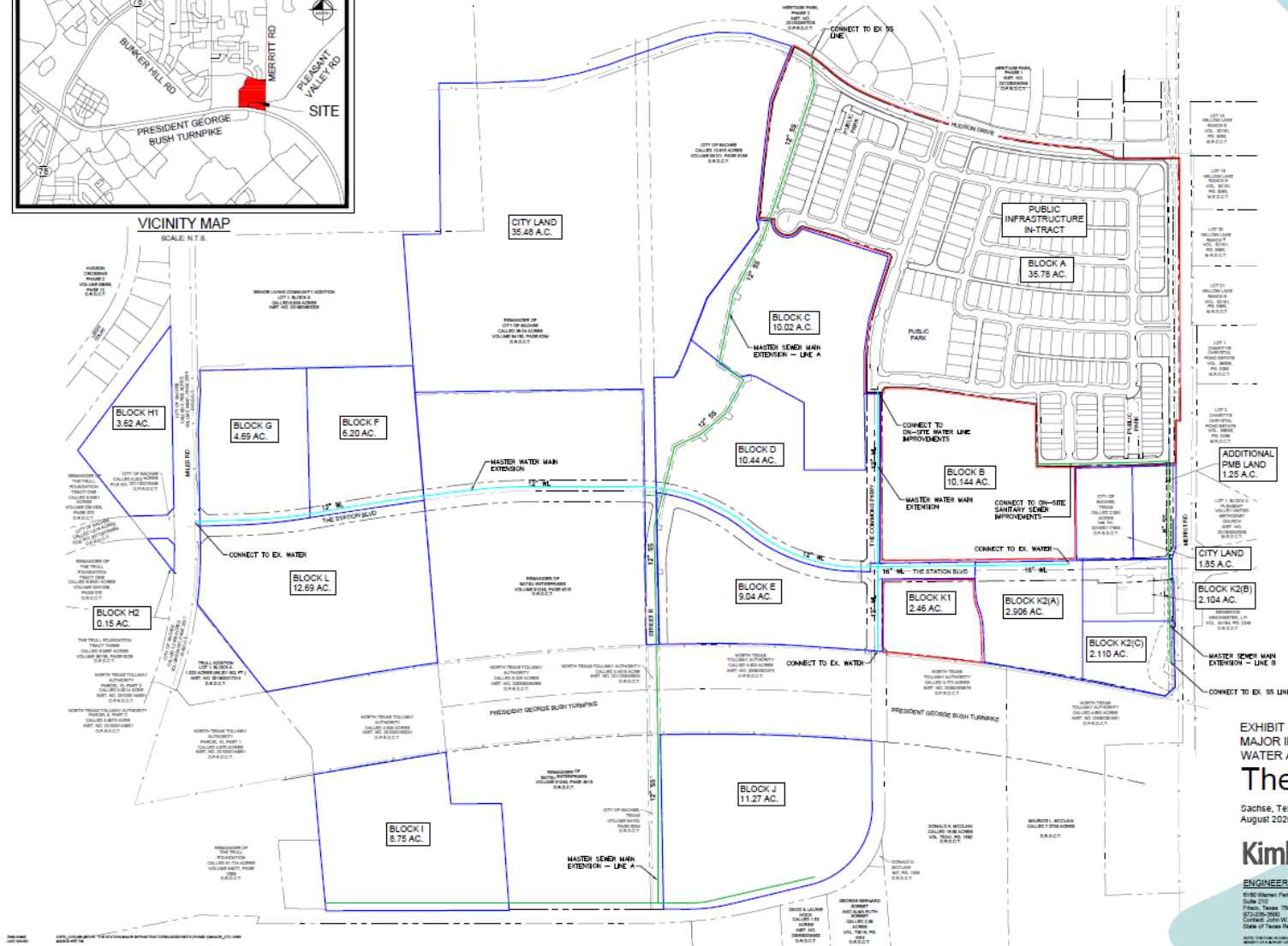
Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT L-1 – MAPS OF MAJOR IMPROVEMENTS





VICINITY MAP
SCALE: N.T.S.



LEGEND



EXHIBIT F
MAJOR IMPROVEMENTS
WATER AND SANITARY SEWER PLAN
The Station
Sachse, Texas
August 2020

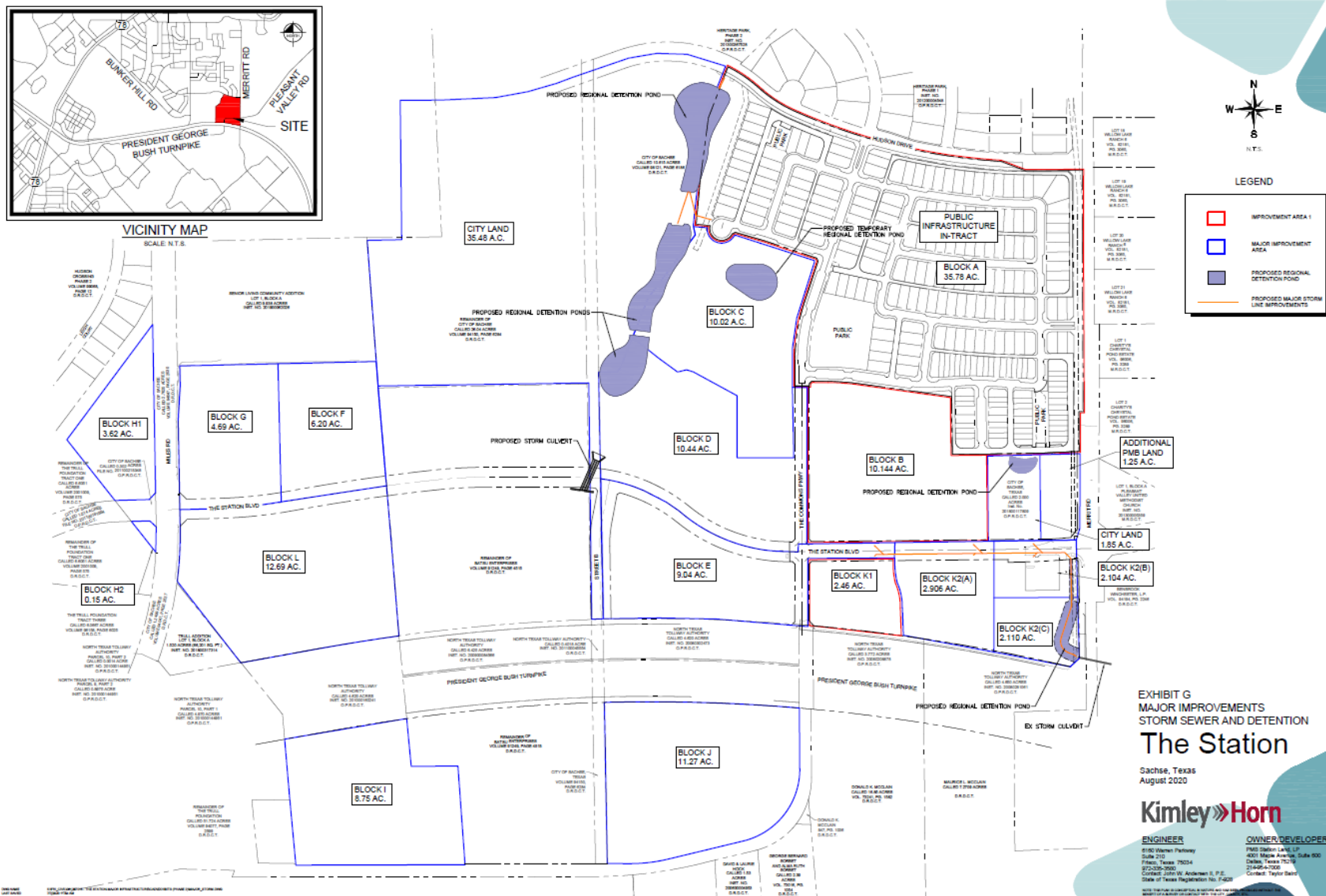
Kimley»Horn

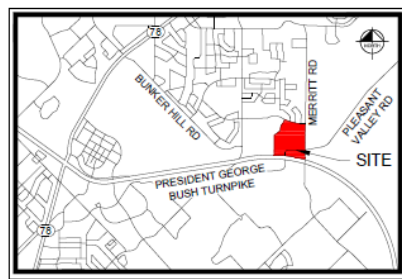
ENGINEER

6140 Warren Parkway
Suite 210
Frisco, Texas 75034
(972) 238-2800
Caddess: 201910 Appendix E, P.E.
State of Texas Registration No. 74201

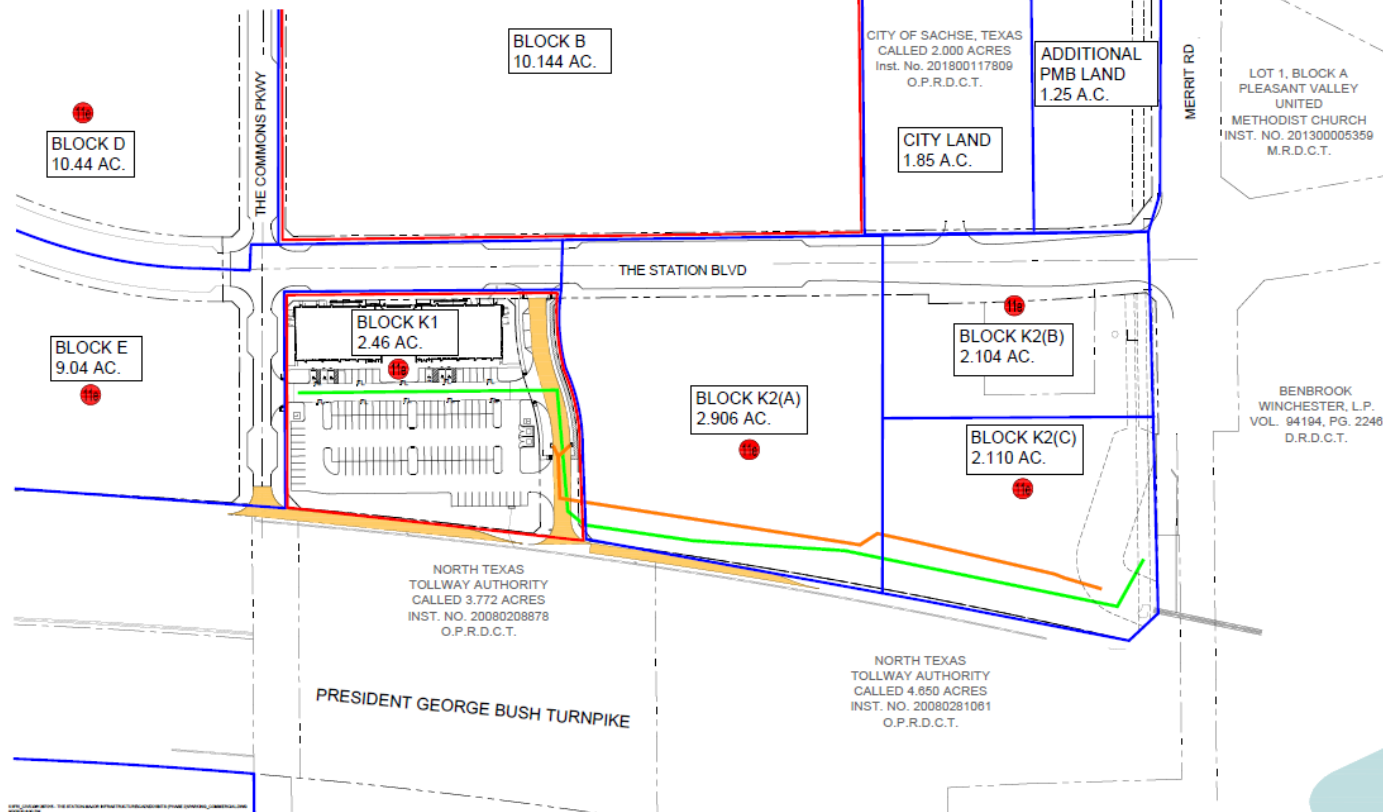
OWNER/DEVELOPER

PMO Station Land LP
4001 Maple Avenue, Suite 500
Dallas, Texas 75219
(214) 454-7000
Contract: Taylor Station

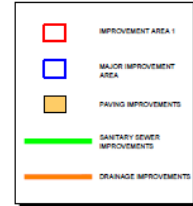




VICINITY MAP
SCALE: N.T.S.



LEGEND



LEGEND

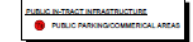


EXHIBIT H
PUBLIC PARKING/COMMERCIAL AREAS

The Station

Sachse, Texas
August 2020

Kimley»Horn

ENGINEER

6100 Warner Parkway
Suite 210
Frisco, Texas 75034
(972) 256-2000
Contact: John W. Anderson, P.E.
State of Texas Registration No. 7426

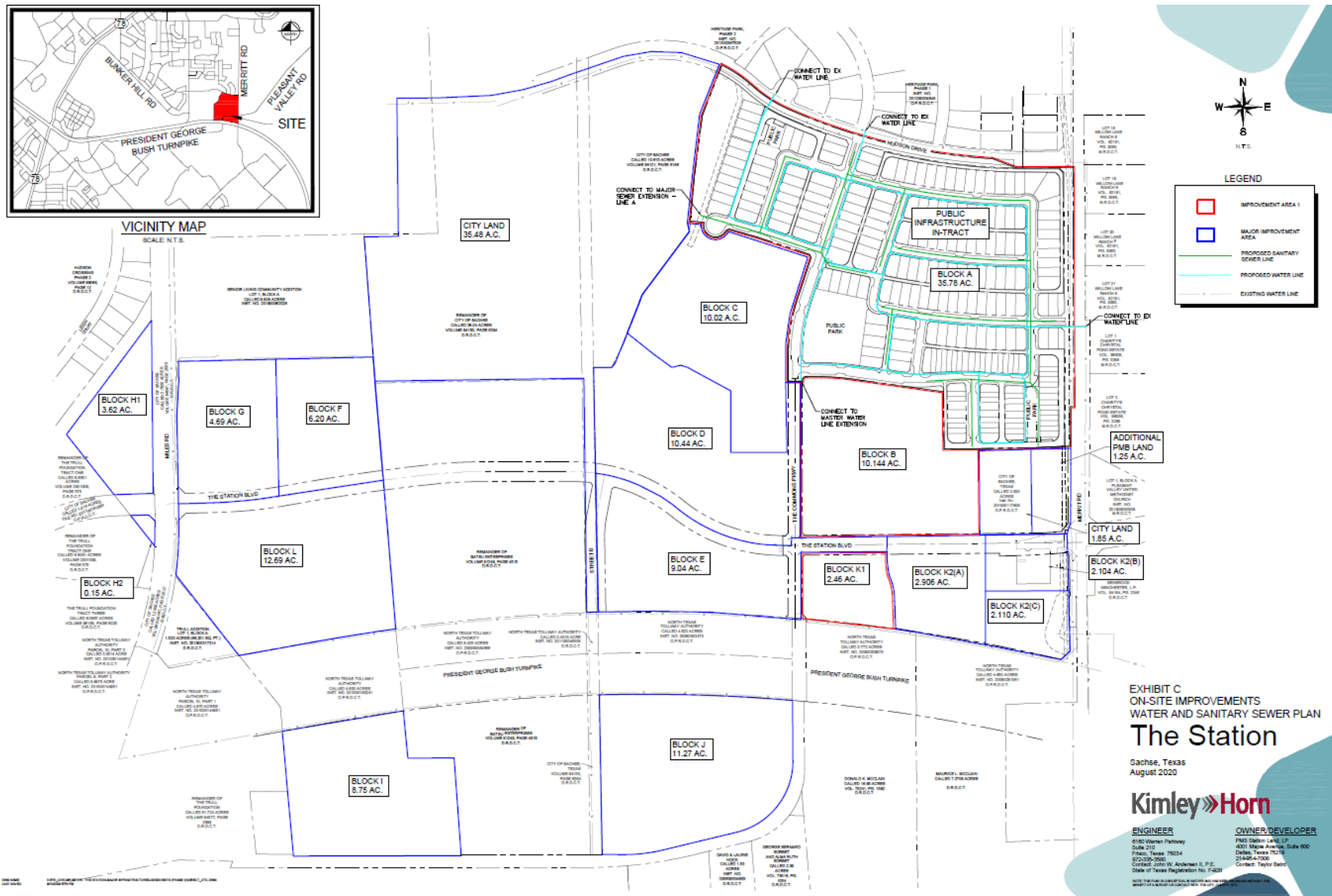
OWNER/DEVELOPER

PMS Station Land, L.P.
4001 Maple Avenue, Suite 900
Dallas, Texas 75219
(214) 644-1000
Contact: Taylor Bandy

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EXHIBIT L-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS





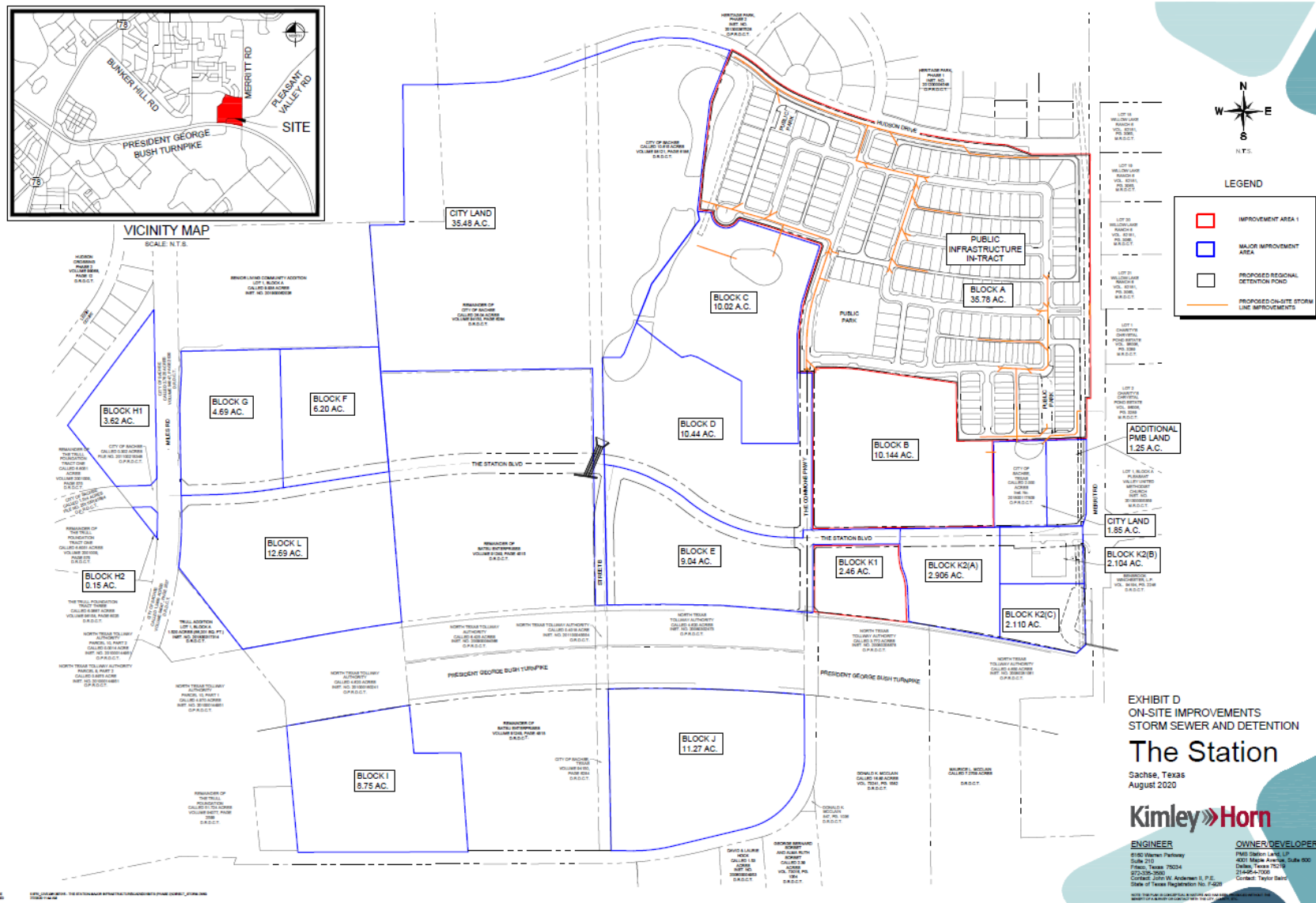
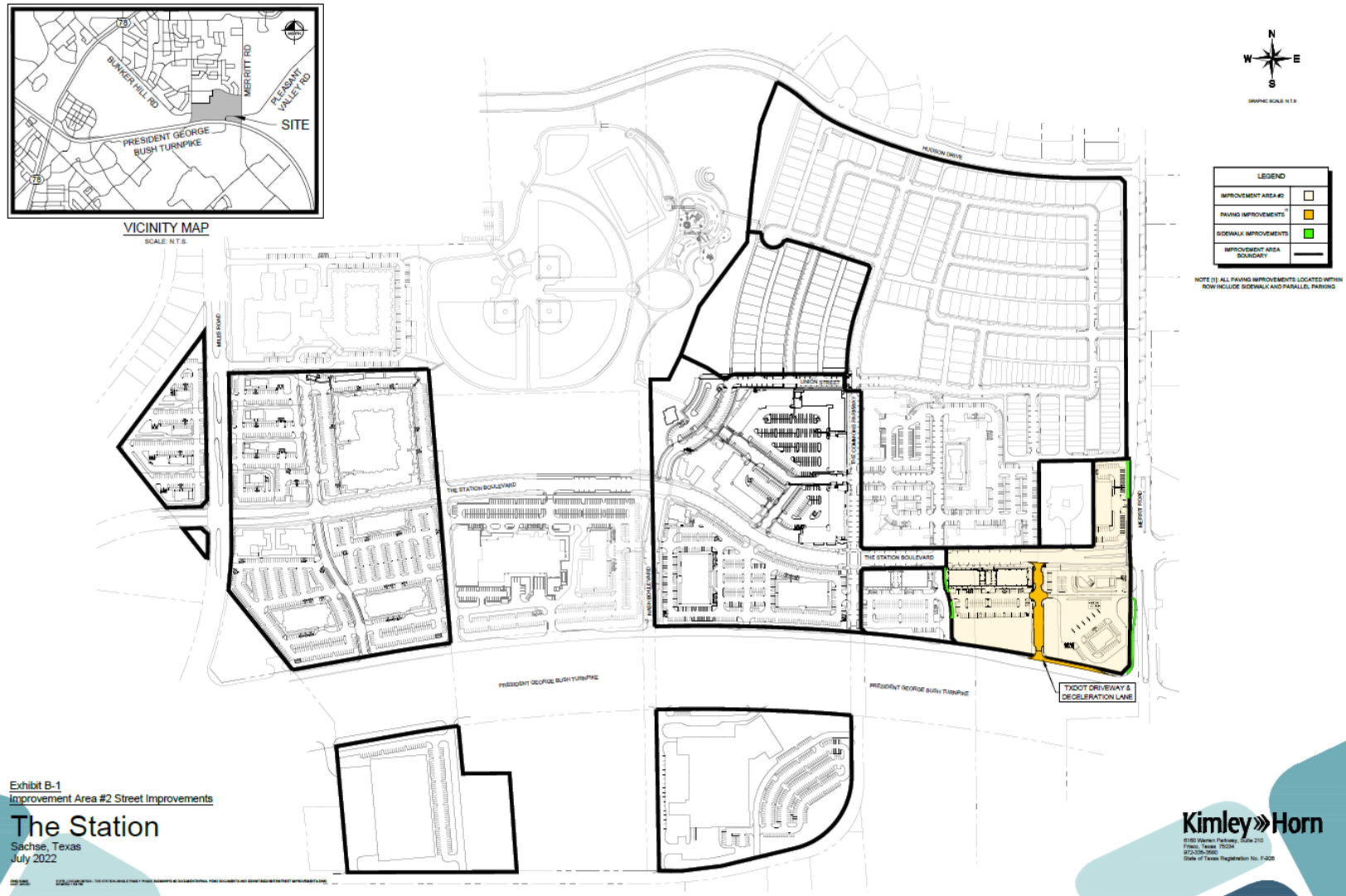
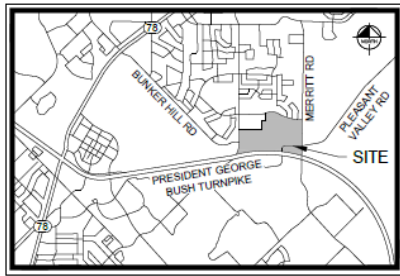


EXHIBIT L-3 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS





VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #2	
WATER IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

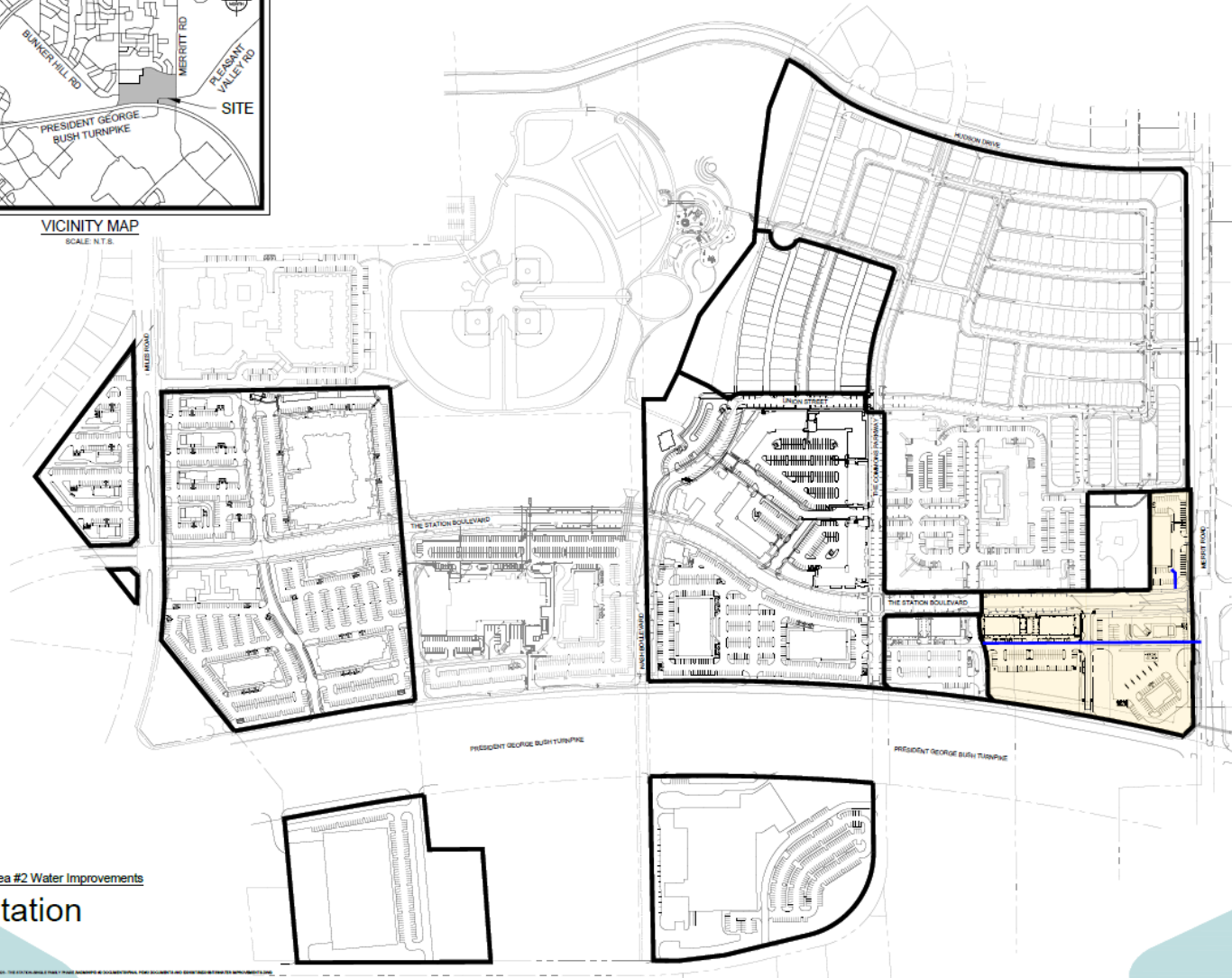
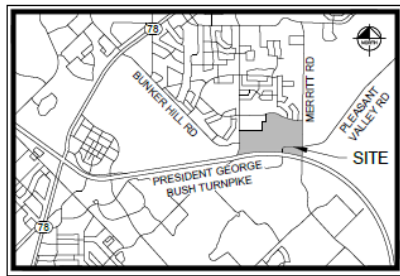


Exhibit B-2
Improvement Area #2 Water Improvements

The Station
Sachse, Texas
July 2022

Kimley»Horn
5100 Warren Parkway, Suite 210
Frisco, Texas 75034
972.258.2600
State of Texas Registration No. F-4028



VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #2	
SEWER IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

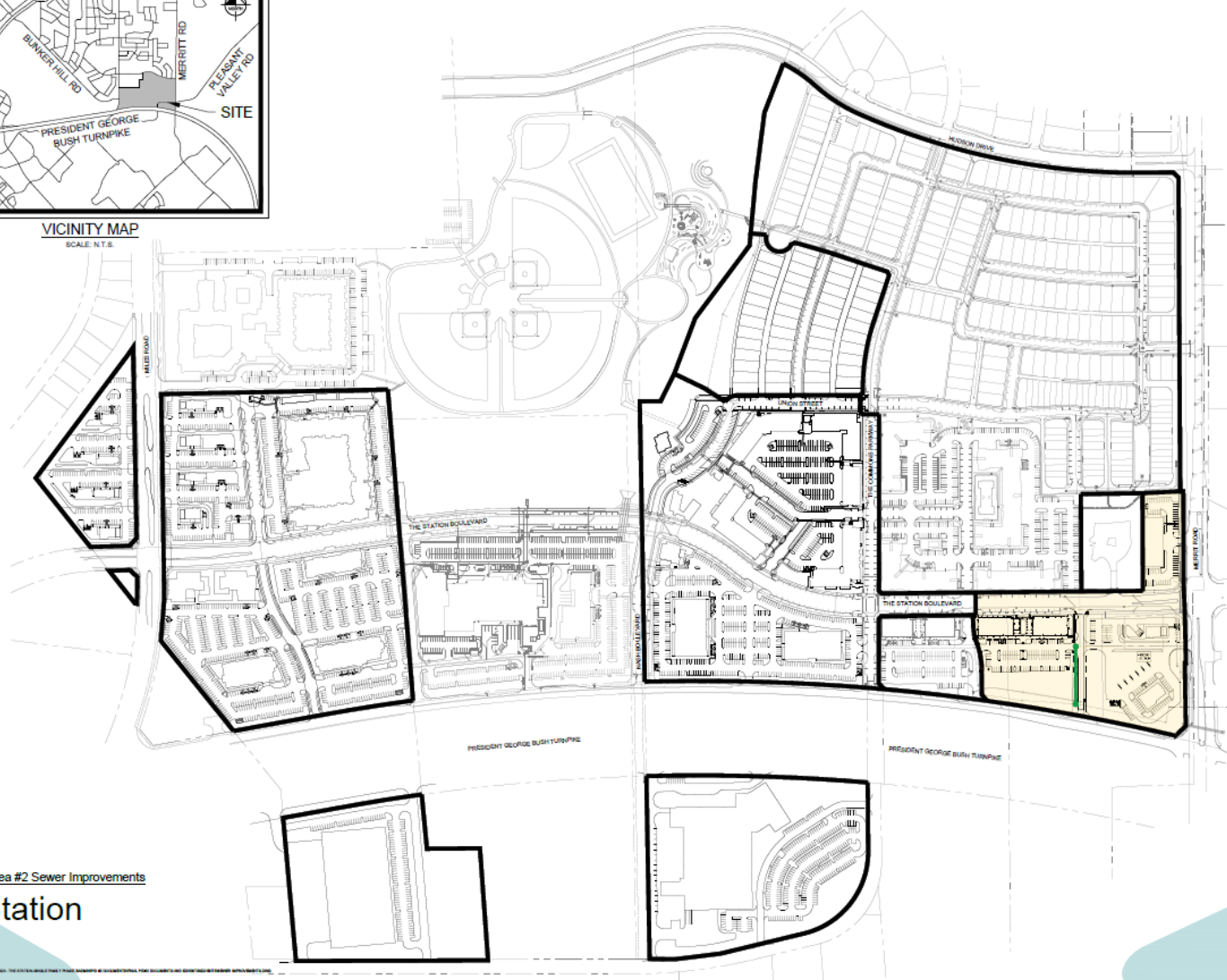


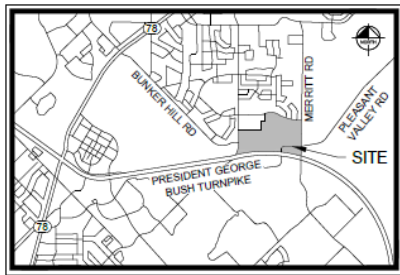
Exhibit B-3
Improvement Area #2 Sewer Improvements

The Station

Sachse, Texas
July 2022

Kimley»Horn

6185 Warren Parkway, Suite 210
Frisco, Texas 75034
972.336-3600
State of Texas Registration No. T-4628



VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #2	
DRAINAGE IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

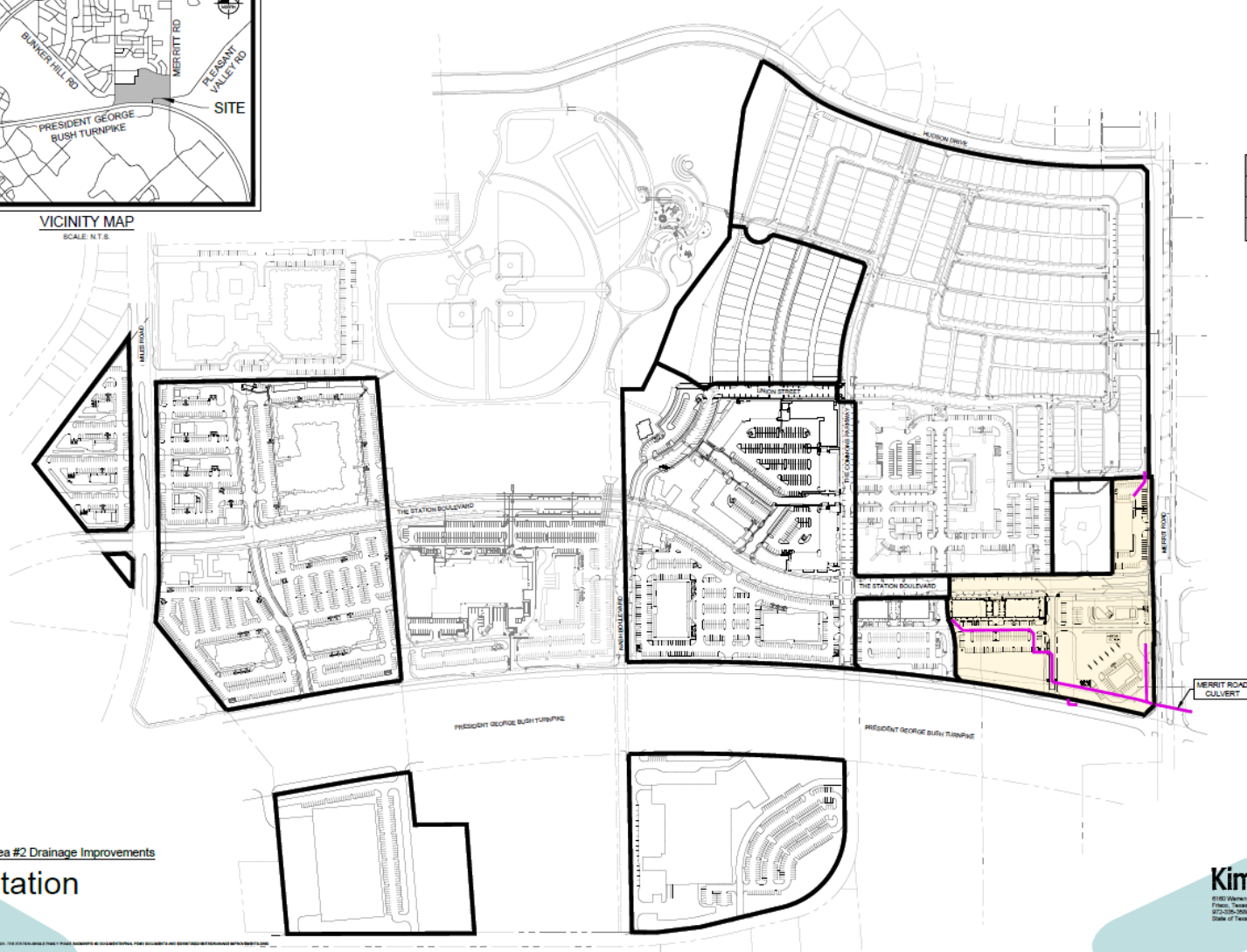


Exhibit B-4
Improvement Area #2 Drainage Improvements

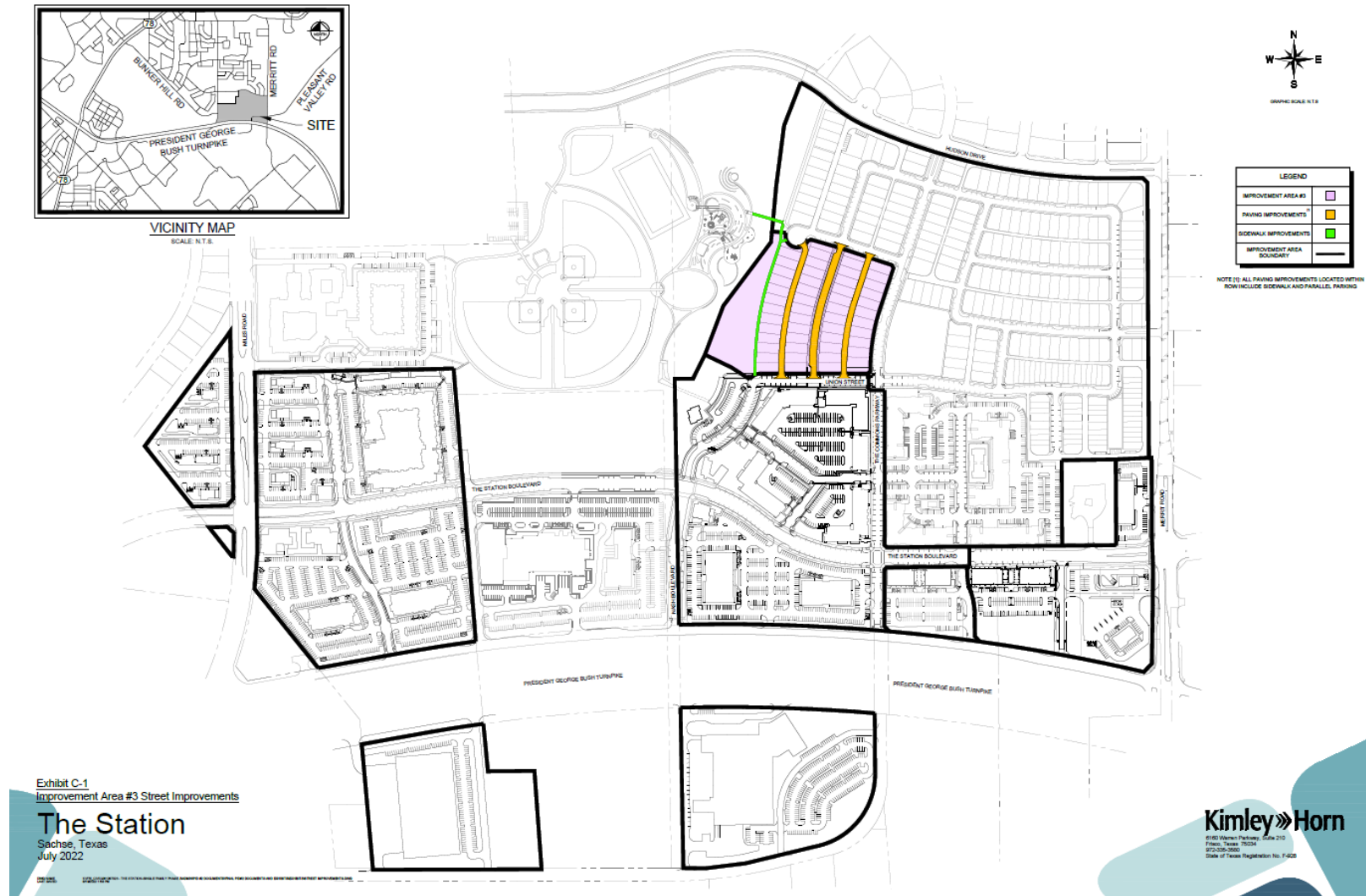
The Station

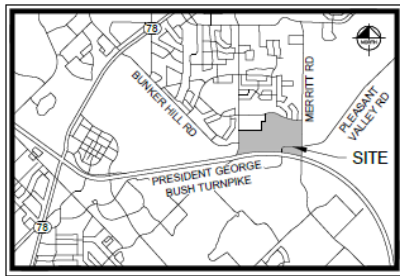
Sachse, Texas
July 2022

Kimley»Horn

5180 Warren Parkway, Suite 210
Frisco, Texas 75034
972-336-5500
State of Texas Registration No. 1-4028

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





VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #3	
WATER IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

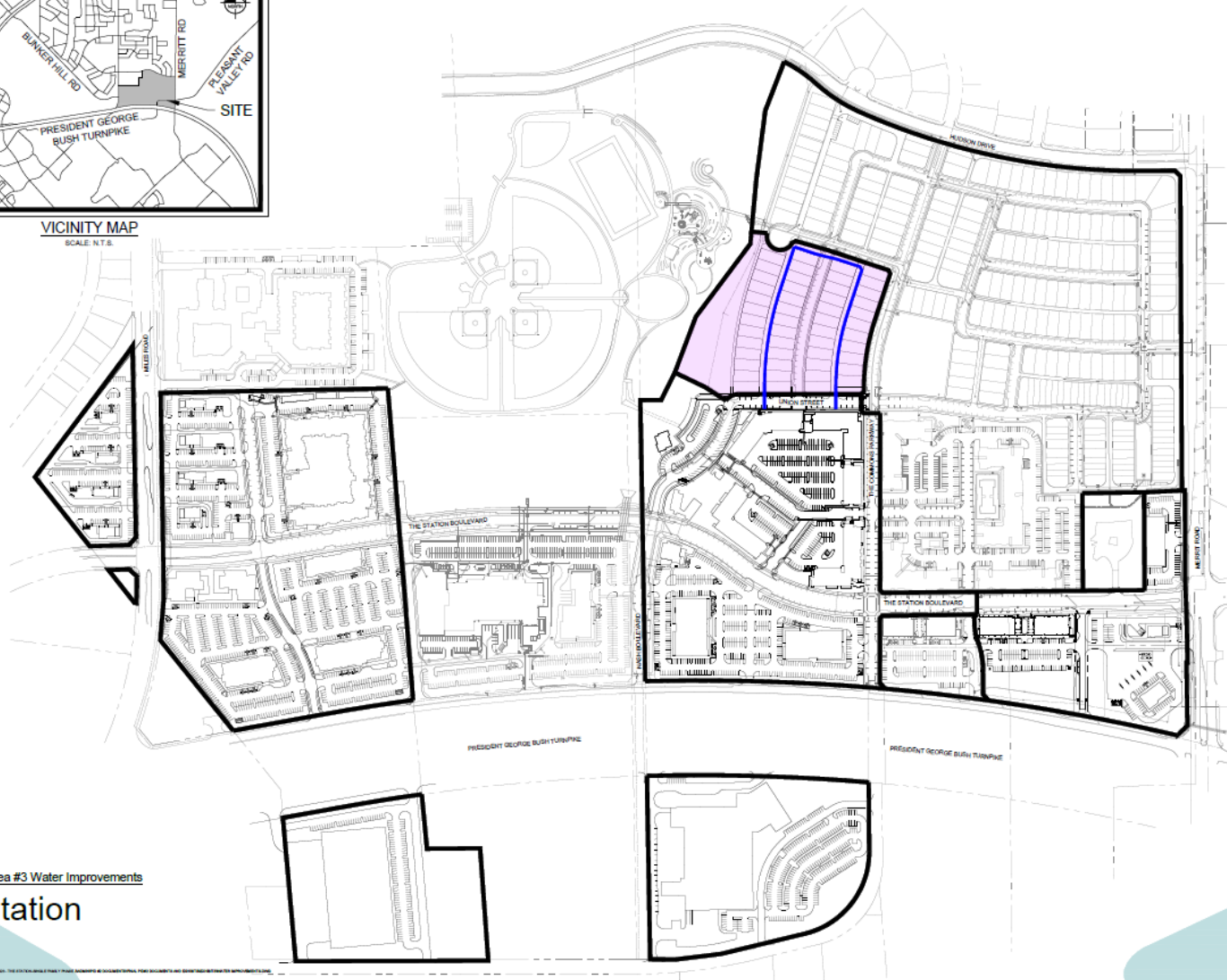


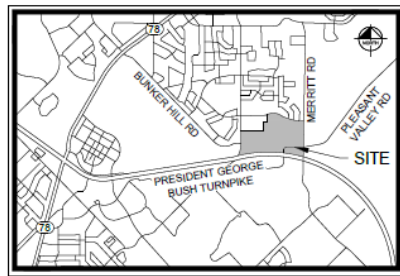
Exhibit C-2
Improvement Area #3 Water Improvements

The Station

Sachse, Texas
July 2022

Kimley»Horn

5180 Warren Parkway, Suite 210
Frisco, Texas 75034
972-338-2800
State of Texas Registration No. F-6228



VICINITY MAP
SCALE: N.T.S.

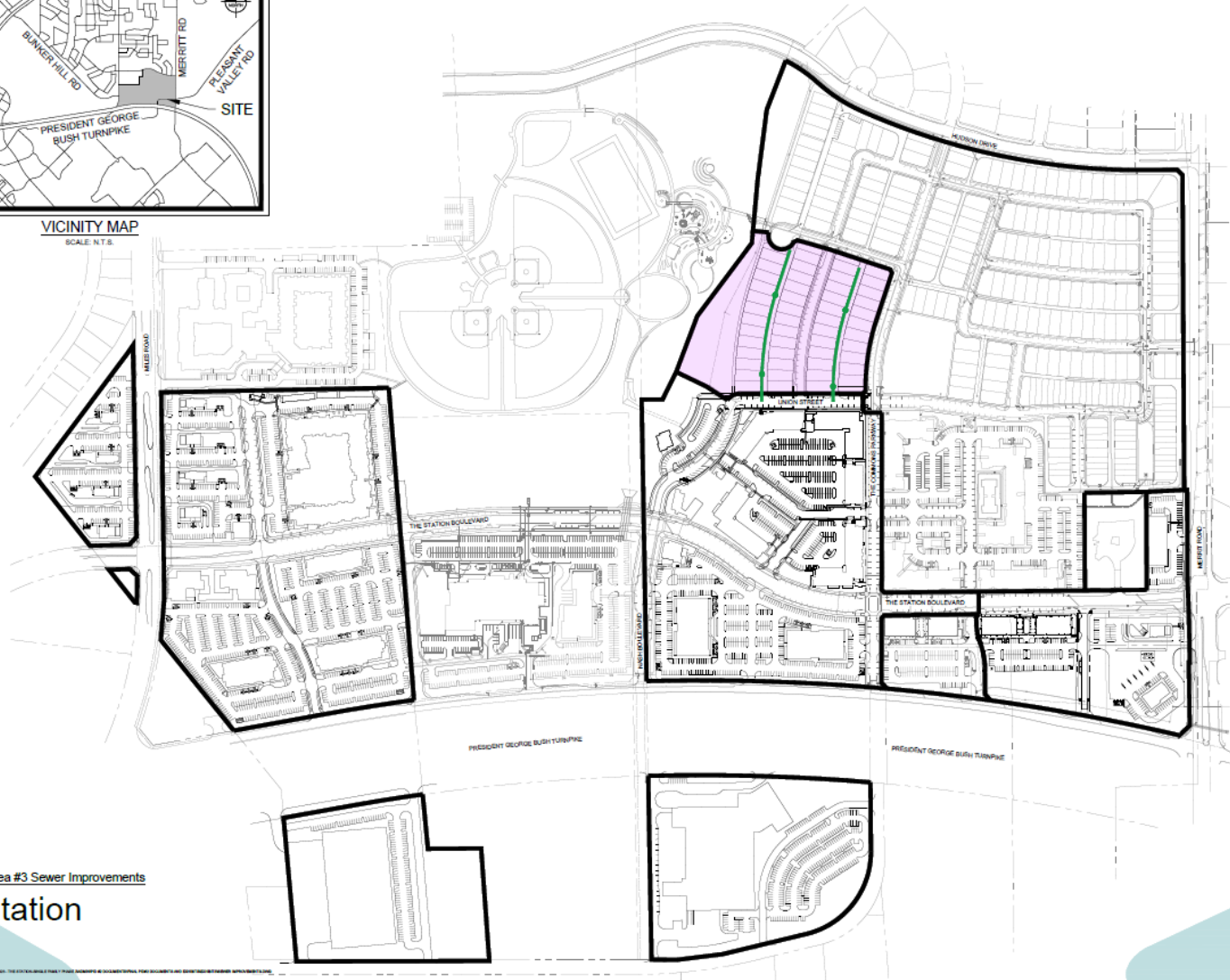


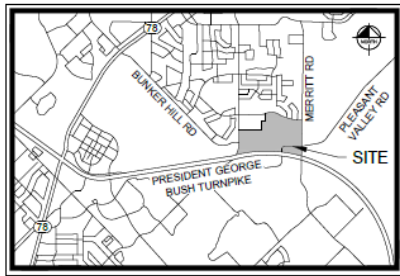
Exhibit C-3
Improvement Area #3 Sewer Improvements

The Station

Sachse, Texas
July 2022

Kimley»Horn

6160 Warren Parkway, Suite 210
Frisco, Texas 75034
(972) 556-2000
State of Texas Registration No. F-6028



VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #3	
DRAINAGE IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

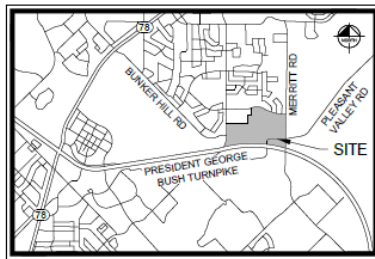
Exhibit C-4
Improvement Area #3 Drainage Improvements

The Station
Sachse, Texas
July 2022

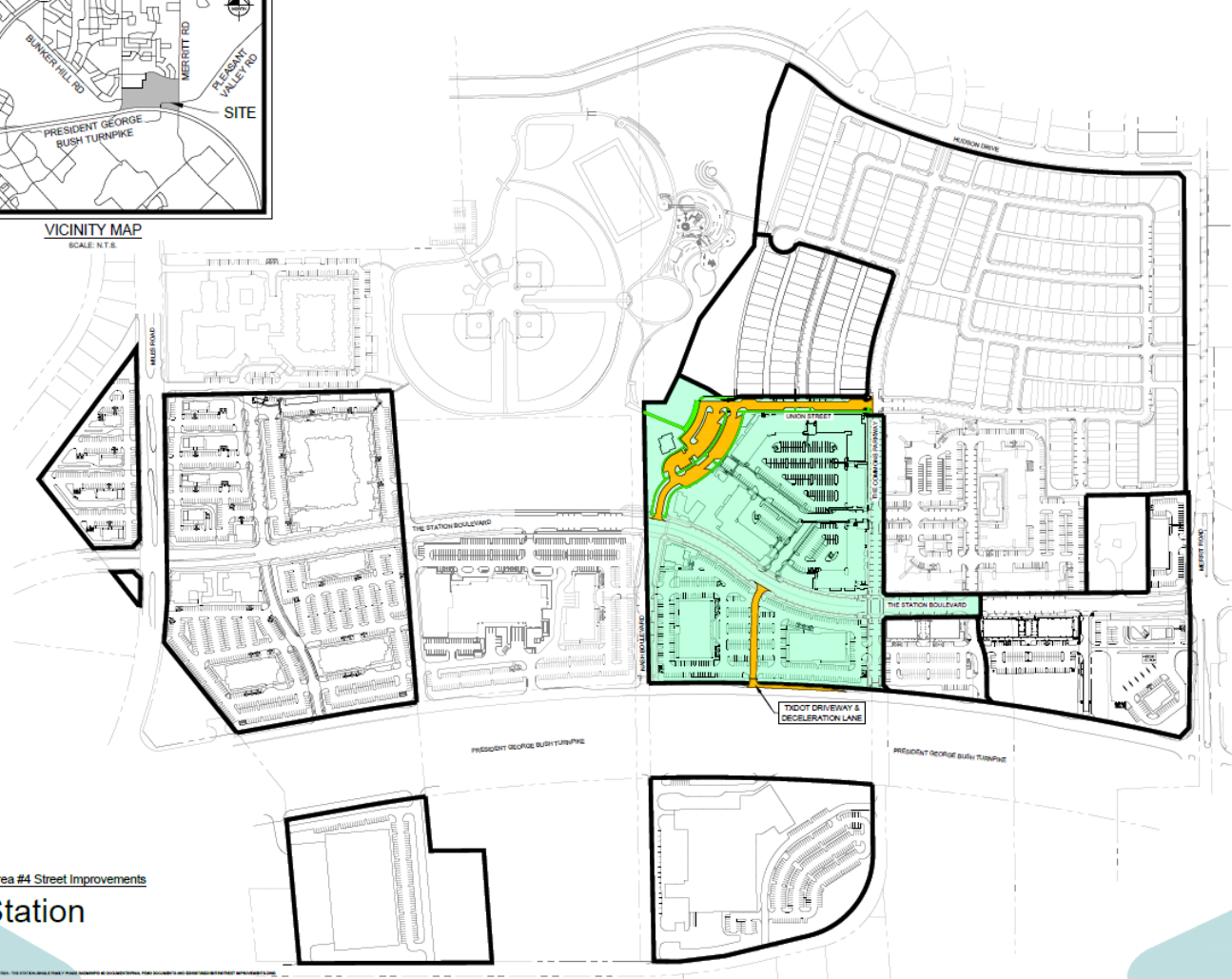
Kimley»Horn

6105 Warren Parkway, Suite 210
Frisco, Texas 75034
972-258-2000
State of Texas Registration No. F-4028

EXHIBIT L-5 – MAPS OF IMPROVEMENT AREA #4 IMPROVEMENTS



VICINITY MAP
SCALE: N.T.S.



GRAPHIC SCALE: N.T.S.

LEGEND	
IMPROVEMENT AREA #4	
PAVING IMPROVEMENTS	
SIDEWALK IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

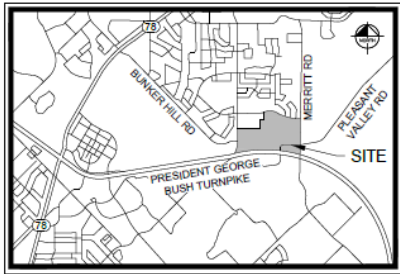
NOTE (1): ALL PAVING IMPROVEMENTS LOCATED WITHIN ROW INCLUDE SIDEWALK AND PARALLEL PARKING

Exhibit D-1
Improvement Area #4 Street Improvements

The Station
Sachse, Texas
July 2022

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Kimley»Horn
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Dallas, Texas 75204
K-123456789
State of Texas Registration No. F-4028



VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #4	
WATER IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

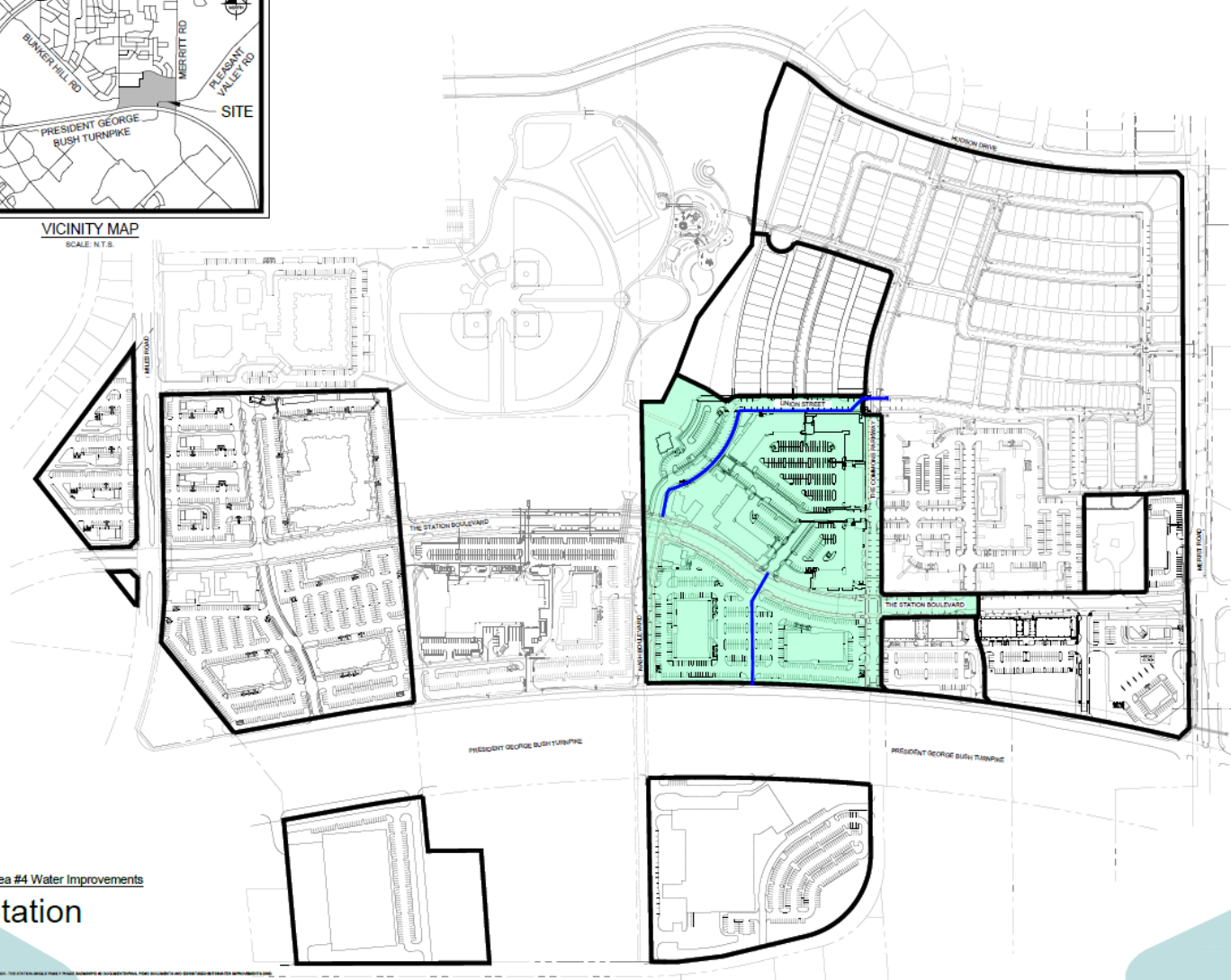


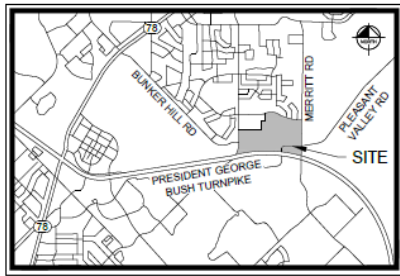
Exhibit D-2
Improvement Area #4 Water Improvements

The Station

Sachse, Texas
July 2022

Kimley»Horn

6180 Warren Parkway, Suite 210
Frisco, Texas 75034
972.336-3880
State of Texas Registration No. T-4628



VICINITY MAP
SCALE: N.T.S.



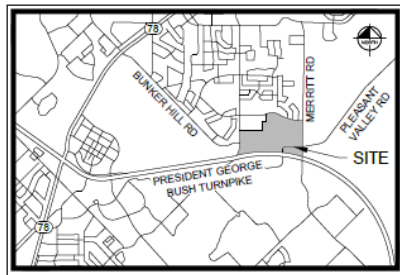
Exhibit D-3
Improvement Area #4 Sewer Improvements

The Station

Sachse, Texas
July 2022

Kimley»Horn

6165 Warren Parkway, Suite 210
Frisco, Texas 75034
972.536.2000
State of Texas Registration No. F-6028



VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #4	
DRAINAGE IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

Exhibit D-4
Improvement Area #4 Drainage Improvements

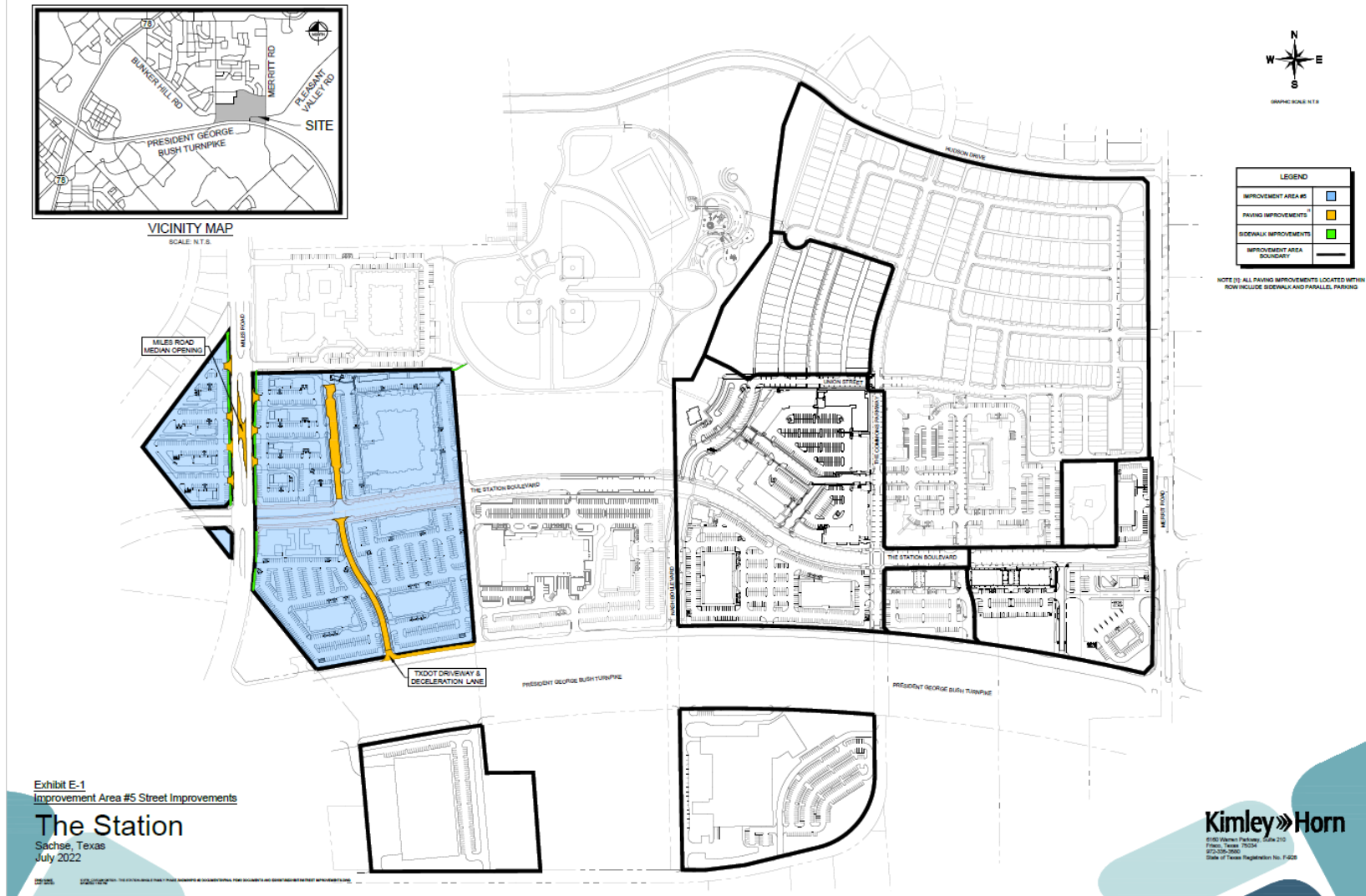
The Station

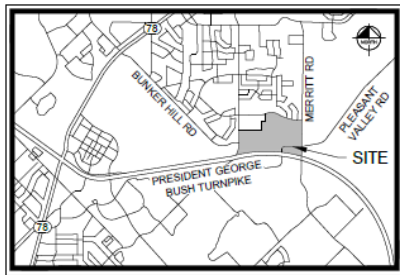
Sachse, Texas
July 2022

Kimley»Horn

6180 Warren Parkway, Suite 210
Frisco, Texas 75034
972-338-2000
State of Texas Registration No. F-6028

EXHIBIT L-6 – MAPS OF IMPROVEMENT AREA #5 IMPROVEMENTS





VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #5	
WATER IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

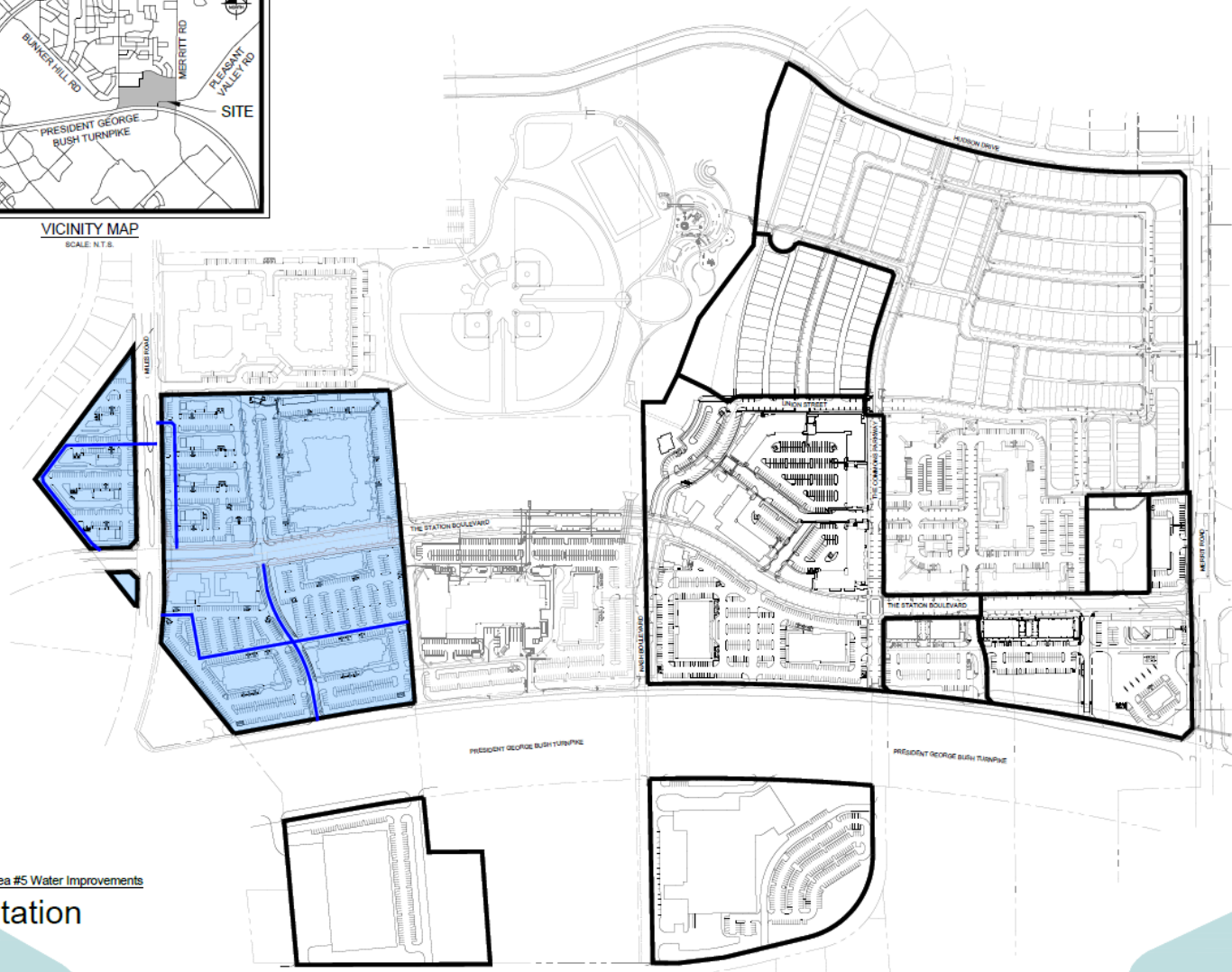


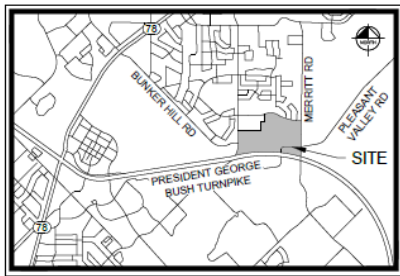
Exhibit E-2
Improvement Area #5 Water Improvements

The Station

Sachse, Texas
July 2022

Kimley»Horn

5180 Warner Parkway, Suite 210
Frisco, Texas 75034
972-338-2800
State of Texas Registration No. F-6228



VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #5	
SEWER IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

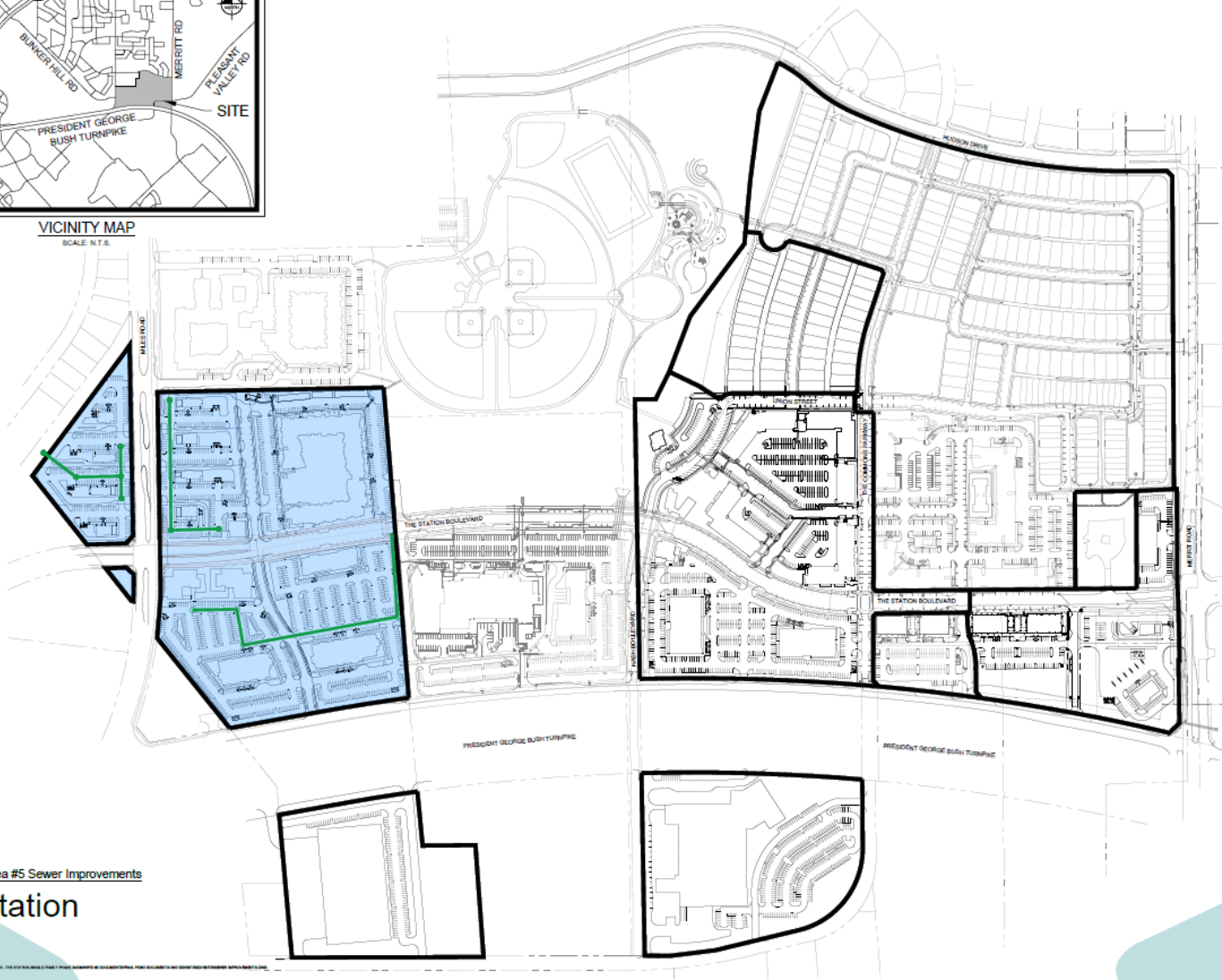
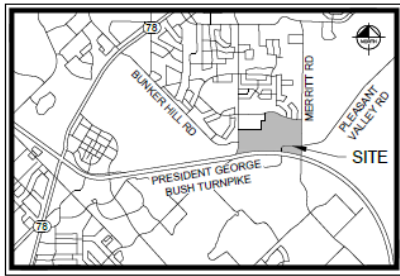


Exhibit E-3
Improvement Area #5 Sewer Improvements

The Station
Sachse, Texas
July 2022

Kimley»Horn

6160 Warren Parkway, Suite 210
Frisco, Texas 75034
972.336.3500
State of Texas Registration No. 1-4025



VICINITY MAP
SCALE: N.T.S.



LEGEND	
IMPROVEMENT AREA #5	
DRAINAGE IMPROVEMENTS	
IMPROVEMENT AREA BOUNDARY	

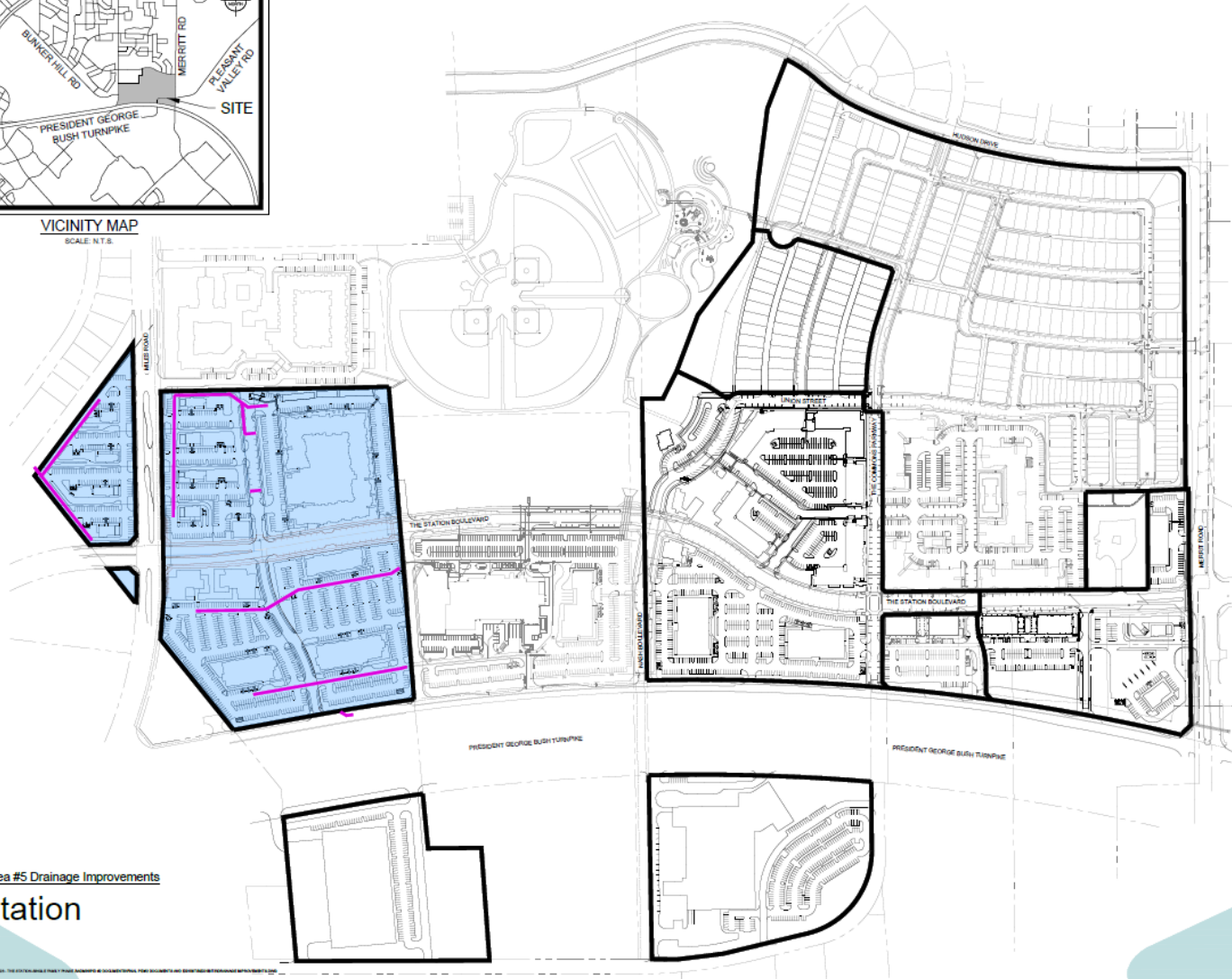


Exhibit E-4
Improvement Area #5 Drainage Improvements

The Station
Sachse, Texas
July 2022

Kimley»Horn
6185 Warren Parkway, Suite 210
Frisco, Texas 75034
972-336-2900
State of Texas Registration No. F4028

EXHIBIT L-7 – MAP OF PARK IMPROVEMENTS

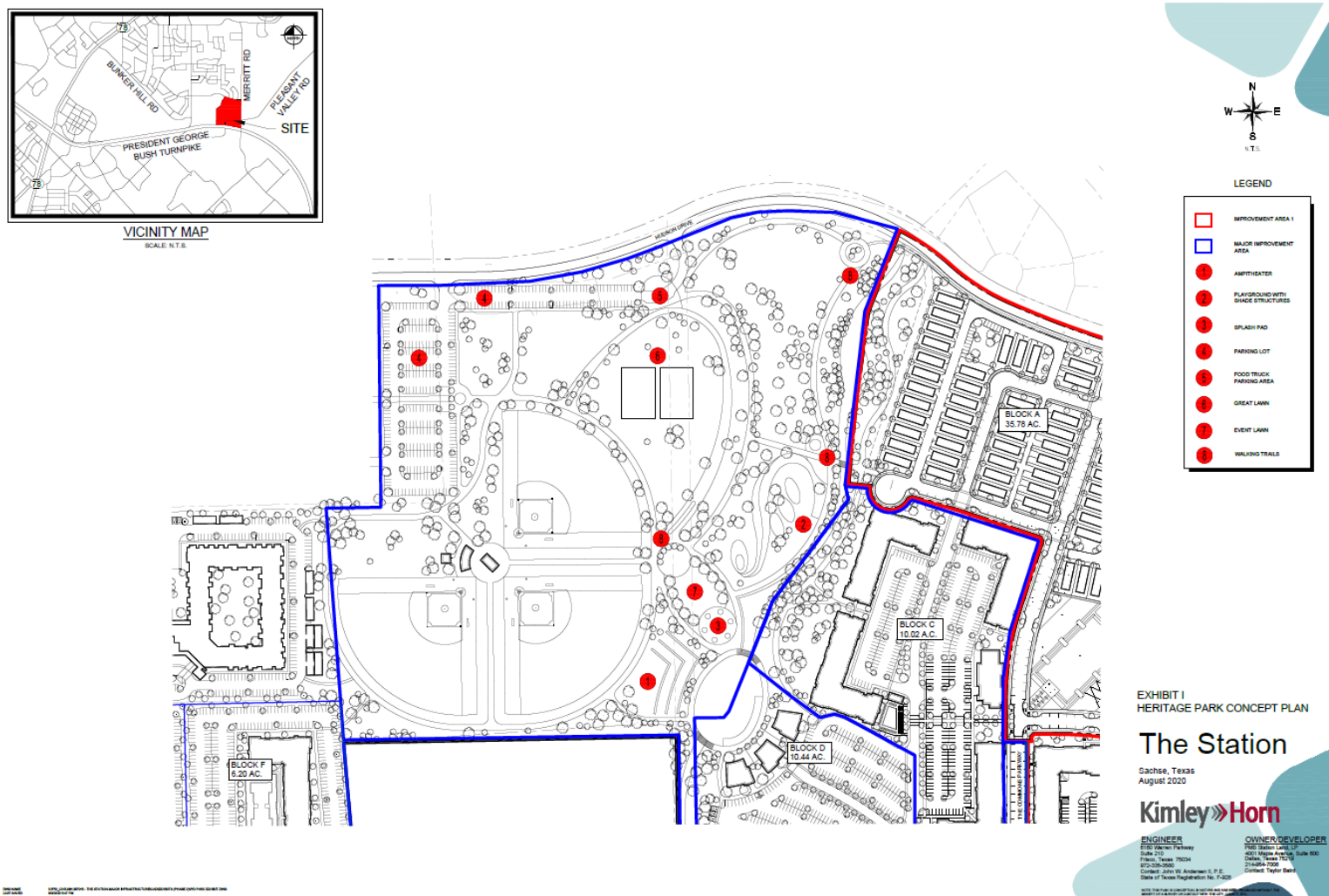


EXHIBIT M-1 – MAXIMUM ASSESSMENT FOR IMPROVEMENT AREA #2-5

					IA#1 Assessment & IA#2-5 Assessment					
Lot Type ¹	Revised Units/Square Feet	Estimated Buildout Value Per Unit/Square Foot ¹	Revised Estimated Buildout Value		Assessment	Average Annual Installment ²	Maximum Assessment Per Unit/SqFt	Average Annual Installment Per Unit/SqFt	PID TRE Before Application of TIRZ No. 2	
Improvement Area #1										
Block A										
Single Family	165	\$ 383,126	\$ 63,215,850	\$ 5,345,142	\$ 427,033	\$ 32,394.80	\$ 2,588.08	\$ 0.6755		
Townhomes	59	255,964	\$ 15,101,900	\$ 1,276,923	\$ 102,016	\$ 21,642.77	\$ 1,729.08	\$ 0.6755		
Block B										
Multi-family	300	\$ 170,000	\$ 51,000,000	\$ 4,312,245	\$ 344,513	\$ 14,374.15	\$ 1,148.38	\$ 0.6755		
Block K1										
Commercial 1	15,688	\$ 191.25	\$ 3,000,330	\$ 253,689	\$ 20,268	\$ 16.17	\$ 1.29	\$ 0.6755		
Improvement Area #1 Total				\$ 132,318,080	\$ 11,188,000	\$ 893,830				
Improvement Area #2-5 Total										
Improvement Area #2										
Block K2(A)										
Commercial 2	18,172	\$ 210.03	\$ 3,816,637	\$ 183,392	\$ 17,404	\$ 10.09	\$ 0.96	\$ 0.4560		
Block K2(B)										
Commercial 2	3,500	\$ 210.03	\$ 735,100	\$ 35,322	\$ 3,352	\$ 10.09	\$ 0.96	\$ 0.4560		
Block K2(C)										
Commercial 2	6,050	\$ 210.03	\$ 1,270,672	\$ 61,057	\$ 5,794	\$ 10.09	\$ 0.96	\$ 0.4560		
Block K3										
Commercial 2	2,500	\$ 210.03	\$ 525,071	\$ 25,230	\$ 2,394	\$ 10.09	\$ 0.96	\$ 0.4560		
Improvement Area #2				30,222	\$ 6,347,480	\$ 305,000	\$ 28,944	\$ 0.4560		
Improvement Area #3										
Block C										
Single Family	49	\$ 383,126	\$ 18,773,192	\$ 1,035,000	\$ 84,252	\$ 21,122.45	\$ 1,719.43	\$ 0.4488		
Improvement Area #3 Total				\$ 18,773,192	\$ 1,035,000	\$ 84,252	\$ 0.4488			
Improvement Area #4										
Block D1										
Multi-family	297	\$ 170,000	\$ 50,490,000	\$ 2,843,985	220,632	\$ 9,575.71	\$ 742.87	\$ 0.4370		
Block D2										
Commercial 2	3,300	210.03	\$ 693,094	\$ 39,040	\$ 3,029	\$ 11.83	\$ 0.92	\$ 0.4370		
Block E										
Commercial 2	34,500	\$ 210.03	\$ 7,245,982	\$ 408,149	\$ 31,664	\$ 11.83	\$ 0.92	\$ 0.4370		
Commercial 3	24,000	138.20	\$ 3,316,750	\$ 186,825	\$ 14,494	\$ 7.78	\$ 0.60	\$ 0.4370		
Improvement Area #4 Total				\$ 61,745,826	\$ 3,478,000	\$ 269,818	\$ 0.4370			
Improvement Area #5										
Block F										
Multi-family	193	\$ 170,000	\$ 32,810,000	\$ 1,663,427	\$ 129,351	\$ 8,618.79	\$ 670.21	\$ 0.3942		
Block G1										
Commercial 2	3,322	\$ 210.03	\$ 697,715	\$ 35,373	\$ 2,751	\$ 10.65	\$ 0.83	\$ 0.3942		
Block G2										
Commercial 2	9,478	\$ 210.03	\$ 1,990,650	\$ 100,924	\$ 7,848	\$ 10.65	\$ 0.83	\$ 0.3942		
Block H1										
Commercial 2	9,000	\$ 210.03	\$ 1,890,256	\$ 95,834	\$ 7,452	\$ 10.65	\$ 0.83	\$ 0.3942		
Block L1										
Commercial 2	30,175	\$ 210.03	\$ 6,337,609	\$ 321,309	\$ 24,986	\$ 10.65	\$ 0.83	\$ 0.3942		
Block L2										
Commercial 2	20,000	\$ 210.03	\$ 4,200,569	\$ 212,964	\$ 16,560	\$ 10.65	\$ 0.83	\$ 0.3942		
Block L3										
Commercial 2	66,600	\$ 210.03	\$ 13,987,895	\$ 709,169	\$ 55,146	\$ 10.65	\$ 0.83	\$ 0.3942		
Improvement Area #5 Total				\$ 61,914,693	\$ 3,139,000	\$ 244,094	\$ 0.3942			
Improvement Area #2-5 Total				\$ 148,781,191	\$ 7,957,000	\$ 627,108				
Improvement Areas #1-5 Total				\$ 281,099,271	\$ 19,145,000	\$ 1,520,938				

Notes:

¹ Source: Original Owner, as shown in **Appendix A**. Commercial 1 Estimated Buildout Value equals a weighted average of inline retail, food retail within Improvement Area #1. Commercial 2 Estimated Buildout Value equals a weighted average of Inline Retail, Food Retail, Pad Retail, and Office within the Major Improvement Area. Commercial 3 Estimated Buildout Value equals a weighted average of Jr. Anchor Retail and Office Flex within the Major Improvement Area.

² Average Annual Installment calculation includes the estimated Additional Interest to be charged upon issuance of PID Bonds to refinance the Improvement Area #2-5 Reimbursement Obligation.

EXHIBIT M-2 – ASSESSMENT ALLOCATION FOR MAJOR IMPROVEMENT AREA

					Major Improvement Area Assessment														
Lot Type ¹	Revised Units/Square Feet	Estimated Buildout Value Per Unit/Square Foot ¹	Revised Estimated Buildout Value		Assessment	Average Annual Installment	Assessment Per Unit/SqFt ²	Average Annual Installment Per Unit/SqFt		PID TRE Before Application of TIRZ No. 2									
Major Improvement Area Platted Property																			
Improvement Area #2 Block K2(A) Commercial 2					18,172	\$	210.03	\$	3,816,637	\$	166,011	\$	13,473	\$	9.14	\$	0.74	\$	0.3530
Block K2(C) Commercial 2					6,050	\$	210.03	\$	1,270,672	\$	55,270	\$	4,486	\$	9.14	\$	0.74	\$	0.3530
Improvement Area #2 Total									\$ 5,087,309	\$	221,281	\$	17,958					\$	0.3530
Improvement Area #3 Block C Single Family					49	\$	383,126	\$	18,773,192	\$	816,571	\$	66,270	\$	16,665	\$	1,352	\$	0.3530
Improvement Area #3 Total									\$ 18,773,192	\$	816,571	\$	66,270					\$	0.3530
Improvement Area #4 Block D1 Multi-Family					297	\$	170,000	\$	50,490,000	\$	2,196,145	\$	178,231	\$	7,394	\$	600	\$	0.3530
Improvement Area #4 Total									\$ 50,490,000	\$	2,196,145	\$	178,231					\$	0.3530
Improvement Area #5 Block F Multi-family					193	\$	170,000	\$	32,810,000	\$	1,427,125	\$	115,820	\$	7,394	\$	600	\$	0.3530
Block G1 Commercial 2					3,322	\$	210.03	\$	697,715	\$	30,348	\$	2,463	\$	9.14	\$	0.74	\$	0.3530
Block L2 Commercial 2					20,000	\$	210.03	\$	4,200,569	\$	182,711	\$	14,828	\$	9.14	\$	0.74	\$	0.3530
Block L3 Commercial 2					66,600	\$	210.03	\$	13,987,895	\$	608,426	\$	49,378	\$	9.14	\$	0.74	\$	0.3530
Improvement Area #5 Total									\$ 51,696,179	\$	2,248,610	\$	182,489					\$	0.3530
Improvement Area #6 Block I Commercial 3					103,680	\$	138.20	\$	14,328,362	\$	623,236	\$	50,580	\$	6.01	\$	0.49	\$	0.3530
Improvement Area #6 Total									\$ 14,328,362	\$	623,236	\$	50,580					\$	0.3530
Improvement Area #7 Block J Commercial 3					218,792	\$	138.20	\$	30,236,603	\$	1,315,191	\$	106,736	\$	6.01	\$	0.49	\$	0.3530
Improvement Area #7 Total									\$ 30,236,603	\$	1,315,191	\$	106,736					\$	0.3530
Major Improvement Area Platted Property Total									\$ 170,611,644	\$	7,421,034	\$	602,264					\$	0.3530
Major Improvement Area Remaining Parcel ²																			
Improvement Area #2 Block K2(B) Commercial 2					3,500	\$	210.03	\$	735,100	\$	31,974	\$	2,595	\$	9.14	\$	0.74	\$	0.3530
Block K3 Commercial 2					2,500	\$	210.03	\$	525,071	\$	22,839	\$	1,854	\$	9.14	\$	0.74	\$	0.3530
Improvement Area #2 Total									\$ 1,260,171	\$	54,813	\$	4,448					\$	0.3530
Improvement Area #4 Block D2 Commercial 2					3,300	\$	210.03	\$	693,094	\$	30,147	\$	2,447	\$	9.14	\$	0.74	\$	0.3530
Block E Commercial 2					34,500	\$	210.03	\$	7,245,982	\$	315,176	\$	25,579	\$	9.14	\$	0.74	\$	0.3530
Commercial 3					24,000	\$	138.20	\$	3,316,750	\$	144,268	\$	11,708	\$	6.01	\$	0.49	\$	0.3530
Improvement Area #4 Total									11,255,826	\$	489,591	\$	39,733					\$	0.3530
Improvement Area #5 Block G2 Commercial 2					9,478	\$	210.03	\$	1,990,650	\$	86,587	\$	7,027	\$	9.14	\$	0.74	\$	0.3530
Block H1 Commercial 2					9,000	\$	210.03	\$	1,890,256	\$	82,220	\$	6,673	\$	9.14	\$	0.74	\$	0.3530
Block L1 Commercial 2					30,185	\$	210.03	\$	6,339,709	\$	275,756	\$	22,379	\$	9.14	\$	0.74	\$	0.3530
Improvement Area #5 Total									\$ 10,220,615	\$	444,562	\$	36,079					\$	0.3530
Major Improvement Area Remaining Parcel Total									\$ 22,736,611	\$	988,966	\$	80,261					\$	0.3530
Major Improvement Area Total									\$ 193,348,256	\$	8,410,000	\$	682,525						

Notes:

¹ Source: Original Owner, as shown in **Appendix A**. Commercial 1 Estimated Buildout Value equals a weighted average of inline retail, food retail within Improvement Area #1. Commercial 2 Estimated Buildout Value equals a weighted average of Inline Retail, Food Retail, Pad Retail, and Office within the Major Improvement Area. Commercial 3 Estimated Buildout Value equals a weighted average of Jr. Anchor Retail and Office Flex within the Major Improvement Improvement Area.

² Note units and square feet for each Block in the Major Improvement Area Remaining Parcel are estimates only and subject to be revised and the Major Improvement Area Assessment allocation subject to be adjusted upon final platting or site-planning of any Parcel therein.

EXHIBIT M-3 – ANNUAL COLLECTION COSTS

Annual Collection Costs							
	Improvement Area #1	Major Improvement	Improvement Area #2	Improvement Area #3	Improvement Area #4	Improvement Area #5	
P3Works Administration	\$ 45,073.36	\$ 32,956.64	\$ -	\$ -	\$ -	\$ -	
City Auditor	1,444.10	1,055.90	-	-	-	-	
Filing Fees	577.64	422.36	-	-	-	-	
ASW Collection Contract	2,772.68	2,027.32	-	-	-	-	
Misc	577.64	422.36	-	-	-	-	
PID Trustee Fees	3,750.00	3,750.00	1,250.00	1,250.00	1,250.00	1,250.00	
Dissemination Agent	3,500.00	3,500.00	-	-	-	-	
Draw Request Review	-	-	3,000.00	3,000.00	3,000.00	3,000.00	
Past Due P3Workds, LLC Invoices - IA#1	36,986.25	-	-	-	-	-	
Total	\$ 94,681.67	\$ 44,134.58	\$ 4,250.00	\$ 4,250.00	\$ 4,250.00	\$ 4,250.00	

EXHIBIT M-4 – IMPROVEMENT AREA #1 MANDATORY PREPAYMENT

Lot Type	Units		Buildout Value per Unit (DOES NOT CHANGE)	Total Buildout Value			Special Benefit/Assessment Levied for Major Improvements ¹					Prepayment Calculation	
	Original Units	Updated Units		Original	Updated	Difference	Updated Allocation ²	Updated Special Benefit of Major Improvements ³	Updated Special Benefit per Unit ⁴	Difference	Prepayment ⁵	Total Assessment After Prepayment	Assessment per Unit After Prepayment
	(A)	(B)		(C)	(D) = (A) * (C)	(E) = (B) * (C)	(F)	(G)	(H) = (G) / (B)	(I)	(J) = (B) * (I)	(K) = (G) - (J)	(L) = (K) / (B)
Improvement Area #1													
Single Family	165	165	\$ 383,126	\$ 63,215,850	\$ 63,215,850	\$ -	47.78%	\$ 2,232,222.04	\$ 13,528.62	\$ 205.66	\$ 33,934.60	\$ 2,198,287.44	\$ 13,322.95
Townhomes	59	59	\$ 255,964	\$ 15,101,900	\$ 15,101,900	\$ -	11.41%	\$ 533,264.90	\$ 9,038.39			\$ 533,264.90	\$ 9,038.39
Multi-Family	300	300	\$ 170,000	\$ 51,000,000	\$ 51,000,000	\$ -	38.54%	\$ 1,800,866.77	\$ 6,002.89	\$ 91.26	\$ 27,377.06	\$ 1,773,489.71	\$ 5,911.63
Commercial 1	15,600	15,688	\$ 191.25	\$ 2,983,500	\$ 3,000,330	\$ 16,830	2.27%	\$ 105,944.99	\$ 6.75			\$ 105,944.99	\$ 6.75
Total Improvement Area #1				\$ 132,301,250	\$ 132,318,080	\$ 16,830	100.00%	\$ 4,672,298.71			\$ 61,311.66	\$ 4,610,987.04	
Improvement Areas #2-7/Future Improvement Area/Major Improvement Area													
Single Family	0	49	\$ 383,126	\$ -	\$ 18,773,192	\$ 18,773,192	9.71%	\$ 652,824.76	\$ 13,322.95			\$ 652,824.76	\$ 13,322.95
Townhomes	25	0	\$ 265,302	\$ 6,632,549	\$ -	\$ (6,632,549)	0.00%	\$ -	N/A			N/A	N/A
Multi-Family	489	490	\$ 170,000	\$ 83,130,000	\$ 83,300,000	\$ 170,000	43.08%	\$ 2,896,699.86	\$ 5,911.63			\$ 2,896,699.86	\$ 5,911.63
Commercial 2	262,500	206,607	\$ 210.03	\$ 55,132,469	\$ 43,393,349	\$ (11,739,120)	22.44%	\$ 1,508,973.67	\$ 7.30			\$ 1,508,973.67	\$ 7.30
Commercial 3	340,000	346,472	\$ 138.20	\$ 46,987,298	\$ 47,881,715	\$ 894,417	24.76%	\$ 1,665,053.51	\$ 4.81			\$ 1,665,053.51	\$ 4.81
Total				\$ 191,882,316	\$ 193,348,256	\$ 1,465,940	100.00%	\$ 6,723,551.80				\$ 6,723,551.80	
Total PID				\$ 324,183,566	\$ 325,666,336			\$ 11,395,851				\$ 11,334,539	

Notes:

¹ Original Major Improvement Area Assessments and Improvement Area #1 Assessments were sized to cover all costs down to the dollar, so the special benefit received from each Parcel for the Major Improvements is equal to the Assessment levied on each Parcel to cover the costs of Major Improvements.

² Updated Allocation for each Lot Type equals the updated total Estimated Buildout Value of each Lot Type divided by the updated total Estimated Buildout Value for the respective improvement area (column (E)).

³ \$4,672,298.71 and \$6,723,551.80 hardcoded based on information in Exhibit B of the Service and Assessment Plan.

⁴ The goal of the Prepayment is to make the red numbers match - to make the same Lot Types in Improvement Area #1 and the Major Improvement Area have the same Assessment for Major Improvements.

⁵ Improvement Area #1 Mandatory Prepayment is being resolved through a reduction in the Improvement Area #1 Reimbursement Obligation amount.

EXHIBIT M-5 – MAJOR IMPROVEMENT AREA MAXIMUM ASSESSMENT PER NET ACRE

Major Improvement Area Net Acres				
Block	Net Acres ¹	Platted/Site Planned	Acreage per Plat/Site Plan ²	Major Improvement Area Assessment Allocated
Block C	10.020	Yes	9.177	\$ 816,570.82
Block D				
Block D1		Yes	8.105	\$ 2,196,145.49
Block D2		No	N/A	
Block D Total	10.440			
Block E	9.040	No	N/A	
Block F	6.200	Yes	5.81	\$ 1,427,124.85
Block G				
Block G1		Yes	0.75	\$ 30,348.24
Block G2		No	N/A	
Block G Total	4.690			
Block H1	3.620	No	N/A	
Block I	8.750	Yes	8.75	\$ 623,235.64
Block J	11.270	Yes	12.043	\$ 1,315,190.70
Block K2(A)	2.906	Yes	3.17	\$ 166,010.90
Block K2(B)	2.104	No	N/A	
Block K2(C)	2.110	Yes	2.06	\$ 55,269.97
Block K3	1.250	No	N/A	
Block L				
Block L1		No	N/A	
Block L2		Yes	1.601	\$ 182,710.65
Block L3		Yes	4.253	\$ 608,426.47
Block L Total	12.690			
Total	85.090		55.719	\$ 7,421,033.74

Major Improvement Area Maximum Assessment per Net Acre per Original SAP ³	\$ 98,836.53
MIA Assessment Unallocated	\$ 988,966.26
MIA Remainder Parcel Acreage	29.371
Current Major Improvement Area Assessment per Net Acre for Remainder Parcel	\$ 33,671.52

Notes:

¹ Per Service and Assessment Plan, Major Improvement Area Maximum Assessment per Net Acre calculation cannot change.

² Acreages per site plans or plats provided by developer. Acreages may not match District maps due to right-of-way inclusion or exclusion, etc.

³ Note, original Major Improvement Area Maximum Assessment per Net Acre in Original SAP was \$100,364.32. New figure of \$98,836.53 takes into account principal reduction of Major Improvement Area Assessment of \$130,000 from Major Improvement Area Annual Installment due 1/31/2022.

EXHIBIT N – TIRZ NO. 2 ANNUAL CREDIT AMOUNT BY LOT TYPE

					Pre-TIRZ							
Lot Type ¹	Units/S quare Feet ¹	Estimated Buildout Value Per Unit/Square Foot ¹	Total Estimated Buildout Value	Projected Maximum Assessment Per Unit/SqFt	Average Annual Installment Per Unit/SqFt	Equivalent Tax Rate	TIRZ No. 2 Max Annual Credit Amount Applied	Total Annual TIRZ No. 2 Credit	Net Annual Installment Per Unit	Net Equivalent PID Tax Rate	Net Equivalent Total Tax Rate ²	
Improvement Area #1												
Block A												
Single Family	165	\$	383,126	\$ 63,215,850	\$ 32,394.80	2,588.08	\$ 0.6755	\$ (608.61)	\$ (100,420.14)	\$ 1,979.47	\$ 0.5167	\$ 3.1500
Townhomes	59		255,964	15,101,900	\$ 21,642.77	1,729.08	\$ 0.6755	\$ (406.61)	\$ (23,989.79)	\$ 1,322.47	\$ 0.5167	\$ 3.1500
Block B												
Multi-family	300	\$	170,000	\$ 51,000,000	\$ 14,374.15	1,148.38	\$ 0.6755	\$ (270.05)	\$ (81,014.92)	\$ 878.33	\$ 0.5167	\$ 3.1500
Block K1												
Commercial 1	15,688	\$	191.25	3,000,330	\$ 16.17	\$ 1.29	\$ 0.6755	\$ (0.30)	\$ (4,766.11)	\$ 0.99	\$ 0.5167	\$ 3.1500
Improvement Area #1 Total				\$ 132,318,080								
Major Improvement Area Platted Property/Future Improvement Area												
Improvement Area #2												
Block K2(A)												
Commercial 2	18,172	\$	210.03	\$ 3,816,637	\$ 19.23	1.70	\$ 0.8090	\$ (0.65)	\$ (11,875.68)	\$ 1.05	\$ 0.4978	\$ 3.1500
Block K2(C)												
Commercial 2	6,050	\$	210.03	\$ 1,270,672	\$ 19.23	\$ 1.70	\$ 0.8090	\$ (0.65)	\$ (3,953.77)	\$ 1.05	\$ 0.4978	\$ 3.1500
Improvement Area #2 Total				\$ 5,087,309								
Improvement Area #3												
Block C												
Single Family	49	\$	383,126	\$ 18,773,192	\$ 37,787.16	3,071.88	\$ 0.8018	\$ (1,164.52)	\$ (57,061.32)	\$ 1,907.36	\$ 0.4978	\$ 3.1500
Improvement Area #3 Total				\$ 18,773,192								
Improvement Area #4												
Block D1												
Multi-family	297	\$	170,000	\$ 50,490,000	\$ 16,970.14	1,342.9727	\$ 0.7900	\$ (496.64)	\$ (147,502.81)	\$ 846.33	\$ 0.4978	\$ 3.1500
Improvement Area #4 Total				\$ 50,490,000								
Improvement Area #5												
Block F												
Multi-family	193	\$	170,000	\$ 32,810,000	\$ 16,013.22	1,270.3172	\$ 0.7472	\$ (423.99)	\$ (81,829.49)	\$ 846.33	\$ 0.4978	\$ 3.1500
Block G1												
Commercial 2	3,322	\$	210.03	\$ 697,715	\$ 19.78	1.5694	\$ 0.7472	\$ (0.52)	\$ (1,740.13)	\$ 1.05	\$ 0.4978	\$ 3.1500
Block L2												
Commercial 2	20,000	\$	210.03	\$ 4,200,569	\$ 19.78	1.5694	\$ 0.7472	\$ (0.52)	\$ (10,476.39)	\$ 1.05	\$ 0.4978	\$ 3.1500
Block L3												
Commercial 2	66,600	\$	210.03	\$ 13,987,895	\$ 19.78	1.5694	\$ 0.7472	\$ (0.52)	\$ (34,886.39)	\$ 1.05	\$ 0.4978	\$ 3.1500
Improvement Area #5 Total				\$ 51,696,179								
Improvement Area #6												
Block I												
Commercial 3	103,680	\$	138.20	\$ 14,328,362	\$ 6.01	0.4878	\$ 0.3530	\$ -	\$ -	\$ 0.49	\$ 0.3530	\$ 3.0052
Improvement Area #6 Total				\$ 14,328,362								
Improvement Area #7												
Block J												
Commercial 3	218,792	\$	138.20	\$ 30,236,603	\$ 6.01	0.4878	\$ 0.3530	\$ -	\$ -	\$ 0.49	\$ 0.3530	\$ 3.0052
Improvement Area #7 Total				\$ 30,236,603								
Major Improvement Area Platted Property Total				\$ 170,611,644								
Major Improvement Area Remaining Parcel/Future Improvement Area ³												
Improvement Area #2												
Block K2(B)												
Commercial 2	3,500	\$	210.03	\$ 735,100	19.23	1.70	\$ 0.8090	\$ (0.65)	\$ (2,287.30)	\$ 1.05	\$ 0.4978	\$ 3.1500
Block K3												
Commercial 2	2,500	\$	210.03	\$ 525,071	19.23	1.70	\$ 0.8090	\$ (0.65)	\$ (1,633.79)	\$ 1.05	\$ 0.4978	\$ 3.1500
Improvement Area #2 Total				\$ 1,260,171								
Improvement Area #4												
Block D2												
Commercial 2	3,300	\$	210.03	\$ 693,094	\$ 20.97	1.6592	\$ 0.7900	\$ (0.61)	\$ (2,024.82)	\$ 1.05	\$ 0.4978	\$ 3.1500
Block E												
Commercial 2	34,500	\$	210.03	\$ 7,245,982	\$ 20.97	1.6592	\$ 0.7900	\$ (0.61)	\$ (21,168.60)	\$ 1.05	\$ 0.4978	\$ 3.1500
Commercial 3	24,000	\$	138.20	\$ 3,316,750	\$ 13.80	1.0917	\$ 0.7900	\$ (0.40)	\$ (9,689.64)	\$ 0.69	\$ 0.4978	\$ 3.1500
Improvement Area #4 Total				11,255,826								
Improvement Area #5												
Block G2												
Commercial 2	9,478	\$	210.03	\$ 1,990,650	\$ 19.78	1.5694	\$ 0.7472	\$ (0.52)	\$ (4,964.76)	\$ 1.05	\$ 0.4978	\$ 3.1500
Block H1												
Commercial 2	9,000	\$	210.03	\$ 1,890,256	\$ 19.78	1.5694	\$ 0.7472	\$ (0.52)	\$ (4,714.38)	\$ 1.05	\$ 0.4978	\$ 3.1500
Block L1												
Commercial 2	30,175	\$	210.03	\$ 6,337,609	\$ 19.79	1.5697	\$ 0.7474	\$ (0.52)	\$ (15,813.67)	\$ 1.05	\$ 0.4978	\$ 3.1500
Improvement Area #5 Total				\$ 10,218,514								
Major Improvement Area Remaining Parcel Total				\$ 22,734,511								

Notes:

¹Source: Original Owner

²Includes tax rates for tax year 2021 for all applicable taxing jurisdictions (City of Sachse - \$0.70073; Dallas County - \$0.22795; Garland ISD - \$1.25630; Dallas Community College - \$0.12351; Parkland Hospital - \$0.25500; O&M PID Assessment - \$0.05000, and Dallas County Schools - \$0.01000) as well as O&M Annual Installment, which for Improvement Area #1 equals \$0.059847, and for the Major Improvement Area equals \$0.078669.

³Units/Square Feet for Blocks in the Major Improvement Area Remaining Parcel are estimates provided by the Owner, and may change in future Annual Service Plan Updates when such Blocks are platted/site-planned. The Major Improvement Area Assessment is allocated to the Blocks in the Major Improvement Area Remaining Parcel for the purposes of this exhibit and the calculation of the TIRZ Credit pro rata based on Estimated Buildout Value. The Major Improvement Area Assessment will be reallocated at such time the requirement in Section VI of this Amended and Restated Service and Assessment Plan are met.

EXHIBIT O – FORM OF NOTICE OF ASSESSMENT TERMINATION



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

[Date]
Dallas County Clerk's Office
Honorable [County Clerk]
Renaissance Tower
1201 Elm Street
21st Floor, Ste 2100
Dallas, TX 75270

Re: City of Sachse Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Sachse 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 Sachse
Attn: City Secretary
3815 Sachse Rd
Building B
Sachse, TX 75048

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 Name]
3815 Sachse Rd
Building B
Sachse, TX 75048**

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF DALLAS §

RECITALS

WHEREAS, on _____, the City Council, approved Ordinance No. ____, (hereinafter referred to as the "2022 Assessment Ordinance" and, together with the 2020 Assessment Ordinance,

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This instrument was acknowledged before me on the ____ day of _____, 20__, by [Name], City Manager, and [Name], City Secretary for the City of Sachse, Texas, a Texas home rule municipality, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT P-1 – DEBT SERVICE SCHEDULE FOR MAJOR IMPROVEMENT AREA BONDS¹

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Bonds:

<u>Year Ending (September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 398,364	\$ 398,364
2022	130,000	470,200	600,200
2023	140,000	463,213	603,213
2024	145,000	455,688	600,688
2025	155,000	447,894	602,894
2026	160,000	439,563	599,563
2027	170,000	430,963	600,963
2028	175,000	421,825	596,825
2029	185,000	412,419	597,419
2030	195,000	402,475	597,475
2031	205,000	391,994	596,994
2032	215,000	380,975	595,975
2033	230,000	369,419	599,419
2034	240,000	357,056	597,056
2035	250,000	344,156	594,156
2036	265,000	330,719	595,719
2037	280,000	316,475	596,475
2038	295,000	301,425	596,425
2039	310,000	285,569	595,569
2040	325,000	268,906	593,906
2041	345,000	251,438	596,438
2042	365,000	232,031	597,031
2043	385,000	211,500	596,500
2044	405,000	189,844	594,844
2045	430,000	167,063	597,063
2046	455,000	142,875	597,875
2047	480,000	117,281	597,281
2048	505,000	90,281	595,281
2049	535,000	61,875	596,875
2050	565,000	31,781	596,781
Total⁽¹⁾	<u>\$8,540,000</u>	<u>\$9,185,264</u>	<u>\$17,725,264</u>

⁽¹⁾ Totals may not add due to rounding.

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

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Bonds:

<u>Year Ending (September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 175,000	\$ 213,775	\$ 388,775
2022	140,000	247,950	387,950
2023	140,000	244,450	384,450
2024	145,000	240,950	385,950
2025	150,000	237,325	387,325
2026	150,000	233,575	383,575
2027	155,000	228,700	383,700
2028	160,000	223,663	383,663
2029	170,000	218,463	388,463
2030	175,000	212,938	387,938
2031	180,000	207,250	387,250
2032	185,000	200,500	385,500
2033	195,000	193,563	388,563
2034	200,000	186,250	386,250
2035	210,000	178,750	388,750
2036	215,000	170,875	385,875
2037	225,000	162,813	387,813
2038	235,000	154,375	389,375
2039	245,000	145,563	390,563
2040	250,000	136,375	386,375
2041	260,000	127,000	387,000
2042	275,000	116,600	391,600
2043	285,000	105,600	390,600
2044	295,000	94,200	389,200
2045	310,000	82,400	392,400
2046	320,000	70,000	390,000
2047	335,000	57,200	392,200
2048	350,000	43,800	393,800
2049	365,000	29,800	394,800
2050	380,000	15,200	395,200
Total⁽¹⁾	<u>\$6,875,000</u>	<u>\$4,779,900</u>	<u>\$11,654,900</u>

⁽¹⁾ Totals may not add due to rounding.

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**EXHIBIT P-3 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1
ADDITIONAL BONDS**

**EXHIBIT P-4 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #2-5
BONDS**

EXHIBIT Q-1 – DISTRICT BOUNDARY DESCRIPTION

METES AND BOUNDS DESCRIPTION OF THE PROPERTY 170.686 ACRES

LEGAL DESCRIPTION - Tract 1: 131.965 ACRES

BEING a tract of land situated in the Richard Copeland Survey, Abstract No. 228, the McKinney and Williams Survey, Abstract No. 1000, and the Zach Motley survey, abstract No. 1009 also being a portion of a 78.13-acre tract of land and a 33.63 acre tract described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, all of a tract of land described by deed to Maurice McClain recorded in Volume 172, Page 96 of the Deed Records of Dallas County, Texas, all of a tract of land to the City of Sachse as recorded in Instrument Number 201700347810 of the Official Public Records of Dallas County, Texas, a portion of a tract of land described by deed to Maurice L. McClain recorded in Volume 8006, Page 1624 of the Deed Records of Dallas County, Texas, a portion of a tract of land described by deed to Donald K. McClain as recorded in Volume 73241, Page 1588 of the Deed Records of Dallas County, Texas, and a portion of a tract of land described by deed to the City of Sachse as recorded in Volume 94150, Page 6284 and Volume 98121, Page 6186 of the Deed Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found for the northeast corner of said 78.13-acre tract to Children's Medical Center Foundation, also lying on the west line of Merritt Road, a variable width right-of-way;

THENCE South 00 degrees 14 minutes 29 seconds West, a distance of 265.43 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for corner;

THENCE South 00 degrees 17 minutes 44 seconds East, a distance of 749.92 feet to a point for corner;

THENCE South 89 degrees 49 minutes 07 seconds West, a distance of 19.40 feet to a point for corner;

THENCE South 00 degrees 58 minutes 54 seconds East, a distance of 166.49 feet to a point for corner;

THENCE South 87 degrees 23 minutes 36 seconds West, a distance of 8.33 feet to a point for corner;

THENCE South 00 degrees 30 minutes 05 seconds East, a distance of 325.91 feet to a point for corner;

THENCE South 01 degrees 26 minutes 08 seconds East, a distance of 310.38 feet to a point for corner;

THENCE South 84 degrees 19 minutes 28 seconds West, a distance of 5.28 feet to a point for corner;

THENCE South 00 degrees 38 minutes 08 seconds East, a distance of 233.16 feet to a point for corner;

THENCE South 46 degrees 54 minutes 32 seconds West, a distance of 52.21 feet to a point for corner at the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 7815.00 feet, a central angle of 08 degrees 03 minutes 10 seconds, an arc length of 1098.38 feet, a chord bearing of North 80 degrees 56 minutes 08 seconds West, a distance of 1097.48 feet point for corner;

THENCE North 85 degrees 45 minutes 34 seconds West, a distance of 59.41 feet to a point for corner at the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 7813.20 feet, a central angle of 06 degrees 03 minutes 12

seconds, an arc length of 825.47 feet, a chord bearing of North 88 degrees 24 minutes 26 seconds West, a distance of 825.09 feet point for corner;

THENCE North 01 degrees 00 minutes 01 seconds West, a distance of 991.09 feet to a point for corner;

THENCE South 88 degrees 53 minutes 13 seconds West, a distance of 919.49 feet to a point for corner;

THENCE South 04 degrees 12 minutes 40 seconds East, a distance of 59.32 feet to a point for corner at the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 555.00 feet, a central angle of 17 degrees 05 minutes 04 seconds, an arc length of 165.49 feet, a chord bearing of South 51 degrees 33 minutes 33 seconds West, a distance of 164.88 feet point for corner;

THENCE South 43 degrees 01 minutes 02 seconds West, a distance of 87.64 feet to a point for corner at the beginning of a curve to the right;

THENCE with said curve to the right having a radius of 755.00 feet, a central angle of 45 degrees 57 minutes 01 seconds, an arc length of 605.50 feet, a chord bearing of South 65 degrees 59 minutes 32 seconds West, a distance of 589.40 feet point for corner;

THENCE South 88 degrees 58 minutes 01 seconds West, a distance of 100.58 feet to a point for corner;

THENCE North 46 degrees 16 minutes 56 seconds West, a distance of 32.97 feet to a point for corner;

THENCE North 01 degrees 04 minutes 22 seconds West, a distance of 309.36 feet to a point for corner;

THENCE North 03 degrees 17 minutes 48 seconds East, a distance of 144.44 feet to a point for corner;

THENCE North 01 degrees 04 minutes 34 seconds West, a distance of 83.55 feet to a point for corner;

THENCE North 88 degrees 43 minutes 23 seconds East, a distance of 836.14 feet to a point for corner;

THENCE North 05 degrees 17 minutes 52 seconds West, a distance of 524.29 feet to a point for corner;

THENCE North 89 degrees 41 minutes 29 seconds East, a distance of 315.73 feet to a point for corner;

THENCE North 02 degrees 40 minutes 19 seconds West, a distance of 556.10 feet to a point for corner;

THENCE North 88 degrees 29 minutes 17 seconds East, a distance of 307.90 feet to a point for corner at the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 530.00 feet, a central angle of 17 degrees 56 minutes 09 seconds, an arc length of 165.91 feet, a chord bearing of North 79 degrees 31 minutes 12 seconds East, a distance of 165.23 feet point for corner;

THENCE North 70 degrees 32 minutes 53 seconds East, a distance of 347.25 feet to a point for corner at the beginning of a curve to the right;

THENCE with said curve to the right having a radius of 538.50 feet, a central angle of 46 degrees 15 minutes 42 seconds, an arc length of 434.79 feet, a chord bearing of South 86 degrees 19 minutes 45 seconds East, a distance of 423.08 feet point for corner;

THENCE North 21 degrees 19 minutes 27 seconds East, a distance of 34.92 feet to a point for corner at the beginning of a curve to the right;

THENCE with said curve to the right having a radius of 573.50 feet, a central angle of 15 degrees 36 minutes 23 seconds, an arc length of 156.21 feet, a chord bearing of South 55 degrees 44 minutes 24 seconds East, a distance of 155.73 feet point for corner at the beginning of a reverse curve to the left;

THENCE with said reverse curve to the left having a radius of 575.00 feet, a central angle of 18 degrees 05 minutes 20 seconds, an arc length of 181.53 feet, a chord bearing of South 56 degrees 58 minutes 52 seconds East, a distance of 180.78 feet point for corner for the beginning of a compound curve to the left;

THENCE with said compound curve continuing to the left having a radius of 2500.00 feet, a central angle of 20 degrees 36 minutes 16 seconds, an arc length of 899.04 feet, a chord bearing of South 76 degrees 19 minutes 40 seconds East, a distance of 894.20 feet point for corner;

THENCE South 69 degrees 16 minutes 05 seconds East, a distance of 110.00 feet to a point for corner;

THENCE South 89 degrees 45 minutes 48 seconds East, a distance of 67.22 feet to a point for corner;

THENCE North 89 degrees 28 minutes 37 seconds East, a distance of 173.94 feet to the **POINT OF BEGINNING**, containing 5,748,388 square Feet, or 131.965 acres of land.

LEGAL DESCRIPTION - Tract 2: 3.622 ACRES

BEING a tract of land situated in the Robert McCullough Survey, Abstract No. 928, also being a portion of a called 4.07-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "W.A.I." found for the northwest corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas, also lying on the southwest line of said 4.07-acre tract and the northeast line of a tract of land described by deed to The Trull Foundation as recorded in Volume 2001009, Page 575 of the Deed Records of Dallas County, Texas;

THENCE North 38 degrees 21 minutes 45 seconds West, along the common line of said 4.07-acre tract and said Trull Foundation tract, a distance of 326.23 feet to a 5/8 inch iron rod with cap stamped "TNP" set for most westerly corner of said 4.07-acre tract, also lying on the southeast line of Old Miles Road a variable width right-of-way;

THENCE North 36 degrees 49 minutes 36 seconds East, along the southeast line of said Old Miles Road and the northwest line of said 4.07-acre tract, a distance of 564.86 feet to a 1/2 inch iron rod with cap stamped "HALFF" found for the beginning of a curve to the left;

THENCE continuing along the southeast line of said Old Miles Road and the northwest line of said 4.07-acre tract with said curve to the left having a radius of 585.85 feet, a central angle of 03 degrees 53 minutes 34 seconds, an arc length of 39.80 feet, a chord bearing of North 34 degrees 51 minutes 58 seconds East, a distance of 39.80 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the north corner of said 4.07-acre tract, also lying on the west line of Miles Road a variable width right-of-way;

THENCE South 01 degrees 01 minutes 20 seconds East, along the west line of Miles Road, a distance of 708.15 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the northeast corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas;

THENCE leaving the west line of said Miles Road along the northerly line of said right-of-way dedication the following courses and distances:

South 43 degrees 28 minutes 06 seconds West, a distance of 39.07 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 88 degrees 28 minutes 07 seconds West, a distance of 120.98 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a curve to the left;

with said curve to the left having a radius of 845.00 feet, a central angle of 01 degrees 36 minutes 24 seconds, an arc length of 23.69 feet, a chord bearing of South 87 degrees 39 minutes 54 seconds West, a distance of 23.69 feet to the **POINT OF BEGINNING** containing 157,785 Square Feet, or 3.622 Acres of land.

LEGAL DESCRIPTION - Tract 3: 0.153 ACRES

BEING a tract of land situated in the Robert McCullough Survey, Abstract No. 928, also being a portion of a called 4.07-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with cap stamped "HALFF" found for the southeast corner of said 4.07-acre tract, same being the northeast corner of a tract of land described by deed to The Trull Foundation as recorded in Volume 2001009, Page 575 of the Deed Records of Dallas County, Texas, also lying on the west line of Miles Road a variable width right-of-way;

THENCE North 38 degrees 21 minutes 45 seconds West, along the common line of said 4.07-acre tract and said Trull Foundation tract, a distance of 165.28 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the southwest corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas;

THENCE North 88 degrees 28 minutes 07 seconds East, along the south line of said right-of-way dedication, a distance of 77.52 feet to a 5/8 inch iron rod with cap stamped "TNP" set for a corner clip of same;

THENCE South 46 degrees 31 minutes 54 seconds East, continuing along said right-of-way dedication, a distance of 37.26 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the west line of the aforementioned Miles Road;

THENCE South 01 degrees 01 minutes 20 seconds East, along the west line of said Miles Road, a distance of 2.71 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a curve to the right;

THENCE continuing along the east line of said Miles Road with said curve to the right having a radius of 1450.00 feet, a central angle of 04 degrees 05 minutes 05 seconds, an arc length of 103.38 feet, a chord bearing of South 01 degrees 06 minutes 22 seconds West, a distance of 103.35 feet to the **POINT OF BEGINNING**, containing 6,655 Square Feet, or 0.153 Acre.

LEGAL DESCRIPTION - Tract 4: 8.747 ACRES

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being all of an 8.68-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with cap stamped "WAI" found for the northwest corner of said 8.68-acre tract also lying on the south line of President George Bush Turnpike, a called 350.00 feet wide right-of-way;

THENCE North 79 degrees 45 minutes 22 seconds East, along the south line of said President George Bush Turnpike, a distance of 218.91 feet to a 5/8 inch iron rod with cap stamped “TNP” set for the beginning of a non-tangent curve to the right;

THENCE continuing along the south line of said President George Bush Turnpike with said curve to the right having a radius of 7465.00 feet, a central angle of 02 degrees 19 minutes 19 seconds, an arc length of 302.51 feet, a chord bearing of North 80 degrees 55 minutes 01 seconds East, a distance of 302.49 feet to a 5/8 inch iron rod found for the northeast corner of said 8.68 acre tract, also lying on the westerly line of a tract of land described by deed to Batsu Enterprises recorded in Volume 91249, Page 4515 of the Deed Records of Dallas County, Texas;

THENCE along the common line of said 8.68-acre tract and said Batsu Enterprises tract the following courses and distances:

South 05 degrees 29 minutes 08 seconds East, a distance of 202.09 feet to a 1/2 inch iron rod found for corner;

North 89 degrees 33 minutes 14 seconds East, a distance of 196.48 feet to 5/8 inch iron rod with cap stamped “JBI” found for corner;

South 04 degrees 09 minutes 28 seconds East, a distance of 416.53 feet to a 5/8 inch iron rod with cap stamped “JBI” found for the southeast corner of said 8.68 acre tract and the southwest corner of said Batsu Enterprises tract, also lying on the north line of Pleasant Valley road, a variable width right-of-way;

THENCE South 89 degrees 50 minutes 57 seconds West, along the north line of said Pleasant Valley Road, a distance of 712.69 feet to a 5/8-inch iron rod with cap stamped “JBI” found for the southwest corner of said 8.68-acre tract;

THENCE North 05 degrees 17 minutes 07 seconds West, along the west line of said 8.68-acre tract, a distance of 277.26 feet to a 1/2-inch iron rod found for an angle point in same for corner;

THENCE North 04 degrees 55 minutes 13 seconds West, continuing along the west line of said 8.68-acre tract, a distance of 255.12 feet to the **POINT OF BEGINNING**, containing 381,007 Square Feet, or 8.747 Acres of land.

LEGAL DESCRIPTION - Tract 5: 11.266 ACRES

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being all of a 11.27-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a T.X.D.O.T. aluminum cap stamped “2655” found for the northeast corner of said 11.27-acre tract also lying at the intersection of the west line of Pleasant Valley Road, a variable width right-of-way with the south line of President George Bush Turnpike, a called 350.00 feet wide right-of-way;

THENCE along the common line of said 11.27-acre tract and said Pleasant Valley Road the following courses and distances:

South 00 degrees 23 minutes 36 seconds East, a distance of 255.19 feet to a 5/8-inch iron rod with cap stamped “TNP” set for the beginning of a curve to the right;

with said curve to the right having a radius of 311.06 feet, a central angle of 76 degrees 44 minutes 04 seconds, an arc length of 416.59 feet, a chord bearing of South 37 degrees 58 minutes 24 seconds West, a distance of 386.15 feet to a 1/2-inch iron rod with cap stamped “HALFF” found for corner;

South 76 degrees 28 minutes 32 seconds West, a distance of 320.80 feet to 1/2-inch iron rod with cap stamped “HALFF” found for the beginning of a curve to the right;

with said curve to the right having a radius of 707.53 feet, a central angle of 13 degrees 35 minutes 53 seconds, an arc length of 167.92 feet, a chord bearing of South 83 degrees 01 minutes 55 seconds West, a distance of 167.53 feet 1/2-inch iron rod with cap stamped "HALFF" found for corner;

North 89 degrees 46 minutes 07 seconds West, a distance of 96.34 feet to 1/2-inch iron rod with cap stamped "JBI" found for the southwest corner of said 11.27-acre tract, also lying on the east line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas;

THENCE North 00 degrees 55 minutes 31 seconds West, along the common line of said 11.27-acre tract and said City of Sachse tract, a distance of 678.28 feet to 1/2-inch iron rod with cap stamped "WAI" found for the northwest corner of said 11.27-acre tract, also lying on the south line of the aforementioned President George Bush Turnpike, also for the beginning of a non-tangent curve to the right;

THENCE along the south line of said President George Bush Turnpike with said curve to the right having a radius of 7465.00 feet, a central angle of 06 degrees 18 minutes 35 seconds, an arc length of 822.09 feet, a chord bearing of South 88 degrees 21 minutes 02 seconds East, a distance of 821.67 feet to the **POINT OF BEGINNING**, containing 490,729 Square Feet, or 11.266 Acres of land.

LEGAL DESCRIPTION - Tract 6: 14.933 ACRES

BEING a tract of land situated in the Richard Copeland Survey, Abstract No. 228, City of Sachse, Dallas County, Texas and being all of a called 14.933 acres, described in a Special Warranty Deed to Sachse Medical Center, LLC, recorded in Instrument No. 201400065513 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the southeast corner of said 14.933 acre tract, said corner being in the west line of that tract of land described in a Special Warranty Deed to Batsu Enterprises, recorded in Volume 91249, Page 4515 of the Deed Records of Dallas County, Texas, and in the north right-of-way line of President George Bush Turnpike, a 350 foot wide right-of-way, said corner also being at the beginning of a non-tangent curve to the left;

THENCE, along the south line of said 14.933 acre tract and the north right-of-way line of said President George Bush Turnpike, the following courses and distances:

Southwesterly, along said non-tangent curve to the left through a central angle of 02°26'08", having a radius of 7815.00 feet, a chord bearing of South 80°58'58" West, a chord distance of 332.18 feet and an arc length of 332.20 feet to a concrete monument with brass disk found for corner at the end of said curve;

South 79°45'54" West, a distance of 343.41 feet to the most southerly southwest corner of said 14.933 acre tract, said corner being in the northeast line of a called 51.724 acre tract of land described in a Warranty Deed to The Trull Foundation, recorded in Volume 94077, Page 2599 of the Deed Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "WAI" found for witness bears North 73°54' East, 0.6 feet;

THENCE North 38°00'53" West, departing the north right-of-way line of said President George Bush Turnpike, and along the southwest line of said 14.933 acre tract and the northeast line of said 51.724 acre tract and the northeast line of Tract Two, called 0.5384 acre, as described in a General Warranty Deed to The Trull Foundation, recorded in Volume 96158, Page 6025 of the Deed Records of Dallas County, Texas, a distance of 435.20 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the most westerly southwest corner of said 14.933 acre tract, said corner being in the east right-of-way line of Miles Road, a 100 foot wide right-of-way at this point, and also being at the beginning of a non-tangent curve to the left;

THENCE, along the west line of said 14.933 acre tract and the east right-of-way line of said Miles Road, the following courses and distances:

Northeasterly, along said non-tangent curve to the left through a central angle of 08°21'44", having a radius of 1550.00 feet, a chord bearing of North 03°08'21" East, a chord distance of 226.02 feet and an arc length of 226.22 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the end of said curve;

North 01°02'31" West, a distance of 142.90 feet to the northwest corner of said 14.933 acre tract, common to the southwest corner of a called 8.709 acres, as described in a Special Warranty Deed, recorded in Instrument No. 201800267365 of the Official Public Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North 41°40' East, 0.3 feet;

THENCE departing the east right-of-way line of said Miles Road, along the common line of said 14.933 acre tract and said 8.709 acre tract, the following courses and distances:

South 46°17'27" East, a distance of 32.97 feet to a 5/8 inch iron rod with red plastic stamped "TNP" found for corner;

North 88°57'30" East, a distance of 100.58 feet to the beginning of a tangent curve to the left, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North 45°49' East, 0.2 feet;

Northeasterly, along said tangent curve to the left through a central angle of 45°57'00", having a radius of 755.00 feet, a chord bearing of North 65°59'01" East, a chord distance of 589.40 feet and an arc length of 605.49 feet to the end of said curve, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North 69°15' East, 0.3 feet;

North 43°00'31" East, a distance of 87.64 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the beginning of a tangent curve to the right, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North 68°18' East, 0.3 feet;

Northeasterly, along said tangent curve to the right through a central angle of 16°00'32", having a radius of 555.00 feet, a chord bearing of North 51°00'47" East, a chord distance of 154.57 feet and an arc length of 155.07 feet to a 5/8 inch iron rod with red plastic stamped "KHA" set for the northeast corner of said 14.933 acre tract at the end of said curve, said point being in the west line of aforesaid Batsu Enterprises tract, from which a 1/2 inch iron rod found for the most northerly northwest corner of said Batsu Enterprises tract and the most westerly southwest corner of a called 26.04 acre tract of land described in a Special Warranty Deed to the City of Sachse, recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas, bears North 05°00'48" West a distance of 63.83 feet;

THENCE, along the east line of said 14.933 acre tract and the west line of said Batsu Enterprises tract, the following courses and distances:

South 05°00'48" East, a distance of 550.69 feet to a point for corner, from which, a 1/2 inch iron rod found for witness bears South 58°28' East, 0.5 feet;

South 04°26'52" East, a distance of 431.33 feet to the POINT OF BEGINNING and containing 14.933 acres (650,474 square feet) of land, more or less.

EXHIBIT Q-2 – MAJOR IMPROVEMENT AREA BOUNDARY DESCRIPTION

METES AND BOUNDS DESCRIPTION OF MAJOR IMPROVEMENT AREA 122.299 ACRES

Being approximately 170.686 acres of land within the District as more particularly described in **Exhibit Q-1**; SAVE AND EXCEPT the approximately 48.387-acre tract of land comprising Improvement Area #1 as more particularly described in **Exhibit Q-3**.

EXHIBIT Q-3 – IMPROVEMENT AREA #1 BOUNDARY DESCRIPTION

METES AND BOUNDS DISCRIPTION OF IMPROVEMENT AREA #1 48.387 ACRES

IMPROVEMENT AREA #1 TRACT (1)

BEING a tract a 35.780 acre tract of land situated in the Richard Copeland Survey, abstract No. 228, also being a portion of a 78.13-acre tract of land called Tract (A) described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas 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 the northwest corner of a tract of land described by deed to the City of Sachse as recorded in Instrument Number 201700347810 of the Official Public Records of Dallas County, Texas;

THENCE through the interior of said Tract (A) the following courses and distances:

South 89 degrees 22 minutes 53 seconds West, a distance of 146.33 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 00 degrees 37 minutes 07 seconds West, a distance of 243.38 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 82 degrees 21 minutes 44 seconds West, a distance of 69.96 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 82 degrees 04 minutes 22 seconds West, a distance of 326.14 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 974.00 feet, a central angle of 07 degrees 30 minutes 44 seconds, an arc length of 127.70 feet, a chord bearing of North 85 degrees 49 minutes 43 seconds West, a distance of 127.61 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 89 degrees 35 minutes 05 seconds West, a distance of 136.11 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 00 degrees 03 minutes 11 seconds East, a distance of 70.82 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 776.00 feet, a central angle of 18 degrees 20 minutes 42 seconds, an arc length of 248.46 feet, a chord bearing of North 09 degrees 13 minutes 32 seconds East, a distance of 247.40 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 18 degrees 23 minutes 53 seconds East, a distance of 237.22 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 71 degrees 36 minutes 07 seconds West, a distance of 392.19 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 52.00 feet, a central angle of 203 degrees 25 minutes 03 seconds, an arc length of 184.62 feet, a chord bearing of North 59 degrees 53 minutes 35 seconds West, a distance of 101.84 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 65 degrees 53 minutes 58 seconds West, a distance of 73.07 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the west line of said Tract (A) and the east line of a tract of land described by deed to the City of Sachse recorded in Volume 98121, Page 6186 of the Deed Records of Dallas County, Texas;

THENCE along the common line of said Tract (A) and said City of Sachse tract the following courses and distances;

North 05 degrees 13 minutes 42 seconds East, a distance of 108.21 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 07 degrees 29 minutes 41 seconds East, a distance of 257.79 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 21 degrees 10 minutes 21 seconds East, a distance of 228.89 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner for the northwest corner of said Tract (A) also lying on the southerly line of Hudson Drive a variable width right-of-way, also for the beginning of a curve to the right;

THENCE along the north line of said Tract (A) and the southerly line of said Hudson Drive, with said curve to the right having a radius of 573.50 feet, a central angle of 15 degrees 36 minutes 23 seconds, an arc length of 156.21 feet, a chord bearing of South 55 degrees 44 minutes 24 seconds East, a distance of 155.73 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a reverse curve to the left;

THENCE with said reverse curve to the left having a radius of 575.00 feet, a central angle of 18 degrees 05 minutes 20 seconds, an arc length of 181.53 feet, a chord bearing of South 56 degrees 58 minutes 52 seconds East, a distance of 180.78 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a compound curve to the left;

THENCE with said compound curve continuing to the left having a radius of 2500.00 feet, a central angle of 20 degrees 36 minutes 16 seconds, an arc length of 899.04 feet, a chord bearing of South 76 degrees 19 minutes 40 seconds East, a distance of 894.20 feet to a PK Nail found for corner;

THENCE South 69 degrees 16 minutes 05 seconds East, continuing along the north line of said Tract (A) and the southerly line of said Hudson Drive, a distance of 110.00 feet to a 1/2 inch iron rod found for corner;

THENCE South 89 degrees 45 minutes 48 seconds East, continuing along the north line of said Tract (A) and the southerly line of said Hudson Drive, a distance of 67.22 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North 89 degrees 28 minutes 37 seconds East, continuing along the north line of said Tract (A) and the southerly line of said Hudson Drive, a distance of 173.94 feet to a 1/2 inch iron rod found for the northeast corner of said Tract (A), also lying on the west line of Merritt Road a variable width right-of-way;

THENCE South 00 degrees 14 minutes 29 seconds West along the west line of said Merritt Road, a distance of 265.43 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for an angle point in same;

THENCE South 00 degrees 17 minutes 44 seconds East, continuing along the west line of said Merritt Road, a distance of 914.60 feet to a 5/8-inch iron rod with cap stamped "WAI" found for corner;

THENCE South 87 degrees 03 minutes 13 seconds West, leaving the west line of said Merritt Road, a distance of 177.54 feet to a 1/2-inch iron rod found for the northeast corner of said City of Sachse tract recorded in Instrument Number 201700347810 of the Official Public Records of Dallas County, Texas;

THENCE South 89 degrees 05 minutes 27 seconds West, along the north line of last mentioned City of Sachse tract, a distance of 228.63 feet to the POINT OF BEGINNING containing 1,558,598 square feet, or 35.780 acres of land.

IMPROVEMENT AREA #1 TRACT (2)

BEING a tract of land situated in the Richard Copeland Survey, Abstract No. 228, City of Sachse, Dallas County, Texas and being a portion of a called 76.043-acre tract of land described as Tract 1 in Special Warranty Deed to PMB Station Land, LP, recorded in Instrument No. 201800267365, Official Public Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod with a plastic cap, stamped "RPLS 5430", found for the northwest corner of a tract of land described in Special Warranty Deed to the City of Sachse, Texas, recorded in Instrument No. 201700347810, Official Public Records, Dallas County, Texas, same being an inner ell corner of said 76.043-acre tract of land described as Tract 1;

THENCE South 0°15'35" East, along the westerly line of said City of Sachse tract and an easterly line of said 76.043-acre tract of land described as Tract 1, a distance of 360.71 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner, from said corner, a 5/8-inch iron rod with a plastic cap, stamped "RPLS 5430" found for the southwest corner of said City of Frisco tract bears South 00°15'35" East, 20.45 feet;

THENCE South 89°25'20" West, departing the westerly line of said City of Sachse tract, the easterly line of said 76.043-acre tract of land described as Tract 1, crossing said Tract 1, a distance of 740.96 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE North 45°15'50" West, continuing across said Tract 1, a distance of 14.06 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE North 0°02'59" East, continuing across said Tract 1, a distance of 654.21 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE North 45°13'57" East, continuing across said Tract 1, a distance of 14.10 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE South 89°35'05" East, continuing across said Tract 1, a distance of 70.12 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner at the beginning of a tangent curve to the right having a central angle of 7°30'44", a radius of 974.00 feet, a chord bearing and distance of South 85°49'43" East, 127.61 feet;

THENCE in a southeasterly direction, continuing across said Tract 1, with said curve to the right, an arc distance of 127.70 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE South 82°04'22" East, continuing across said Tract 1, a distance of 326.14 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE South 82°21'44" East, continuing across said Tract 1, a distance of 69.96 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE South 0°37'07" East, continuing across said Tract 1, a distance of 243.39 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE North 89°22'53" East, continuing across said Tract 1, a distance of 146.33 feet to the POINT OF BEGINNING and containing 10.144 acres (441,887 square feet) of land, more or less.

IMPROVEMENT AREA #1 TRACT (3)

BEGINNING at a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for the southeast corner of Street "A" as dedicated in Pleasant Valley Road and Street A, an addition to the City of Sachse, Texas, according to the Final Plat, recorded in Instrument No. _____ Official Public Records, Dallas County, Texas, same also being on the southerly line of said 3.022-acre tract and the northerly right of way line of President George Bush Turnpike, a 350' wide right of way;

THENCE North 42°29'16" West, departing the southerly line of said 3.022-acre tract, the northerly right of way line of said President George Bush Turnpike, and along the easterly line of said Street "A", a distance of 29.47 feet to a point for corner;

THENCE North 0°02'59" East, continuing along the easterly line of said Street "A", a distance of 238.88 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for corner;

THENCE North 44°44'10" East, along the easterly line of said Street "A", a distance of 14.22 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for corner the intersection of the easterly right of way line of said Street "A" with the southerly right of way line of Pleasant Valley Road, an 84' wide right of way, as dedicated in said Pleasant Valley Road and Street A;

THENCE North 89°25'20" East, along the southerly right of way line of said Pleasant Valley Road, a distance of 349.63 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for corner;

THENCE South 44°25'20" West, departing the southerly right of way line of said Pleasant Valley Road and crossing said 3.022-acre tract, a distance of 14.14 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for corner;

THENCE South 0°34'40" East, continuing across said 3.022-acre tract, a distance of 18.44 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set at the beginning of a tangent curve to the left having a central angle of 19°50'56", a radius of 229.00 feet, a chord bearing and distance of South 10°30'08" East, 78.94 feet;

THENCE in a southeasterly direction, continuing across said 3.022-acre tract, with said curve to the left, an arc distance of 79.33 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set at the beginning of a reverse curve to the right having a central angle of 19°50'56", a radius of 271.00 feet, a chord bearing and distance of South 10°30'08" East, 93.41 feet;

THENCE in a southeasterly direction, continuing across said 3.022-acre tract, with said curve to the right, an arc distance of 93.88 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for corner;

THENCE South 0°34'40" East, continuing across said 3.022-acre tract, a distance of 96.85 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for corner;

THENCE South 41°23'23" East, continuing across said 3.022-acre tract, a distance of 30.27 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner on the southerly line of said 3.022-acre tract and the northerly right of way line of aforesaid President George Bush Turnpike, and being at the beginning of a non-tangent curve to the left having a central angle of 2°49'24", a radius of 7815.00 feet, a chord bearing and distance of North 83°32'24" West, 385.06 feet;

THENCE in a northwesterly direction, along the southerly line of said 3.022-acre tract and the northerly right of way line of said President George Bush Turnpike, and with said curve to the left, an arc distance of 385.09 feet to the POINT OF BEGINNING and containing 2.463 acres (107,308 square feet) of land, more or less.

EXHIBIT Q-4 –IMPROVEMENT AREA #2 BOUNDARY DESCRIPTION

Sachse PID – Improvement Area #2
7.421 Acres

LEGAL DESCRIPTION – TRACT 1

BEING a tract of land situated in the Zach Motley Survey, Abstract No. 1009 and the Samuel Compton Survey, Abstract No. 368, City of Sachse, Dallas County, Texas, part of a called 3.022-acre Tract 7 and part of a called 2.906 acre Tract 8, described in the General Warranty Deed to PMB Station Developer LLC, recorded in Instrument No. 201900240016 of the Official Public Records, Dallas County, Texas (O.P.R.D.C.T.), and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "KHA" found at the northerly end of a corner clip at the intersection of the southerly right-of-way line of The Station Boulevard, a variable width right-of-way, and the easterly right-of-way line of Kennedy Drive, a 50-foot wide right-of-way, in the north line of said Tract 7, for the northerly northwest corner hereof;

THENCE North 89°25'20" East, with the southerly right-of-way line of The Station Boulevard, the north line of said Tract 7 and the north line of said Tract 8, a distance of 420.90 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the northeast corner hereof;

THENCE departing the southerly right-of-way line of The Station Boulevard, over and across said Tract 8, the following courses and distances:

South 44°44'10" West, a distance of 14.22 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set,

South 00°02'59" West, a distance of 351.18 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set,

South 39°38'33" East, a distance of 31.32 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set in the northerly right-of-way line of President George Bush Turnpike, a 350-foot wide right-of-way, in the south line of said Tract 8, at the beginning of a non-tangent curve to the left with a radius of 7,815.00 feet, a central angle of 02°52'55", and a chord bearing and distance of North 80°41'15" West, 393.03 feet;

THENCE in a northwesterly direction, with the northerly right-of-way line of said President George Bush Turnpike, the south line of said Tract 8 and the south line of said Tract 7, with said non-tangent curve to the left, an arc distance of 393.07 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the southerly end of a corner clip at the intersection of the northerly right-of-way line of said President George Bush Turnpike and the easterly right-of-way line of said Kennedy Drive, for the southerly southwest corner hereof;

THENCE North 41°23'23" West, along said corner clip, a distance of 30.27 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found for the northerly southwest corner hereof;

THENCE with the easterly right-of-way line of said Kennedy Drive, the following courses and distances:

North 00°34'40" West, a distance of 96.85 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the beginning of a tangent curve to the left with a radius of 271.00 feet, a central angle of 19°50'56", and a chord bearing and distance of North 10°30'08" West, 93.41 feet,

In a northwesterly direction, with said tangent curve to the left, an arc distance of 93.88 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the beginning of a reverse curve to the right with a radius of 229.00 feet, a central angle of 19°50'56", and a chord bearing and distance of North 10°30'08" West, 78.94 feet,

In a northwesterly direction, with said reverse curve to the right, an arc distance of 79.33 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found,

North 00°34'40" West, a distance of 18.44 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the southerly end of a corner clip at the intersection of the easterly right-of-way line of said Kennedy Drive and the southerly right-of-way line of The Station Boulevard, for the southerly northwest corner hereof;

THENCE North 44°25'20" East, along said corner clip, a distance of 14.14 feet to the POINT OF BEGINNING and containing or 3.174 acres (138,243 square feet) of land, more or less.

LEGAL DESCRIPTION – TRACT 2

BEING a tract of land situated in the ZACH MOTLEY SURVEY, ABSTRACT NO. 1009, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Maurice L. McClain, recorded in Volume 172, Page 96, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner at the northeast end of a corner clip at the intersection of the west right-of-way line of Merritt Road (variable width right-of-way) and the north right-of-way line of Pleasant Valley Road (variable width right-of-way, at this point);

THENCE South 36 deg 54 min 43 sec West, along said corner clip, a distance of 45.33 feet to a 1/2-inch iron rod with plastic cap stamped "PACHECO" found for corner at the southwest end of said corner clip, said iron rod being situated in said north right-of-way line and being the beginning of a non-tangent curve to the right having a radius of 3,454.00 feet, a central angle of 02 deg 02 min 15 sec, a chord bearing of South 85 deg 36 min 08 sec West and a chord length of 122.82 feet;

THENCE along said north right-of-way line and said non-tangent curve to the right, an arc distance of 122.83 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

THENCE North 00 deg 15 min 34 sec West, departing the north right-of-way line of said Pleasant Valley Road, a distance of 364.30 feet to a 3/8-inch iron rod found for corner;

THENCE North 86 deg 49 min 47 sec East, a distance of 151.77 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner, said iron rod being situated in the west right-of-way line of said Merritt Road;

THENCE South 00 deg 02 min 08 sec West, along said west right-of-way line, a distance of 327.03 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 1.245 acres or 54,216 square feet of land, more or less.

LEGAL DESCRIPTION – TRACT 3

BEING a tract of land situated in the SAMUEL COMPTON SURVEY, ABSTRACT NO. 368, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Stan McClain, recorded in Volume 2005117, Page 8527, Deed Records, Dallas County, Texas (D.R.D.C.T.) and a portion of a tract of land as described in deed to Stan McClain and Laura McClain, recorded in Document No. 201500028951, Official Public Records, Dallas County, Texas (O.P.R.D.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with plastic cap stamped "PACHECO" found for corner at the northwest end of a corner clip at the intersection of the west right-of-way line of Merritt Road (variable width right-of-way) and the south right-of-way line of Pleasant Valley Road (variable width right-of-way, at this point);

THENCE South 47 deg 40 min 11 sec East, along said corner clip, a distance of 16.95 feet to a 1/2-inch iron rod with plastic cap stamped "PACHECO" found for corner at the southeast end of said corner clip, said iron rod being situated in said west right-of-way line;

THENCE along the west right-of-way line of said Merritt Road, the following:

South 01 deg 06 min 55 sec East, a distance of 173.31 feet to a 1/2-inch iron rod found for corner;

South 89 deg 11 min 04 sec West, a distance of 3.72 feet to a NTTA (North Texas Transit Authority) aluminum monument found for corner;

South 00 deg 48 min 56 sec East, a distance of 233.48 feet to a 5/8-inch iron rod found for corner at the northeast end of a corner clip at the intersection of the west right-of-way line of said Merritt Road and the northerly right-of-way line of President George Bush Turnpike (variable width right-of-way);

THENCE South 46 deg 54 min 01 sec West, along said corner clip, a distance of 52.06 feet to a TXDOT (Texas Department of Transportation) Brass Monument found for corner at the southwest end of said corner clip, said Brass Monument also situated in the northerly right-of-way line of said President George Bush Turnpike and being the beginning of a non-tangent curve

to the left having a radius of 7,815.00 feet, a central angle of 02 deg 02 min 41 sec, a chord bearing of North 77 deg 56 min 23 sec West and a chord length of 278.90 feet;

THENCE along said northerly right-of-way line and said non-tangent curve to the left, an arc distance of 278.91 feet to a 5/8-inch iron rod found for corner;

THENCE North 00 deg 29 min 42 sec West, departing said northerly right-of-way line, a distance of 399.57 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner, said iron rod being situated in the south right-of-way line of said Pleasant Valley Road (60' right-of-way, at this point);

THENCE North 89 deg 24 min 45 sec East, along said south right-of-way line, a distance of 14.47 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

THENCE South 00 deg 08 min 33 sec West, continuing along said south right-of-way line, a distance of 18.81 feet to a 1/2-inch iron rod with plastic cap stamped "PACHECO" found for corner, said iron rod being the beginning of a non-tangent curve to the left having a radius of 3,545.00 feet, a central angle of 01 deg 09 min 16 sec, a chord bearing of North 88 deg 46 min 59 sec East and a chord length of 71.43 feet;

THENCE continuing along said south right-of-way line and along said non-tangent curve to the left, an arc distance of 71.43 feet to a 1/2-inch iron rod with red plastic cap stamped "W.A.I. 5714" set for corner, said iron rod being situated in the west line of a tract of land as described in deed to Earlene Jones Drain, recorded in County Clerk's File No. 201500080747, O.P.R.D.C.T.;

THENCE South 00 deg 42 min 54 sec East, departing the south right-of-way line of said Pleasant Valley Road and along the west line of said Earlene Jones Drain tract, a distance of 120.34 feet to a 5/8-inch iron pipe found for corner, said iron pipe being the southwest corner of said Earlene Jones Drain tract;

THENCE North 89 deg 18 min 06 sec East, departing the west line and along the south line of said Earlene Jones Drain tract, a distance of 144.00 feet to an axle found for corner, said axle being the southeast corner of said Earlene Jones Drain tract;

THENCE North 00 deg 42 min 54 sec West, departing the south line and along the east line of said Earlene Jones Drain tract, a distance of 126.03 feet to a 1/2-inch iron rod with red plastic cap stamped "W.A.I. 5714" set for corner, said iron rod being situated in the south right-of-way line of said Pleasant Valley Road (variable width right-of-way, at this point), and being the beginning of a non-tangent curve to the left having a radius of 3,545.00 feet, a central angle of 01 deg 07 min 05 sec, a chord bearing of North 85 deg 19 min 02 sec East and a chord length of 69.17 feet;

THENCE along said south right-of-way line and along said non-tangent curve to the left, an arc distance of 69.17 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 2.569 acres or 111,889 square feet of land, more or less.

LEGAL DESCRIPTION – TRACT 4

Being a 0.406 acre tract of land situated in the Zach Motley Survey, Abstract Number 1009, Dallas County, Texas, and being all of a tract of land to Earlene Jones Drain as recorded in Instrument Number 201500080747 of the Official Public Records of Dallas County, Texas and being more particularly described by metes and bounds as follows;

BEGINNING at a 1/2 inch iron rod with cap stamped "W.A.I. 5714" found lying on the south line of Pleasant Valley Road, (a variable width R.O.W.) for the northeast corner of said Drain tract;

THENCE South 00 degrees 42 minutes 54 seconds East departing the south line of said Pleasant Valley Road and along the east line of said Drain tract, a distance of 126.03 feet to an Axle found for the occupied southeast corner of said Drain tract;

THENCE South 89 degrees 18 minutes 06 seconds West along the south line of said Drain tract, a distance of 144.00 feet to a 5/8 inch iron pipe found for the occupied southwest corner of said Drain tract;

THENCE North 00 degrees 42 minutes 54 seconds West along the west line of said drain tract, a distance of 120.34 feet to a 1/2 inch iron rod with cap stamped "W.A.I. 5714" found for the northwest corner of said drain tract lying on the south line of said Pleasant Valley road and at the beginning of a curve to the left;

THENCE with said curve to the left along the south line of said Pleasant Valley Road, having a radius of 3545.00 feet, a central angle of 02 degrees 19 minutes 46 seconds, an arc length of 144.12 feet, a chord bearing of North 87 degrees 02 minutes 28 seconds East, a distance of 144.11 feet to the POINT OF BEGINNING containing 17,669 square feet, or 0.406 of an acre of land.

EXHIBIT Q-5 – IMPROVEMENT AREA #3 BOUNDARY DESCRIPTION

Sachse PID – Improvement Area #3
7.779 Acres

LEGAL DESCRIPTION – TRACT 1

BEING a tract of land located in the Richard Copeland Survey, Abstract No. 228, City of Sachse, Dallas County, Texas, part of the remainder from a called 76.043 acre Tract 1 described in the deed to PMB Station Developer LLC recorded in Instrument No. 201900240016 of the Official Public Records of Dallas County, Texas (O.P.R.D.C.T.), and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "KHA" found in a southeast line of a called 10.615 acre tract described in the deed to City of Sachse recorded in Volume 98121, Page 6186 of the Deed Records of Dallas County, Texas (D.R.D.C.T.), a northwest line of said Tract 1, for the southwest corner of Lot CA-1, Block A of The Station Phase 1, an addition to the City of Sachse as shown on the plat recorded in Instrument No. 202000203770 O.P.R.D.C.T., and the northwest corner hereof;

THENCE South 84°46'18" East, with the south line of said Lot CA-1, a distance of 58.64 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found in the westerly right-of-way line of Parkside Trail, a 50-foot wide right-of-way as shown on the plat of said The Station Phase 1, at the beginning of a non-tangent curve to the left having a central angle of 166°53'28", a radius of 50.00 feet, a chord bearing and distance of South 69°05'56" East, 99.35 feet;

THENCE with the southerly right-of-way lines of said Parkside Trail the following courses and distances:

In a southeasterly direction, with said curve to the left, an arc distance of 145.64 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found for corner,

North 63°54'16" East, a distance of 14.82 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found,

South 74°00'13" East, a distance of 125.76 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found,

South 71°42'04" East, a distance of 233.50 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the northerly end of a corner clip at the intersection of the southerly right-of-way line of said Parkside Trail with the easterly right-of-way line of The Commons Parkway, a 50-foot wide right-of-way as shown on the plat of said The Station Phase 1;

THENCE South 26°42'04" East, along said corner clip, a distance of 14.14 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the southerly end of said corner clip;

THENCE with the westerly right-of-way lines of said The Commons Parkway, the following courses and distances:

South 18°17'56" West, a distance of 184.19 feet to a 5/8-inch iron rod with plastic cap stamped

"KHA" found at the beginning of a tangent curve to the left having a central angle of $18^{\circ}14'57''$, a radius of 780.00 feet, a chord bearing and distance of South $9^{\circ}10'28''$ West, 247.39 feet;

In a southwesterly direction, with said curve to the left, an arc distance of 248.44 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found,

South $0^{\circ}02'59''$ West, a distance of 16.33 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the easterly southeast corner hereof;

THENCE departing the westerly right-of-way line of said The Commons Parkway, over and across said Tract 1, the following courses and distances:

South $45^{\circ}02'59''$ West, a distance of 14.14 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set,

North $89^{\circ}57'01''$ West, a distance of 452.42 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set at the beginning of a tangent curve to the left with a radius of 61.50 feet, a central angle of $52^{\circ}12'30''$, and a chord bearing and distance of South $63^{\circ}56'44''$ West, 54.12 feet;

In a southwesterly direction, with said tangent curve to the left, an arc distance of 56.04 feet to a point for corner;

North $57^{\circ}05'57''$ West, a distance of 90.89 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set,

North $64^{\circ}15'38''$ West, a distance of 124.59 feet to point for an angle corner of said 10.615 acre tract and an angle corner of said Tract 1; a 1/2-inch iron rod with cap (illegible) found for reference bears South $14^{\circ}14'45''$ East 0.30 feet from said point for corner;

THENCE with the southeast lines of said 10.615 acre tract and northwest lines of said Tract 1, the following courses and distances:

North $20^{\circ}41'28''$ East, a distance of 220.44 feet to a point for corner; a 1/2-inch iron rod with cap marked "HAT" found for reference bears South $11^{\circ}52'33''$ West 0.26 feet from said point for corner;

North $36^{\circ}49'51''$ East, a distance of 336.02 feet to a point for corner; a 5/8-inch iron rod with cap marked "TNP" bears South $25^{\circ}13'58''$ East 0.33 feet from said point for corner;

North $5^{\circ}13'42''$ East, a distance of 45.21 feet to the POINT OF BEGINNING and containing 7.779 acres (338,837 square feet) of land, more or less.

EXHIBIT Q-6 –IMPROVEMENT AREA #4 BOUNDARY DESCRIPTION

Sachse PID – Improvement Area #4
22.340 Acres

LEGAL DESCRIPTION – TRACT 1

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being a portion of a 78.13-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a T.X.D.O.T. aluminum monument stamped “2662” found for the southeast corner of said 78.13-acre tract also lying at the intersection of the west line of Pleasant Valley Road, a variable width right-of-way with the north line of President George Bush Turnpike, a called 350.00 feet wide right-of-way, also for the beginning of a non-tangent curve to the left;

THENCE along the south line of said 78.13 acre tract and the north line of said President George Bush turnpike with said curve to the left having a radius of 7813.20 feet, a central angle of 06 degrees 03 minutes 12 seconds, an arc length of 825.47 feet, a chord bearing of North 88 degrees 24 minutes 26 seconds West, a distance of 825.09 feet to a 5/8-inch iron rod with cap stamped “TNP” set for the southwest corner of said 78.13 acre tract also lying on the east line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, page 6284 of the Deed Records of Dallas County, Texas;

THENCE North 01 degrees 00 minutes 01 seconds West, along the common line of said 78.13-acre tract and said City of Sachse tract, a distance of 1038.64 feet to a 1/2-inch iron rod with cap stamped “NDM” found for the southwest corner of a tract of land described by deed to the City of Sachse recorded in Volume 98121, Page 6186 of the Deed Records of Dallas County, Texas;

THENCE along the common line of said 78.13-acre tract and last mentioned City of Sachse tract the following courses and distances:

North 89 degrees 22 minutes 43 seconds East, a distance of 76.91 feet to a 1/2-inch iron rod with cap stamped “NDM” found for corner;

North 26 degrees 33 minutes 56 seconds East, a distance of 113.49 feet to a 1/2-inch iron rod with cap stamped “NDM” found for corner;

North 20 degrees 41 minutes 28 seconds East, a distance of 220.44 feet to a 1/2-inch iron rod with cap stamped “HAT” found for corner;

North 36 degrees 49 minutes 51 seconds East, a distance of 336.02 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

North 05 degrees 13 minutes 42 seconds East, a distance of 238.67 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

North 07 degrees 29 minutes 41 seconds East, a distance of 257.79 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

North 21 degrees 10 minutes 21 seconds East, a distance of 228.89 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the northwest corner of said 78.13-acre tract also lying on the southerly line of Hudson Drive a variable width right-of-way, also for the beginning of a curve to the right;

THENCE along the north line of said 78.13-acre tract and the southerly line of said Hudson Drive, with said curve to the right having a radius of 573.50 feet, a central angle of 15 degrees 36 minutes 23 seconds, an arc length of 156.21 feet, a chord bearing of South 55 degrees 44 minutes 24 seconds East, a distance of 155.73 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the beginning of a reverse curve to the left;

THENCE with said reverse curve to the left having a radius of 575.00 feet, a central angle of 18 degrees 05 minutes 20 seconds, an arc length of 181.53 feet, a chord bearing of South 56 degrees 58 minutes 52 seconds East, a distance of 180.78 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the beginning of a compound curve to the left;

THENCE with said compound curve continuing to the left having a radius of 2500.00 feet, a central angle of 20 degrees 36 minutes 16 seconds, an arc length of 899.04 feet, a chord bearing of South 76 degrees 19 minutes 40 seconds East, a distance of 894.20 feet to a PK Nail found at the end of said compound curve;

THENCE South 69 degrees 16 minutes 05 seconds East, continuing along the north line of said 78.13 acre tract and the southerly line of said Hudson Drive, a distance of 110.00 feet to a 1/2 inch iron rod found for corner;

THENCE South 89 degrees 45 minutes 48 seconds East, continuing along the north line of said 78.13-acre tract and the southerly line of said Hudson Drive, a distance of 67.22 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

THENCE North 89 degrees 28 minutes 37 seconds East, continuing along the north line of said 78.13 acre tract and the southerly line of said Hudson Drive, a distance of 173.94 feet to a 1/2 inch iron rod found for the northeast corner of said 78.13 acre tract, also lying on the west line of Merritt Road a variable width right-of-way;

THENCE South 00 degrees 14 minutes 29 seconds West along the west line of said Merritt Road, a distance of 265.43 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for an angle point in same;

THENCE South 00 degrees 17 minutes 44 seconds East, continuing along the west line of said Merritt Road, a distance of 749.92 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

THENCE South 89 degrees 49 minutes 07 seconds West, continuing along the west line of said Merritt Road, a distance of 19.40 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

THENCE South 00 degrees 58 minutes 54 seconds East, continuing along the west line of said Merritt Road, a distance of 166.49 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

THENCE South 87 degrees 23 minutes 36 seconds West, leaving the west line of said Merritt Road, a distance of 160.08 feet to a 1/2-inch iron rod found for the northeast corner of a tract of land described by deed to the City of Sachse recorded in Instrument Number 201700347810 of the Official Public Records of Dallas County, Texas;

THENCE South 89 degrees 05 minutes 27 seconds West, along the north line of last mentioned City of Sachse tract, a distance of 228.63 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the northwest corner of same;

THENCE South 00 degrees 15 minutes 35 seconds East, along the west line of said City of Sachse tract, a distance of 381.16 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the southwest corner of same, also lying on the north line of the aforementioned pleasant Valley Drive;

THENCE South 89 degrees 07 minutes 35 seconds West along the north line of said pleasant Valley Road, a distance of 562.19 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 236.92 feet, a central angle of 89 degrees 51 minutes 53 seconds, an arc length of 371.59 feet, a chord bearing of South 44 degrees 14 minutes 35 seconds West, a distance of 334.66 feet to a 1/2-inch iron rod found for corner;

THENCE South 00 degrees 35 minutes 07 seconds East, a distance of 88.22 feet to the POINT OF BEGINNING, containing 3,312,431 Square Feet, or 76.043 Acres of land.

LEGAL DESCRIPTION – SAVE & EXCEPT TRACT 2

BEING a tract a 35.780 acre tract of land situated in the Richard Copeland Survey, abstract No. 228, also being a portion of a 78.13-acre tract of land called Tract (A) described by deed to

Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas 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 the northwest corner of a tract of land described by deed to the City of Sachse as recorded in Instrument Number 201700347810 of the Official Public Records of Dallas County, Texas;

THENCE through the interior of said Tract (A) the following courses and distances:

South 89 degrees 22 minutes 53 seconds West, a distance of 146.33 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 00 degrees 37 minutes 07 seconds West, a distance of 243.38 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 82 degrees 21 minutes 44 seconds West, a distance of 69.96 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 82 degrees 04 minutes 22 seconds West, a distance of 326.14 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 974.00 feet, a central angle of 07 degrees 30 minutes 44 seconds, an arc length of 127.70 feet, a chord bearing of North 85 degrees 49 minutes 43 seconds West, a distance of 127.61 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 89 degrees 35 minutes 05 seconds West, a distance of 136.11 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 00 degrees 03 minutes 11 seconds East, a distance of 70.82 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 776.00 feet, a central angle of 18 degrees 20 minutes 42 seconds, an arc length of 248.46 feet, a chord bearing of North 09 degrees 13 minutes 32 seconds East, a distance of 247.40 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 18 degrees 23 minutes 53 seconds East, a distance of 237.22 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 71 degrees 36 minutes 07 seconds West, a distance of 392.19 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 52.00 feet, a central angle of 203 degrees 25 minutes 03 seconds, an arc length of 184.62 feet, a chord bearing of North 59 degrees 53 minutes 35 seconds West, a distance of 101.84 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 65 degrees 53 minutes 58 seconds West, a distance of 73.07 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the west line of said Tract (A) and the east line of a tract of land described by deed to the City of Sachse recorded in Volume 98121, Page 6186 of the Deed Records of Dallas County, Texas;

THENCE along the common line of said Tract (A) and said City of Sachse tract the following courses and distances;

North 05 degrees 13 minutes 42 seconds East, a distance of 108.21 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 07 degrees 29 minutes 41 seconds East, a distance of 257.79 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 21 degrees 10 minutes 21 seconds East, a distance of 228.89 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner for the northwest corner of said Tract (A) also lying on the southerly line of Hudson Drive a variable width right-of-way, also for the beginning of a curve to the right;

THENCE along the north line of said Tract (A) and the southerly line of said Hudson Drive, with said curve to the right having a radius of 573.50 feet, a central angle of 15 degrees 36 minutes 23 seconds, an arc length of 156.21 feet, a chord bearing of South 55 degrees 44 minutes 24 seconds East, a distance of 155.73 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a reverse curve to the left;

THENCE with said reverse curve to the left having a radius of 575.00 feet, a central angle of 18 degrees 05 minutes 20 seconds, an arc length of 181.53 feet, a chord bearing of South 56 degrees 58 minutes 52 seconds East, a distance of 180.78 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a compound curve to the left;

THENCE with said compound curve continuing to the left having a radius of 2500.00 feet, a central angle of 20 degrees 36 minutes 16 seconds, an arc length of 899.04 feet, a chord bearing of South 76 degrees 19 minutes 40 seconds East, a distance of 894.20 feet to a PK Nail found for corner;

THENCE South 69 degrees 16 minutes 05 seconds East, continuing along the north line of said Tract (A) and the southerly line of said Hudson Drive, a distance of 110.00 feet to a 1/2 inch iron rod found for corner;

THENCE South 89 degrees 45 minutes 48 seconds East, continuing along the north line of said Tract (A) and the southerly line of said Hudson Drive, a distance of 67.22 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North 89 degrees 28 minutes 37 seconds East, continuing along the north line of said Tract (A) and the southerly line of said Hudson Drive, a distance of 173.94 feet to a 1/2 inch iron rod found for the northeast corner of said Tract (A), also lying on the west line of Merritt Road a variable width right-of-way;

THENCE South 00 degrees 14 minutes 29 seconds West along the west line of said Merritt Road, a distance of 265.43 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for an angle point in same;

THENCE South 00 degrees 17 minutes 44 seconds East, continuing along the west line of said Merritt Road, a distance of 914.60 feet to a 5/8-inch iron rod with cap stamped "WAI" found for corner;

THENCE South 87 degrees 03 minutes 13 seconds West, leaving the west line of said Merritt Road, a distance of 177.54 feet to a 1/2-inch iron rod found for the northeast corner of said City of Sachse tract recorded in Instrument Number 201700347810 of the Official Public Records of Dallas County, Texas;

THENCE South 89 degrees 05 minutes 27 seconds West, along the north line of last mentioned City of Sachse tract. a distance of 228.63 feet to the POINT OF BEGINNING containing 1,558,598 square feet, or 35.780 acres of land.

LEGAL DESCRIPTION – SAVE & EXCEPT TRACT 3

BEING a tract of land situated in the Richard Copeland Survey, Abstract No. 228, City of Sachse, Dallas County, Texas and being a portion of a called 76.043-acre tract of land described as Tract 1 in Special Warranty Deed to PMB Station Land, LP, recorded in Instrument No. 201800267365, Official Public Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod with a plastic cap, stamped "RPLS 5430", found for the northwest corner of a tract of land described in Special Warranty Deed to the City of Sachse, Texas, recorded in Instrument No. 201700347810, Official Public Records, Dallas County, Texas, same being an inner ell corner of said 76.043-acre tract of land described as Tract 1;

THENCE South 0°15'35" East, along the westerly line of said City of Sachse tract and an easterly line of said 76.043-acre tract of land described as Tract 1, a distance of 360.71 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner, from said corner, a 5/8-inch iron rod with a plastic cap, stamped "RPLS 5430" found for the southwest corner of said City of Frisco tract bears South 00°15'35" East, 20.45 feet;

THENCE South 89°25'20" West, departing the westerly line of said City of Sachse tract, the easterly line of said 76.043-acre tract of land described as Tract 1, crossing said Tract 1, a distance of 740.96 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE North 45°15'50" West, continuing across said Tract 1, a distance of 14.06 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE North 0°02'59" East, continuing across said Tract 1, a distance of 654.21 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE North 45°13'57" East, continuing across said Tract 1, a distance of 14.10 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE South 89°35'05" East, continuing across said Tract 1, a distance of 70.12 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner at the beginning of a tangent curve to the right having a central angle of 7°30'44", a radius of 974.00 feet, a chord bearing and distance of South 85°49'43" East, 127.61 feet;

THENCE in a southeasterly direction, continuing across said Tract 1, with said curve to the right, an arc distance of 127.70 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE South 82°04'22" East, continuing across said Tract 1, a distance of 326.14 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE South 82°21'44" East, continuing across said Tract 1, a distance of 69.96 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE South 0°37'07" East, continuing across said Tract 1, a distance of 243.39 feet to a 5/8-inch iron rod with a plastic cap, stamped "KHA" set for a corner;

THENCE North 89°22'53" East, continuing across said Tract 1, a distance of 146.33 feet to the POINT OF BEGINNING and containing 10.144 acres (441,887 square feet) of land, more or less.

LEGAL DESCRIPTION – SAVE & EXCEPT TRACT 4

BEING a tract of land located in the Richard Copeland Survey, Abstract No. 228, City of Sachse, Dallas County, Texas, part of the remainder from a called 76.043 acre Tract 1 described in the deed to PMB Station Developer LLC recorded in Instrument No. 201900240016 of the Official Public Records of Dallas County, Texas (O.P.R.D.C.T.), and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "KHA" found in a southeast line of a called 10.615 acre tract described in the deed to City of Sachse recorded in Volume 98121, Page 6186 of the Deed Records of Dallas County, Texas (D.R.D.C.T.), a northwest line of said Tract 1, for the southwest corner of Lot CA-1, Block A of The Station Phase 1, an addition to the City of Sachse as shown on the plat recorded

in Instrument No. 202000203770 O.P.R.D.C.T., and the northwest corner hereof;

THENCE South 84°46'18" East, with the south line of said Lot CA-1, a distance of 58.64 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found in the westerly right-of-way line of Parkside Trail, a 50-foot wide right-of-way as shown on the plat of said The Station Phase 1, at the beginning of a non-tangent curve to the left having a central angle of 166°53'28", a radius of 50.00 feet, a chord bearing and distance of South 69°05'56" East, 99.35 feet;

THENCE with the southerly right-of-way lines of said Parkside Trail the following courses and distances:

In a southeasterly direction, with said curve to the left, an arc distance of 145.64 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found for corner,

North 63°54'16" East, a distance of 14.82 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found,

South 74°00'13" East, a distance of 125.76 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found,

South 71°42'04" East, a distance of 233.50 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the northerly end of a corner clip at the intersection of the southerly right-of-way line of said Parkside Trail with the easterly right-of-way line of The Commons Parkway, a 50-foot wide right-of-way as shown on the plat of said The Station Phase 1;

THENCE South 26°42'04" East, along said corner clip, a distance of 14.14 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the southerly end of said corner clip;

THENCE with the westerly right-of-way lines of said The Commons Parkway, the following courses and distances:

South 18°17'56" West, a distance of 184.19 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the beginning of a tangent curve to the left having a central angle of 18°14'57", a radius of 780.00 feet, a chord bearing and distance of South 9°10'28" West, 247.39 feet;

In a southwesterly direction, with said curve to the left, an arc distance of 248.44 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found,

South 0°02'59" West, a distance of 16.33 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the easterly southeast corner hereof;

THENCE departing the westerly right-of-way line of said The Commons Parkway, over and across said Tract 1, the following courses and distances:

South 45°02'59" West, a distance of 14.14 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set,

North 89°57'01" West, a distance of 452.42 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set at the beginning of a tangent curve to the left with a radius of 61.50 feet, a central angle of 52°12'30", and a chord bearing and distance of South 63°56'44" West, 54.12 feet;

In a southwesterly direction, with said tangent curve to the left, an arc distance of 56.04 feet to a point for corner;

North 57°05'57" West, a distance of 90.89 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set,

North 64°15'38" West, a distance of 124.59 feet to point for an angle corner of said 10.615 acre tract and an angle corner of said Tract 1; a 1/2-inch iron rod with cap (illegible) found for reference bears South 14°14'45" East 0.30 feet from said point for corner;

THENCE with the southeast lines of said 10.615 acre tract and northwest lines of said Tract 1, the following courses and distances:

North 20°41'28" East, a distance of 220.44 feet to a point for corner; a 1/2-inch iron rod with cap marked "HAT" found for reference bears South 11°52'33" West 0.26 feet from said point for corner;

North 36°49'51" East, a distance of 336.02 feet to a point for corner; a 5/8-inch iron rod with cap marked "TNP" bears South 25°13'58" East 0.33 feet from said point for corner;

North 5°13'42" East, a distance of 45.21 feet to the POINT OF BEGINNING and containing 7.779 acres (338,837 square feet) of land, more or less.

EXHIBIT Q-7 –IMPROVEMENT AREA #5 BOUNDARY DESCRIPTION

Sachse PID – Improvement Area #5
27.417 Acres

LEGAL DESCRIPTION – TRACT 1

BEING a tract of land situated in the Robert McCullough Survey, Abstract No. 928, also being a portion of a called 4.07-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "W.A.I." found for the northwest corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas, also lying on the southwest line of said 4.07-acre tract and the northeast line of a tract of land described by deed to The Trull Foundation as recorded in Volume 2001009, Page 575 of the Deed Records of Dallas County, Texas;

THENCE North 38 degrees 21 minutes 45 seconds West, along the common line of said 4.07-acre tract and said Trull Foundation tract, a distance of 326.23 feet to a 5/8 inch iron rod with cap stamped "TNP" set for most westerly corner of said 4.07-acre tract, also lying on the southeast line of Old Miles Road a variable width right-of-way;

THENCE North 36 degrees 49 minutes 36 seconds East, along the southeast line of said Old Miles Road and the northwest line of said 4.07-acre tract, a distance of 564.86 feet to a 1/2 inch iron rod with cap stamped "HALFF" found for the beginning of a curve to the left;

THENCE continuing along the southeast line of said Old Miles Road and the northwest line of said 4.07-acre tract with said curve to the left having a radius of 585.85 feet, a central angle of 03 degrees 53 minutes 34 seconds, an arc length of 39.80 feet, a chord bearing of North 34 degrees 51 minutes 58 seconds East, a distance of 39.80 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the north corner of said 4.07-acre tract, also lying on the west line of Miles Road a variable width right-of-way;

THENCE South 01 degrees 01 minutes 20 seconds East, along the west line of Miles Road, a distance of 708.15 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the northeast corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas;

THENCE leaving the west line of said Miles Road along the northerly line of said right-of-way dedication the following courses and distances:

South 43 degrees 28 minutes 06 seconds West, a distance of 39.07 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 88 degrees 28 minutes 07 seconds West, a distance of 120.98 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a curve to the left;

with said curve to the left having a radius of 845.00 feet, a central angle of 01 degrees 36 minutes 24 seconds, an arc length of 23.69 feet, a chord bearing of South 87 degrees 39 minutes 54 seconds West, a distance of 23.69 feet to the POINT OF BEGINNING containing 157,785 Square Feet, or 3.622 Acres of land.

LEGAL DESCRIPTION – TRACT 2

BEING a tract of land situated in the Robert McCullough Survey, Abstract No. 928, also being a portion of a called 4.07-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with cap stamped "HALFF" found for the southeast corner of said 4.07-acre tract, same being the northeast corner of a tract of land described by deed to The Trull Foundation as recorded in Volume 2001009, Page 575 of the Deed Records of Dallas County, Texas, also lying on the west line of Miles Road a variable width right-of-way;

THENCE North 38 degrees 21 minutes 45 seconds West, along the common line of said 4.07-acre tract and said Trull Foundation tract, a distance of 165.28 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the southwest corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas;

THENCE North 88 degrees 28 minutes 07 seconds East, along the south line of said right-of-way dedication, a distance of 77.52 feet to a 5/8 inch iron rod with cap stamped "TNP" set for for a corner clip of same;

THENCE South 46 degrees 31 minutes 54 seconds East, continuing along said right-of-way dedication, a distance of 37.26 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the west line of the aforementioned Miles Road;

THENCE South 01 degrees 01 minutes 20 seconds East, along the west line of said Miles Road, a distance of 2.71 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a curve to the right;

THENCE continuing along the east line of said Miles Road with said curve to the right having a radius of 1450.00 feet, a central angle of 04 degrees 05 minutes 05 seconds, an arc length of

103.38 feet, a chord bearing of South 01 degrees 06 minutes 22 seconds West, a distance of 103.35 feet to the POINT OF BEGINNING, containing 6,655 Square Feet, or 0.153 Acre.

LEGAL DESCRIPTION – TRACT 3

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being a portion of a 33.63-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "TNP" set for the northeast corner of a right-of-way dedication for Miles Road, a variable width right-of-way to the City of Sachse as recorded in Instrument Number 201700128760 of the Official Public Records of Dallas County, from which a 1/2-inch iron rod with cap stamped "R.P.L.S. 4701" found for the southwest corner of a tract of land described by deed to CSL Sachse L.P., LLC., recorded in Instrument Number 201700290587 of the Official Public Records of Dallas County, Texas bears South 88 degrees 43 minutes 23 seconds west, 11.00 feet

THENCE North 88 degrees 43 minutes 23 seconds East, along the south line of said CSL Sachse tract, a distance of 836.14 feet to a 1/2-inch iron rod with cap stamped "R.P.L.S. 4701" found for the southeast corner of same, also lying on the west line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas;

THENCE South 05 degrees 23 minutes 54 seconds East, along the west line of said City of Sachse tract, a distance of 111.60 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for the northwest corner of a tract of land described by deed to Batsu Enterprises recorded in Volume 91249, page 4515 of the Deed Records of Dallas County, Texas

THENCE South 04 degrees 12 minutes 40 seconds East, along the west line of said Batsu tract, a distance of 59.32 feet to 5/8-inch iron rod with cap stamped "TNP" set for the northeast corner of a tract of land described by deed to Sachse Medical Center Annex 1, recorded in Instrument Number 201400065513 of the Official Public Records of Dallas County, Texas, and for the beginning of a curve to the left;

THENCE along the north line of said Sachse Medical Center Annex 1 tract the following courses and distances:

with said curve to the left having a radius of 555.00 feet, a central angle of 17 degrees 05 minutes 04 seconds, an arc length of 165.49 feet, a chord bearing of South 51 degrees 33 minutes 33 seconds West, a distance of 164.88 feet to 5/8-inch iron rod with cap stamped "TNP" set for corner;

South 43 degrees 01 minutes 02 seconds West, a distance of 87.64 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

with said curve to the right having a radius of 755.00 feet, a central angle of 45 degrees 57 minutes 01 seconds, an arc length of 605.50 feet, a chord bearing of South 65 degrees 59 minutes 32 seconds West, a distance of 589.40 feet to 5/8-inch iron rod with cap stamped "TNP" set for corner;

South 88 degrees 58 minutes 01 seconds West, a distance of 100.58 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner

North 46 degrees 16 minutes 56 seconds West, a distance of 32.97 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the northwest corner of said Sachse Medical Center Annex 1 tract, also lying on the east line of the aforementioned Miles Road;

THENCE along the east line of said Miles Road the following courses and distances:

North 01 degree 04 minutes 22 seconds West, a distance of 309.36 feet to a 5/8-inch iron rod with cap stamped "TNP" set for an angle point in same;

North 03 degrees 17 minutes 48 seconds East, a distance of 144.44 feet to a 5/8-inch iron rod with cap stamped "TNP" set for an angle point in same;

North 01 degrees 04 minutes 34 seconds West, a distance of 83.55 feet to the POINT OF BEGINNING, containing 379,379 Square Feet, or 8.709 Acres of land.

LEGAL DESCRIPTION – TRACT 4

BEING a tract of land situated in the Richard Copeland Survey, Abstract No. 228, City of Sachse, Dallas County, Texas and being all of a called 14.933 acres, described in a Special Warranty Deed to Sachse Medical Center, LLC, recorded in Instrument No. 201400065513 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the southeast corner of said 14.933 acre tract, said corner being in the west line of that tract of land described in a Special Warranty Deed to Batsu Enterprises, recorded in Volume 91249, Page 4515 of the Deed Records of Dallas County, Texas, and in the north right-of-way line of President George Bush Turnpike, a 350 foot wide right-of-way, said corner also being at the beginning of a non-tangent curve to the left;

THENCE, along the south line of said 14.933 acre tract and the north right-of-way line of said President George Bush Turnpike, the following courses and distances:

Southwesterly, along said non-tangent curve to the left through a central angle of 02°26'08", having a radius of 7815.00 feet, a chord bearing of South 80°58'58" West, a chord distance of 332.18 feet and an arc length of 332.20 feet to a concrete monument with brass disk found for corner at the end of said curve;

South 79°45'54" West, a distance of 343.41 feet to the most southerly southwest corner of said 14.933 acre tract, said corner being in the northeast line of a called 51.724 acre tract of land described in a Warranty Deed to The Trull Foundation, recorded in Volume 94077, Page 2599 of the Deed Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "WAI" found for witness bears North 73°54' East, 0.6 feet;

THENCE North 38°00'53" West, departing the north right-of-way line of said President George Bush Turnpike, and along the southwest line of said 14.933 acre tract and the northeast line of said 51.724 acre tract and the northeast line of Tract Two, called 0.5384 acre, as described in a General Warranty Deed to The Trull Foundation, recorded in Volume 96158, Page 6025 of the Deed Records of Dallas County, Texas, a distance of 435.20 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the most westerly southwest corner of said 14.933 acre tract, said corner being in the east right-of-way line of Miles Road, a 100 foot wide right-of-way at this point, and also being at the beginning of a non-tangent curve to the left;

THENCE, along the west line of said 14.933 acre tract and the east right-of-way line of said Miles Road, the following courses and distances:

Northeasterly, along said non-tangent curve to the left through a central angle of 08°21'44", having a radius of 1550.00 feet, a chord bearing of North 03°08'21" East, a chord distance of 226.02 feet and an arc length of 226.22 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the end of said curve;

North 01°02'31" West, a distance of 142.90 feet to the northwest corner of said 14.933 acre tract, common to the southwest corner of a called 8.709 acres, as described in a Special Warranty Deed, recorded in Instrument No. 201800267365 of the Official Public Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North 41°40' East, 0.3 feet;

THENCE departing the east right-of-way line of said Miles Road, along the common line of said 14.933 acre tract and said 8.709 acre tract, the following courses and distances:

South 46°17'27" East, a distance of 32.97 feet to a 5/8 inch iron rod with red plastic stamped "TNP" found for corner;

North 88°57'30" East, a distance of 100.58 feet to the beginning of a tangent curve to the left, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North 45°49' East, 0.2 feet;

Northeasterly, along said tangent curve to the left through a central angle of 45°57'00", having a radius of 755.00 feet, a chord bearing of North 65°59'01" East, a chord distance of 589.40 feet and an arc length of 605.49 feet to the end of said curve, from which, a 5/8

inch iron rod with plastic cap stamped "TNP" found for witness bears North $69^{\circ}15'$ East, 0.3 feet;

North $43^{\circ}00'31''$ East, a distance of 87.64 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the beginning of a tangent curve to the right, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $68^{\circ}18'$ East, 0.3 feet;

Northeasterly, along said tangent curve to the right through a central angle of $16^{\circ}00'32''$, having a radius of 555.00 feet, a chord bearing of North $51^{\circ}00'47''$ East, a chord distance of 154.57 feet and an arc length of 155.07 feet to a 5/8 inch iron rod with red plastic stamped "KHA" set for the northeast corner of said 14.933 acre tract at the end of said curve, said point being in the west line of aforesaid Batsu Enterprises tract, from which a 1/2 inch iron rod found for the most northerly northwest corner of said Batsu Enterprises tract and the most westerly southwest corner of a called 26.04 acre tract of land described in a Special Warranty Deed to the City of Sachse, recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas, bears North $05^{\circ}00'48''$ West a distance of 63.83 feet;

THENCE, along the east line of said 14.933 acre tract and the west line of said Batsu Enterprises tract, the following courses and distances:

South $05^{\circ}00'48''$ East, a distance of 550.69 feet to a point for corner, from which, a 1/2 inch iron rod found for witness bears South $58^{\circ}28'$ East, 0.5 feet;

South $04^{\circ}26'52''$ East, a distance of 431.33 feet to the POINT OF BEGINNING and containing 14.933 acres (650,474 square feet) of land, more or less.

EXHIBIT Q-8 –IMPROVEMENT AREA #6 BOUNDARY DESCRIPTION

Sachse PID – Improvement Area #6
8.747 Acres

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being all of an 8.68-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with cap stamped "WAI" found for the northwest corner of said 8.68-acre tract also lying on the south line of President George Bush Turnpike, a called 350.00 feet wide right-of-way;

THENCE North 79 degrees 45 minutes 22 seconds East, along the south line of said President George Bush Turnpike, a distance of 218.91 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a non-tangent curve to the right;

THENCE continuing along the south line of said President George Bush Turnpike with said curve to the right having a radius of 7465.00 feet, a central angle of 02 degrees 19 minutes 19 seconds, an arc length of 302.51 feet, a chord bearing of North 80 degrees 55 minutes 01 seconds East, a distance of 302.49 feet to a 5/8 inch iron rod found for the northeast corner of said 8.68 acre tract, also lying on the westerly line of a tract of land described by deed to Batsu Enterprises recorded in Volume 91249, Page 4515 of the Deed Records of Dallas County, Texas;

THENCE along the common line of said 8.68-acre tract and said Batsu Enterprises tract the following courses and distances:

South 05 degrees 29 minutes 08 seconds East, a distance of 202.09 feet to a 1/2 inch iron rod found for corner;

North 89 degrees 33 minutes 14 seconds East, a distance of 196.48 feet to 5/8 inch iron rod with cap stamped "JBI" found for corner;

South 04 degrees 09 minutes 28 seconds East, a distance of 416.53 feet to a 5/8 inch iron rod with cap stamped "JBI" found for the southeast corner of said 8.68 acre tract and the southwest corner of said Batsu Enterprises tract, also lying on the north line of Pleasant Valley road, a variable width right-of-way;

THENCE South 89 degrees 50 minutes 57 seconds West, along the north line of said Pleasant Valley Road, a distance of 712.69 feet to a 5/8-inch iron rod with cap stamped "JBI" found for the southwest corner of said 8.68-acre tract;

THENCE North 05 degrees 17 minutes 07 seconds West, along the west line of said 8.68-acre tract, a distance of 277.26 feet to a 1/2-inch iron rod found for an angle point in same for corner;

THENCE North 04 degrees 55 minutes 13 seconds West, continuing along the west line of said 8.68-acre tract, a distance of 255.12 feet to the POINT OF BEGINNING, containing 381,007 Square Feet, or 8.747 Acres of land.

EXHIBIT Q-9 –IMPROVEMENT AREA #7 BOUNDARY DESCRIPTION

Sachse PID – Improvement Area #7
11.266 Acres

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being all of a 11.27-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a T.X.D.O.T. aluminum cap stamped “2655” found for the northeast corner of said 11.27-acre tract also lying at the intersection of the west line of Pleasant Valley Road, a variable width right-of-way with the south line of President George Bush Turnpike, a called 350.00 feet wide right-of-way;

THENCE along the common line of said 11.27-acre tract and said Pleasant Valley Road the following courses and distances:

South 00 degrees 23 minutes 36 seconds East, a distance of 255.19 feet to a 5/8-inch iron rod with cap stamped “TNP” set for the beginning of a curve to the right;

with said curve to the right having a radius of 311.06 feet, a central angle of 76 degrees 44 minutes 04 seconds, an arc length of 416.59 feet, a chord bearing of South 37 degrees 58 minutes 24 seconds West, a distance of 386.15 feet to a 1/2-inch iron rod with cap stamped “HALFF” found for corner;

South 76 degrees 28 minutes 32 seconds West, a distance of 320.80 feet to 1/2-inch iron rod with cap stamped “HALFF” found for the beginning of a curve to the right;

with said curve to the right having a radius of 707.53 feet, a central angle of 13 degrees 35 minutes 53 seconds, an arc length of 167.92 feet, a chord bearing of South 83 degrees 01 minutes 55 seconds West, a distance of 167.53 feet 1/2-inch iron rod with cap stamped “HALFF” found for corner;

North 89 degrees 46 minutes 07 seconds West, a distance of 96.34 feet to 1/2-inch iron rod with cap stamped “JBI” found for the southwest corner of said 11.27-acre tract, also lying on the east line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas;

THENCE North 00 degrees 55 minutes 31 seconds West, along the common line of said 11.27-acre tract and said City of Sachse tract, a distance of 678.28 feet to 1/2-inch iron rod with cap stamped “WAI” found for the northwest corner of said 11.27-acre tract, also lying on the south line of the aforementioned President George Bush Turnpike, also for the beginning of a non-tangent curve to the right;

THENCE along the south line of said President George Bush Turnpike with said curve to the right having a radius of 7465.00 feet, a central angle of 06 degrees 18 minutes 35 seconds, an arc length of 822.09 feet, a chord bearing of South 88 degrees 21 minutes 02 seconds East, a distance of 821.67 feet to the POINT OF BEGINNING, containing 490,729 Square Feet, or 11.266 Acres of land.

APPENDIX A-1 – ENGINEER’S REPORT

[Remainder of page left intentionally blank.]

APPENDIX A-2 – ADDITIONAL HERITAGE PARK IMPROVEMENTS

[Remainder of page left intentionally blank.]

APPENDIX B – ESTIMATED BUILDOUT VALUES AND UNIT COUNTS

I. Land Use and Estimated Value				
Description ^[a]	Units/ Sq.Ft. ^[a]	Estimated Buildout Value - IA Bonds (2% inf)		
		Per Unit/SF	Total ^[b]	
A. Improvement Area #1				
Block A				
Single Family	165	\$	383,126	\$ 63,215,850
Townhomes	59	\$	255,964	\$ 15,101,900
Block B				
Multi-Family	300	\$	170,000	\$ 51,000,000
Block K-1				
Commercial 1	15,688	\$	191.25	\$ 3,000,330
Total / Wtd Avg IA 1				\$ 132,318,080
B. Improvement Area #2				
Block K2(A)				
Commercial 2	18,172	\$	210.03	\$ 3,816,637
Block K2(B)				
Commercial 2	3,500	\$	210.03	\$ 735,100
Block K2(C)				
Commercial 2	4,872	\$	210.03	\$ 1,023,259
Block K3				
Commercial 2	2,500	\$	210.03	\$ 525,071
SubTotal / Wtd Avg - IA 2				\$ 6,100,066
C. Improvement Area #3				
Block C				
Single Family	49	\$	383,126	\$ 18,773,192
SubTotal / Wtd Avg - IA 3				\$ 18,773,192
D. Improvement Area #3A				
Block D				
Multi-Family	297	\$	170,000	\$ 50,490,000
Commercial 2	3,300	\$	210.03	\$ 693,094
Subtotal - Block D				\$ 51,183,094
Block E				
Commercial 2	34,500	\$	210.03	\$ 7,245,982
Commercial 3	24,000	\$	138.20	\$ 3,316,750
Subtotal - Block E				\$ 10,562,732
SubTotal / Wtd Avg IA 3A				\$ 61,745,825
E. Improvement Area #4				
Block F				
Multi-Family	193	\$	170,000	\$ 32,810,000
Block G				
Commercial 2	12,800	\$	210.03	\$ 2,688,364
Block H				
Commercial 2	9,000	\$	210.03	\$ 1,890,256
Block L				
Commercial 2	116,785	\$	210.03	\$ 24,528,173
SubTotal / Wtd Avg - IA 4				\$ 61,916,793
F. Improvement Area #5				
Block J				
Commercial 3	218,792	\$	138.20	\$ 30,236,599
Block I				
Commercial 3	95,000	\$	138.20	\$ 13,128,802
SubTotal / Wtd Avg - IA 5				\$ 43,365,401
Total / Wtd Avg - (IA 2-4)				\$ 148,535,876
Total / Wtd Avg - Major IA				\$ 191,901,277
Total / Weighted Average				\$ 324,219,357

Footnotes:

[a] Per land use assumptions provided by Developer. Per Site Plan, Block K2(C) is 6,050 square feet, and Block I is 103,680 square feet. Per Owner, Block L total square footage is 116,775.

[b] Per the SAP, buildout values may not change. Discuss proposed buildout value for IA #3 single family.

APPENDIX C-1 – IMPROVEMENT AREA #1 BLOCK A SINGLE FAMILY BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**IMPROVEMENT AREA #1 SINGLE FAMILY LOT PRINCIPAL ASSESSMENT:
\$32,395**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 SINGLE FAMILY LOTS

Installments Due January 31,	Improvement Area #1 Initial Bonds			Improvement Area #1 Additional Bonds			Annual Collection Costs	Total Installment ³
	Principal	Interest ¹	Additional Interest	Principal	Interest ²	Additional Interest		
2023	\$ 405.37	\$ 707.80	\$ 94.97	\$ 196.89	\$ 804.02	\$ 67.00	\$ 274.15	\$ 2,550.21
2024	\$ 419.85	\$ 697.67	\$ 92.95	\$ 208.48	\$ 792.21	\$ 66.02	\$ 279.63	\$ 2,556.80
2025	\$ 434.32	\$ 687.17	\$ 90.85	\$ 220.06	\$ 779.70	\$ 64.97	\$ 285.23	\$ 2,562.30
2026	\$ 434.32	\$ 676.32	\$ 88.67	\$ 231.64	\$ 766.50	\$ 63.87	\$ 290.93	\$ 2,552.25
2027	\$ 448.80	\$ 662.20	\$ 86.50	\$ 246.12	\$ 752.60	\$ 62.72	\$ 296.75	\$ 2,555.68
2028	\$ 463.28	\$ 647.61	\$ 84.26	\$ 260.59	\$ 737.83	\$ 61.49	\$ 302.68	\$ 2,557.75
2029	\$ 492.23	\$ 632.56	\$ 81.94	\$ 277.97	\$ 722.19	\$ 60.18	\$ 308.74	\$ 2,575.82
2030	\$ 506.71	\$ 616.56	\$ 79.48	\$ 292.45	\$ 705.52	\$ 58.79	\$ 314.91	\$ 2,574.42
2031	\$ 521.19	\$ 600.09	\$ 76.95	\$ 312.71	\$ 687.97	\$ 57.33	\$ 321.21	\$ 2,577.45
2032	\$ 535.67	\$ 580.55	\$ 74.34	\$ 330.09	\$ 669.21	\$ 55.77	\$ 327.64	\$ 2,573.25
2033	\$ 564.62	\$ 560.46	\$ 71.66	\$ 350.35	\$ 649.40	\$ 54.12	\$ 334.19	\$ 2,584.81
2034	\$ 579.10	\$ 539.29	\$ 68.84	\$ 370.62	\$ 628.38	\$ 52.37	\$ 340.87	\$ 2,579.47
2035	\$ 608.05	\$ 517.57	\$ 65.94	\$ 393.79	\$ 606.14	\$ 50.51	\$ 347.69	\$ 2,589.70
2036	\$ 622.53	\$ 494.77	\$ 62.90	\$ 416.95	\$ 582.52	\$ 48.54	\$ 354.64	\$ 2,582.86
2037	\$ 651.49	\$ 471.42	\$ 59.79	\$ 443.01	\$ 557.50	\$ 46.46	\$ 361.74	\$ 2,591.40
2038	\$ 680.44	\$ 446.99	\$ 56.53	\$ 469.07	\$ 530.92	\$ 44.24	\$ 368.97	\$ 2,597.17
2039	\$ 709.40	\$ 421.48	\$ 53.13	\$ 495.13	\$ 502.77	\$ 41.90	\$ 376.35	\$ 2,600.16
2040	\$ 723.87	\$ 394.87	\$ 49.59	\$ 526.98	\$ 473.07	\$ 39.42	\$ 383.88	\$ 2,591.68
2041	\$ 752.83	\$ 367.73	\$ 45.97	\$ 558.83	\$ 441.45	\$ 36.79	\$ 391.55	\$ 2,595.14
2042	\$ 796.26	\$ 337.61	\$ 42.20	\$ 590.68	\$ 407.92	\$ 33.99	\$ 399.39	\$ 2,608.05
2043	\$ 825.22	\$ 305.76	\$ 38.22	\$ 628.32	\$ 372.48	\$ 31.04	\$ 407.37	\$ 2,608.41
2044	\$ 854.17	\$ 272.76	\$ 34.09	\$ 665.96	\$ 334.78	\$ 27.90	\$ 415.52	\$ 2,605.18
2045	\$ 897.60	\$ 238.59	\$ 29.82	\$ 703.61	\$ 294.82	\$ 24.57	\$ 423.83	\$ 2,612.84
2046	\$ 926.56	\$ 202.68	\$ 25.34	\$ 747.04	\$ 252.60	\$ 21.05	\$ 432.31	\$ 2,607.58
2047	\$ 969.99	\$ 165.62	\$ 20.70	\$ 790.47	\$ 207.78	\$ 17.32	\$ 440.95	\$ 2,612.84
2048	\$ 1,013.42	\$ 126.82	\$ 15.85	\$ 839.69	\$ 160.35	\$ 13.36	\$ 449.77	\$ 2,619.28
2049	\$ 1,056.86	\$ 86.29	\$ 10.79	\$ 888.92	\$ 109.97	\$ 9.16	\$ 458.77	\$ 2,620.75
2050	\$ 1,100.29	\$ 44.01	\$ 5.50	\$ 943.93	\$ 56.64	\$ 4.72	\$ 467.94	\$ 2,623.03
Total	\$ 18,994.45	\$ 12,503.25	\$ 1,607.80	\$ 13,400.35	\$ 14,587.22	\$ 1,215.60	\$ 10,157.60	\$ 72,466.27

¹ Interest for the Improvement Area #1 Initial Bonds is calculated at a 2.50%, 3.25%, 3.75%, and 4.00% interest rate for bonds with a maturity of 9/15/2025, 2030, 2040, and 2050 respectively.

² Interest for the Improvement Area #1 Additional Bonds is calculated at a 5.75% interest rate for illustrative purposes.

³ Before application of the TIRZ No. 2 Annual Credit Amount.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-2 – IMPROVEMENT AREA #1 BLOCK A TOWNHOME BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 TOWNHOME LOT PRINCIPAL ASSESSMENT: \$21,643

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 TOWNHOME LOTS

Installments Due January 31,	Improvement Area #1 Initial Bonds			Improvement Area #1 Additional Bonds			Annual Collection Costs	Total Installment ³
	Principal	Interest ¹	Additional Interest	Principal	Interest ²	Additional Interest		
2023	\$ 270.82	\$ 472.88	\$ 63.45	\$ 131.54	\$ 537.16	\$ 44.76	\$ 183.16	\$ 1,703.78
2024	\$ 280.50	\$ 466.11	\$ 62.10	\$ 139.28	\$ 529.27	\$ 44.11	\$ 186.82	\$ 1,708.18
2025	\$ 290.17	\$ 459.10	\$ 60.69	\$ 147.02	\$ 520.91	\$ 43.41	\$ 190.56	\$ 1,711.86
2026	\$ 290.17	\$ 451.84	\$ 59.24	\$ 154.76	\$ 512.09	\$ 42.67	\$ 194.37	\$ 1,705.15
2027	\$ 299.84	\$ 442.41	\$ 57.79	\$ 164.43	\$ 502.81	\$ 41.90	\$ 198.26	\$ 1,707.44
2028	\$ 309.51	\$ 432.67	\$ 56.29	\$ 174.10	\$ 492.94	\$ 41.08	\$ 202.22	\$ 1,708.81
2029	\$ 328.86	\$ 422.61	\$ 54.75	\$ 185.71	\$ 482.49	\$ 40.21	\$ 206.27	\$ 1,720.89
2030	\$ 338.53	\$ 411.92	\$ 53.10	\$ 195.38	\$ 471.35	\$ 39.28	\$ 210.39	\$ 1,719.95
2031	\$ 348.20	\$ 400.92	\$ 51.41	\$ 208.92	\$ 459.63	\$ 38.30	\$ 214.60	\$ 1,721.98
2032	\$ 357.88	\$ 387.86	\$ 49.67	\$ 220.53	\$ 447.09	\$ 37.26	\$ 218.89	\$ 1,719.17
2033	\$ 377.22	\$ 374.44	\$ 47.88	\$ 234.07	\$ 433.86	\$ 36.16	\$ 223.27	\$ 1,726.89
2034	\$ 386.89	\$ 360.29	\$ 45.99	\$ 247.61	\$ 419.82	\$ 34.98	\$ 227.73	\$ 1,723.33
2035	\$ 406.24	\$ 345.79	\$ 44.06	\$ 263.09	\$ 404.96	\$ 33.75	\$ 232.29	\$ 1,730.16
2036	\$ 415.91	\$ 330.55	\$ 42.03	\$ 278.56	\$ 389.18	\$ 32.43	\$ 236.93	\$ 1,725.59
2037	\$ 435.25	\$ 314.95	\$ 39.95	\$ 295.97	\$ 372.46	\$ 31.04	\$ 241.67	\$ 1,731.30
2038	\$ 454.60	\$ 298.63	\$ 37.77	\$ 313.38	\$ 354.70	\$ 29.56	\$ 246.51	\$ 1,735.15
2039	\$ 473.94	\$ 281.59	\$ 35.50	\$ 330.79	\$ 335.90	\$ 27.99	\$ 251.44	\$ 1,737.15
2040	\$ 483.62	\$ 263.81	\$ 33.13	\$ 352.07	\$ 316.05	\$ 26.34	\$ 256.47	\$ 1,731.48
2041	\$ 502.96	\$ 245.68	\$ 30.71	\$ 373.35	\$ 294.93	\$ 24.58	\$ 261.59	\$ 1,733.80
2042	\$ 531.98	\$ 225.56	\$ 28.19	\$ 394.63	\$ 272.53	\$ 22.71	\$ 266.83	\$ 1,742.43
2043	\$ 551.32	\$ 204.28	\$ 25.53	\$ 419.78	\$ 248.85	\$ 20.74	\$ 272.16	\$ 1,742.66
2044	\$ 570.67	\$ 182.23	\$ 22.78	\$ 444.93	\$ 223.66	\$ 18.64	\$ 277.61	\$ 1,740.51
2045	\$ 599.68	\$ 159.40	\$ 19.92	\$ 470.07	\$ 196.97	\$ 16.41	\$ 283.16	\$ 1,745.62
2046	\$ 619.03	\$ 135.41	\$ 16.93	\$ 499.09	\$ 168.76	\$ 14.06	\$ 288.82	\$ 1,742.11
2047	\$ 648.05	\$ 110.65	\$ 13.83	\$ 528.11	\$ 138.82	\$ 11.57	\$ 294.60	\$ 1,745.62
2048	\$ 677.06	\$ 84.73	\$ 10.59	\$ 560.99	\$ 107.13	\$ 8.93	\$ 300.49	\$ 1,749.93
2049	\$ 706.08	\$ 57.65	\$ 7.21	\$ 593.88	\$ 73.47	\$ 6.12	\$ 306.50	\$ 1,750.91
2050	\$ 735.10	\$ 29.40	\$ 3.68	\$ 630.63	\$ 37.84	\$ 3.15	\$ 312.63	\$ 1,752.43
Total	\$ 12,690.08	\$ 8,353.35	\$ 1,074.16	\$ 8,952.69	\$ 9,745.63	\$ 812.14	\$ 6,786.23	\$ 48,414.28

¹ Interest for the Improvement Area #1 Initial Bonds is calculated at a 2.50%, 3.25%, 3.75%, and 4.00% interest rate for bonds with a maturity of 9/15/2025, 2030, 2040, and 2050 respectively.

² Interest for the Improvement Area #1 Additional Bonds is calculated at a 5.75% interest rate for illustrative purposes.

³ Before application of the TIRZ No. 2 Annual Credit Amount.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-3 – IMPROVEMENT AREA #1 BLOCK B MULTI-FAMILY BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 BLOCK B PRINCIPAL ASSESSMENT: \$4,312,245

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 BLOCK B

Installments Due January 31,	Improvement Area #1 Initial Bonds			Improvement Area #1 Bonds			Annual Collection Costs	Total Installment ³
	Principal	Interest ¹	Additional Interest	Principal	Interest ²	Additional Interest		
2023	\$ 53,960.88	\$ 94,219.55	\$ 12,642.26	\$ 26,209.57	\$ 107,027.55	\$ 8,918.96	\$ 36,493.62	\$ 339,472.39
2024	\$ 55,888.05	\$ 92,870.53	\$ 12,372.46	\$ 27,751.31	\$ 105,454.98	\$ 8,787.91	\$ 37,223.49	\$ 340,348.73
2025	\$ 57,815.23	\$ 91,473.33	\$ 12,093.02	\$ 29,293.05	\$ 103,789.90	\$ 8,649.16	\$ 37,967.96	\$ 341,081.64
2026	\$ 57,815.23	\$ 90,027.95	\$ 11,803.94	\$ 30,834.79	\$ 102,032.31	\$ 8,502.69	\$ 38,727.32	\$ 339,744.23
2027	\$ 59,742.40	\$ 88,148.95	\$ 11,514.87	\$ 32,761.96	\$ 100,182.23	\$ 8,348.52	\$ 39,501.86	\$ 340,200.79
2028	\$ 61,669.58	\$ 86,207.32	\$ 11,216.15	\$ 34,689.14	\$ 98,216.51	\$ 8,184.71	\$ 40,291.90	\$ 340,475.31
2029	\$ 65,523.93	\$ 84,203.06	\$ 10,907.81	\$ 37,001.75	\$ 96,135.16	\$ 8,011.26	\$ 41,097.74	\$ 342,880.70
2030	\$ 67,451.10	\$ 82,073.53	\$ 10,580.19	\$ 38,928.92	\$ 93,915.06	\$ 7,826.25	\$ 41,919.69	\$ 342,694.75
2031	\$ 69,378.27	\$ 79,881.37	\$ 10,242.93	\$ 41,626.96	\$ 91,579.32	\$ 7,631.61	\$ 42,758.09	\$ 343,098.56
2032	\$ 71,305.45	\$ 77,279.69	\$ 9,896.04	\$ 43,939.57	\$ 89,081.70	\$ 7,423.48	\$ 43,613.25	\$ 342,539.18
2033	\$ 75,159.80	\$ 74,605.73	\$ 9,539.51	\$ 46,637.62	\$ 86,445.33	\$ 7,203.78	\$ 44,485.51	\$ 344,077.28
2034	\$ 77,086.97	\$ 71,787.24	\$ 9,163.71	\$ 49,335.66	\$ 83,647.07	\$ 6,970.59	\$ 45,375.22	\$ 343,366.47
2035	\$ 80,941.32	\$ 68,896.48	\$ 8,778.28	\$ 52,419.14	\$ 80,686.93	\$ 6,723.91	\$ 46,282.73	\$ 344,728.79
2036	\$ 82,868.49	\$ 65,861.18	\$ 8,373.57	\$ 55,502.62	\$ 77,541.78	\$ 6,461.82	\$ 47,208.38	\$ 343,817.85
2037	\$ 86,722.84	\$ 62,753.61	\$ 7,959.23	\$ 58,971.53	\$ 74,211.63	\$ 6,184.30	\$ 48,152.55	\$ 344,955.70
2038	\$ 90,577.19	\$ 59,501.51	\$ 7,525.62	\$ 62,440.45	\$ 70,673.34	\$ 5,889.44	\$ 49,115.60	\$ 345,723.14
2039	\$ 94,431.54	\$ 56,104.86	\$ 7,072.73	\$ 65,909.36	\$ 66,926.91	\$ 5,577.24	\$ 50,097.91	\$ 346,120.56
2040	\$ 96,358.71	\$ 52,563.68	\$ 6,600.57	\$ 70,149.14	\$ 62,972.35	\$ 5,247.70	\$ 51,099.87	\$ 344,992.02
2041	\$ 100,213.06	\$ 48,950.23	\$ 6,118.78	\$ 74,388.93	\$ 58,763.40	\$ 4,896.95	\$ 52,121.87	\$ 345,453.21
2042	\$ 105,994.59	\$ 44,941.70	\$ 5,617.71	\$ 78,628.71	\$ 54,300.06	\$ 4,525.01	\$ 53,164.31	\$ 347,172.09
2043	\$ 109,848.93	\$ 40,701.92	\$ 5,087.74	\$ 83,639.36	\$ 49,582.34	\$ 4,131.86	\$ 54,227.59	\$ 347,219.75
2044	\$ 113,703.28	\$ 36,307.96	\$ 4,538.50	\$ 88,650.02	\$ 44,563.98	\$ 3,713.66	\$ 55,312.15	\$ 346,789.55
2045	\$ 119,484.81	\$ 31,759.83	\$ 3,969.98	\$ 93,660.67	\$ 39,244.98	\$ 3,270.41	\$ 56,418.39	\$ 347,809.07
2046	\$ 123,339.15	\$ 26,980.44	\$ 3,372.55	\$ 99,442.19	\$ 33,625.34	\$ 2,802.11	\$ 57,546.76	\$ 347,108.55
2047	\$ 129,120.68	\$ 22,046.87	\$ 2,755.86	\$ 105,223.72	\$ 27,658.81	\$ 2,304.90	\$ 58,697.69	\$ 347,808.52
2048	\$ 134,902.20	\$ 16,882.05	\$ 2,110.26	\$ 111,776.11	\$ 21,345.38	\$ 1,778.78	\$ 59,871.64	\$ 348,666.42
2049	\$ 140,683.72	\$ 11,485.96	\$ 1,435.74	\$ 118,328.50	\$ 14,638.82	\$ 1,219.90	\$ 61,069.08	\$ 348,861.72
2050	\$ 146,465.24	\$ 5,858.61	\$ 732.33	\$ 125,651.76	\$ 7,539.11	\$ 628.26	\$ 62,290.46	\$ 349,165.77
Total	\$ 2,528,452.65	\$ 1,664,375.16	\$ 214,022.34	\$ 1,783,792.51	\$ 1,941,782.26	\$ 161,815.19	\$ 1,352,132.63	\$ 9,646,372.73

¹ Interest for the Improvement Area #1 Initial Bonds is calculated at a 2.50%, 3.25%, 3.75%, and 4.00% interest rate for bonds with a maturity of 9/15/2025, 2030, 2040, and 2050 respectively.

² Interest for the Improvement Area #1 Additional Bonds is calculated at a 5.75% interest rate for illustrative purposes.

³ Before application of the TIRZ No. 2 Annual Credit Amount.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-4 – IMPROVEMENT AREA #1 BLOCK K-1 COMMERCIAL 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 BLOCK K-1 PRINCIPAL ASSESSMENT: \$253,689

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 BLOCK K-1

Installments Due January 31,	Improvement Area #1 Initial Bonds			Improvement Area #1 Additional Bonds			Annual Collection Costs	Total Installment ³
	Principal	Interest ¹	Additional Interest	Principal	Interest ²	Additional Interest		
2023	\$ 3,174.52	\$ 5,542.94	\$ 743.74	\$ 1,541.91	\$ 6,296.43	\$ 524.70	\$ 2,146.92	\$ 19,971.16
2024	\$ 3,287.89	\$ 5,463.57	\$ 727.87	\$ 1,632.61	\$ 6,203.92	\$ 516.99	\$ 2,189.86	\$ 20,022.72
2025	\$ 3,401.27	\$ 5,381.38	\$ 711.43	\$ 1,723.31	\$ 6,105.96	\$ 508.83	\$ 2,233.65	\$ 20,065.83
2026	\$ 3,401.27	\$ 5,296.34	\$ 694.43	\$ 1,814.01	\$ 6,002.56	\$ 500.21	\$ 2,278.33	\$ 19,987.15
2027	\$ 3,514.65	\$ 5,185.80	\$ 677.42	\$ 1,927.39	\$ 5,893.72	\$ 491.14	\$ 2,323.89	\$ 20,014.01
2028	\$ 3,628.02	\$ 5,071.58	\$ 659.85	\$ 2,040.76	\$ 5,778.08	\$ 481.51	\$ 2,370.37	\$ 20,030.16
2029	\$ 3,854.77	\$ 4,953.67	\$ 641.71	\$ 2,176.81	\$ 5,655.63	\$ 471.30	\$ 2,417.78	\$ 20,171.67
2030	\$ 3,968.15	\$ 4,828.39	\$ 622.43	\$ 2,290.19	\$ 5,525.02	\$ 460.42	\$ 2,466.14	\$ 20,160.73
2031	\$ 4,081.52	\$ 4,699.42	\$ 602.59	\$ 2,448.91	\$ 5,387.61	\$ 448.97	\$ 2,515.46	\$ 20,184.49
2032	\$ 4,194.90	\$ 4,546.36	\$ 582.18	\$ 2,584.97	\$ 5,240.68	\$ 436.72	\$ 2,565.77	\$ 20,151.58
2033	\$ 4,421.65	\$ 4,389.06	\$ 561.21	\$ 2,743.69	\$ 5,085.58	\$ 423.80	\$ 2,617.08	\$ 20,242.07
2034	\$ 4,535.03	\$ 4,223.24	\$ 539.10	\$ 2,902.42	\$ 4,920.96	\$ 410.08	\$ 2,669.42	\$ 20,200.25
2035	\$ 4,761.78	\$ 4,053.18	\$ 516.43	\$ 3,083.82	\$ 4,746.81	\$ 395.57	\$ 2,722.81	\$ 20,280.39
2036	\$ 4,875.15	\$ 3,874.61	\$ 492.62	\$ 3,265.22	\$ 4,561.78	\$ 380.15	\$ 2,777.27	\$ 20,226.80
2037	\$ 5,101.90	\$ 3,691.80	\$ 468.24	\$ 3,469.30	\$ 4,365.87	\$ 363.82	\$ 2,832.81	\$ 20,293.74
2038	\$ 5,328.66	\$ 3,500.47	\$ 442.73	\$ 3,673.37	\$ 4,157.71	\$ 346.48	\$ 2,889.47	\$ 20,338.89
2039	\$ 5,555.41	\$ 3,300.65	\$ 416.09	\$ 3,877.45	\$ 3,937.31	\$ 328.11	\$ 2,947.26	\$ 20,362.27
2040	\$ 5,668.78	\$ 3,092.32	\$ 388.31	\$ 4,126.87	\$ 3,704.66	\$ 308.72	\$ 3,006.21	\$ 20,295.88
2041	\$ 5,895.53	\$ 2,879.74	\$ 359.97	\$ 4,376.30	\$ 3,457.05	\$ 288.09	\$ 3,066.33	\$ 20,323.01
2042	\$ 6,235.66	\$ 2,643.92	\$ 330.49	\$ 4,625.73	\$ 3,194.47	\$ 266.21	\$ 3,127.66	\$ 20,424.13
2043	\$ 6,462.41	\$ 2,394.49	\$ 299.31	\$ 4,920.50	\$ 2,916.93	\$ 243.08	\$ 3,190.21	\$ 20,426.94
2044	\$ 6,689.16	\$ 2,136.00	\$ 267.00	\$ 5,215.28	\$ 2,621.70	\$ 218.47	\$ 3,254.01	\$ 20,401.63
2045	\$ 7,029.29	\$ 1,868.43	\$ 233.55	\$ 5,510.06	\$ 2,308.78	\$ 192.40	\$ 3,319.09	\$ 20,461.61
2046	\$ 7,256.04	\$ 1,587.26	\$ 198.41	\$ 5,850.18	\$ 1,978.18	\$ 164.85	\$ 3,385.48	\$ 20,420.40
2047	\$ 7,596.17	\$ 1,297.02	\$ 162.13	\$ 6,190.31	\$ 1,627.17	\$ 135.60	\$ 3,453.19	\$ 20,461.58
2048	\$ 7,936.30	\$ 993.17	\$ 124.15	\$ 6,575.79	\$ 1,255.75	\$ 104.65	\$ 3,522.25	\$ 20,512.05
2049	\$ 8,276.42	\$ 675.72	\$ 84.46	\$ 6,961.27	\$ 861.20	\$ 71.77	\$ 3,592.69	\$ 20,523.54
2050	\$ 8,616.55	\$ 344.66	\$ 43.08	\$ 7,392.09	\$ 443.53	\$ 36.96	\$ 3,664.55	\$ 20,541.42
Total	\$ 148,748.87	\$ 97,915.19	\$ 12,590.93	\$ 104,940.51	\$ 114,235.05	\$ 9,519.59	\$ 79,545.96	\$ 567,496.11

¹ Interest for the Improvement Area #1 Initial Bonds is calculated at a 2.50%, 3.25%, 3.75%, and 4.00% interest rate for bonds with a maturity of 9/15/2025, 2030, 2040, and 2050 respectively.

² Interest for the Improvement Area #1 Additional Bonds is calculated at a 5.75% interest rate for illustrative purposes.

³ Before application of the TIRZ No. 2 Annual Credit Amount.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-5 – IMPROVEMENT AREA #2 BLOCK K2(A) COMMERCIAL 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2 BLOCK K2(A) PRINCIPAL ASSESSMENT: \$349,402

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 BLOCK K2(A)

Installments Due January 31,	Improvement Area #2-5 Bonds ¹		Major Improvement Area Bonds ³		Total		
	Principal	Interest ²	Principal	Interest ⁴	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ 2,405	\$ 11,003	\$ 2,764	\$ 9,144	\$ 1,747	\$ 3,427	\$ 30,490
2024	\$ 2,405	\$ 10,859	\$ 2,862	\$ 8,995	\$ 1,721	\$ 3,495	\$ 30,338
2025	\$ 2,405	\$ 10,715	\$ 3,060	\$ 8,841	\$ 1,695	\$ 3,565	\$ 30,281
2026	\$ 3,006	\$ 10,571	\$ 3,158	\$ 8,677	\$ 1,668	\$ 3,636	\$ 30,716
2027	\$ 3,006	\$ 10,390	\$ 3,356	\$ 8,507	\$ 1,637	\$ 3,709	\$ 30,605
2028	\$ 3,006	\$ 10,210	\$ 3,454	\$ 8,327	\$ 1,605	\$ 3,783	\$ 30,386
2029	\$ 3,006	\$ 10,029	\$ 3,652	\$ 8,141	\$ 1,573	\$ 3,859	\$ 30,260
2030	\$ 3,608	\$ 9,849	\$ 3,849	\$ 7,945	\$ 1,539	\$ 3,936	\$ 30,726
2031	\$ 3,608	\$ 9,633	\$ 4,047	\$ 7,738	\$ 1,502	\$ 4,015	\$ 30,542
2032	\$ 3,608	\$ 9,416	\$ 4,244	\$ 7,520	\$ 1,464	\$ 4,095	\$ 30,347
2033	\$ 4,209	\$ 9,200	\$ 4,540	\$ 7,292	\$ 1,424	\$ 4,177	\$ 30,843
2034	\$ 4,209	\$ 8,947	\$ 4,738	\$ 7,048	\$ 1,381	\$ 4,261	\$ 30,583
2035	\$ 4,810	\$ 8,695	\$ 4,935	\$ 6,794	\$ 1,336	\$ 4,346	\$ 30,915
2036	\$ 4,810	\$ 8,406	\$ 5,231	\$ 6,528	\$ 1,287	\$ 4,433	\$ 30,696
2037	\$ 5,412	\$ 8,117	\$ 5,527	\$ 6,247	\$ 1,237	\$ 4,521	\$ 31,062
2038	\$ 5,412	\$ 7,793	\$ 5,823	\$ 5,950	\$ 1,182	\$ 4,612	\$ 30,772
2039	\$ 6,013	\$ 7,468	\$ 6,119	\$ 5,637	\$ 1,126	\$ 4,704	\$ 31,067
2040	\$ 6,013	\$ 7,107	\$ 6,415	\$ 5,308	\$ 1,066	\$ 4,798	\$ 30,707
2041	\$ 6,614	\$ 6,746	\$ 6,810	\$ 4,963	\$ 1,003	\$ 4,894	\$ 31,032
2042	\$ 7,215	\$ 6,350	\$ 7,205	\$ 4,580	\$ 936	\$ 4,992	\$ 31,278
2043	\$ 7,215	\$ 5,917	\$ 7,600	\$ 4,175	\$ 864	\$ 5,092	\$ 30,863
2044	\$ 7,817	\$ 5,484	\$ 7,995	\$ 3,747	\$ 790	\$ 5,194	\$ 31,026
2045	\$ 8,418	\$ 5,015	\$ 8,488	\$ 3,298	\$ 711	\$ 5,298	\$ 31,227
2046	\$ 9,019	\$ 4,510	\$ 8,982	\$ 2,820	\$ 626	\$ 5,403	\$ 31,361
2047	\$ 9,621	\$ 3,968	\$ 9,475	\$ 2,315	\$ 536	\$ 5,512	\$ 31,427
2048	\$ 10,222	\$ 3,391	\$ 9,969	\$ 1,782	\$ 441	\$ 5,622	\$ 31,427
2049	\$ 10,222	\$ 2,778	\$ 10,561	\$ 1,221	\$ 340	\$ 5,734	\$ 30,856
2050	\$ 11,424	\$ 2,165	\$ 11,153	\$ 627	\$ 236	\$ 5,849	\$ 31,454
2051	\$ 12,026	\$ 1,479	\$ -	\$ -	\$ 123	\$ 4,449	\$ 18,077
2052	\$ 12,627	\$ 758	\$ -	\$ -	\$ 63	\$ 4,538	\$ 17,986
Total	\$ 183,392	\$ 216,967	\$ 166,011	\$ 164,169	\$ 32,861	\$ 135,949	\$ 899,349

¹ Represents Improvement Area #2-5 Bonds allocable to Block K2(A).

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

³ Represents the portion of the Major Improvement Area Bonds allocable to Block K2(A).

⁴ Interest on the Major Improvement Area Bonds is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-6 – IMPROVEMENT AREA #2 BLOCK K2(C) COMMERCIAL 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2 BLOCK K2(C) PRINCIPAL ASSESSMENT: \$116,326

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 BLOCK K2(C)

Installments Due January 31,	Improvement Area #2-5 Bonds ¹		Major Improvement Area Bonds ³		Total		
	Principal	Interest ²	Principal	Interest ⁴	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ 801	\$ 3,663	\$ 920	\$ 3,044	\$ 582	\$ 1,141	\$ 10,151
2024	\$ 801	\$ 3,615	\$ 953	\$ 2,995	\$ 573	\$ 1,164	\$ 10,100
2025	\$ 801	\$ 3,567	\$ 1,019	\$ 2,944	\$ 564	\$ 1,187	\$ 10,081
2026	\$ 1,001	\$ 3,519	\$ 1,052	\$ 2,889	\$ 555	\$ 1,211	\$ 10,226
2027	\$ 1,001	\$ 3,459	\$ 1,117	\$ 2,832	\$ 545	\$ 1,235	\$ 10,189
2028	\$ 1,001	\$ 3,399	\$ 1,150	\$ 2,772	\$ 534	\$ 1,260	\$ 10,116
2029	\$ 1,001	\$ 3,339	\$ 1,216	\$ 2,710	\$ 524	\$ 1,285	\$ 10,075
2030	\$ 1,201	\$ 3,279	\$ 1,282	\$ 2,645	\$ 512	\$ 1,310	\$ 10,230
2031	\$ 1,201	\$ 3,207	\$ 1,347	\$ 2,576	\$ 500	\$ 1,337	\$ 10,168
2032	\$ 1,201	\$ 3,135	\$ 1,413	\$ 2,504	\$ 487	\$ 1,363	\$ 10,103
2033	\$ 1,401	\$ 3,063	\$ 1,512	\$ 2,428	\$ 474	\$ 1,391	\$ 10,268
2034	\$ 1,401	\$ 2,979	\$ 1,577	\$ 2,347	\$ 460	\$ 1,418	\$ 10,182
2035	\$ 1,601	\$ 2,895	\$ 1,643	\$ 2,262	\$ 445	\$ 1,447	\$ 10,293
2036	\$ 1,601	\$ 2,799	\$ 1,742	\$ 2,173	\$ 429	\$ 1,476	\$ 10,219
2037	\$ 1,802	\$ 2,703	\$ 1,840	\$ 2,080	\$ 412	\$ 1,505	\$ 10,341
2038	\$ 1,802	\$ 2,594	\$ 1,939	\$ 1,981	\$ 394	\$ 1,535	\$ 10,245
2039	\$ 2,002	\$ 2,486	\$ 2,037	\$ 1,877	\$ 375	\$ 1,566	\$ 10,343
2040	\$ 2,002	\$ 2,366	\$ 2,136	\$ 1,767	\$ 355	\$ 1,597	\$ 10,223
2041	\$ 2,202	\$ 2,246	\$ 2,267	\$ 1,652	\$ 334	\$ 1,629	\$ 10,331
2042	\$ 2,402	\$ 2,114	\$ 2,399	\$ 1,525	\$ 312	\$ 1,662	\$ 10,414
2043	\$ 2,402	\$ 1,970	\$ 2,530	\$ 1,390	\$ 288	\$ 1,695	\$ 10,275
2044	\$ 2,602	\$ 1,826	\$ 2,662	\$ 1,248	\$ 263	\$ 1,729	\$ 10,330
2045	\$ 2,803	\$ 1,670	\$ 2,826	\$ 1,098	\$ 237	\$ 1,764	\$ 10,396
2046	\$ 3,003	\$ 1,501	\$ 2,990	\$ 939	\$ 209	\$ 1,799	\$ 10,441
2047	\$ 3,203	\$ 1,321	\$ 3,155	\$ 771	\$ 179	\$ 1,835	\$ 10,463
2048	\$ 3,403	\$ 1,129	\$ 3,319	\$ 593	\$ 147	\$ 1,872	\$ 10,463
2049	\$ 3,403	\$ 925	\$ 3,516	\$ 407	\$ 113	\$ 1,909	\$ 10,273
2050	\$ 3,804	\$ 721	\$ 3,713	\$ 209	\$ 79	\$ 1,947	\$ 10,472
2051	\$ 4,004	\$ 492	\$ -	\$ -	\$ 41	\$ 1,481	\$ 6,018
2052	\$ 4,204	\$ 252	\$ -	\$ -	\$ 21	\$ 1,511	\$ 5,988
Total	\$ 61,057	\$ 72,235	\$ 55,270	\$ 54,657	\$ 10,940	\$ 45,262	\$ 299,420

¹ Represents Improvement Area #2-5 Bonds allocable to Block K2(C).

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

³ Represents the portion of the Major Improvement Area Bonds allocable to Block K2(C).

⁴ Interest on the Major Improvement Area Bonds is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-7 – IMPROVEMENT AREA #3 BLOCK C SINGLE FAMILY BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**IMPROVEMENT AREA #3 BLOCK C SINGLE FAMILY PRINCIPAL ASSESSMENT:
\$37,787**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #3 BLOCK C SINGLE FAMILY

Installments Due January 31,	Improvement Area #2-5 Bonds ¹		Major Improvement Area Bonds ³		Total		
	Principal	Interest ²	Principal	Interest ⁴	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ 265.31	\$ 1,267.35	\$ 277.41	\$ 917.87	\$ 188.94	\$ 174.19	\$ 3,091.06
2024	\$ 285.71	\$ 1,251.43	\$ 287.32	\$ 902.96	\$ 186.22	\$ 177.67	\$ 2,987.04
2025	\$ 306.12	\$ 1,234.29	\$ 307.14	\$ 887.52	\$ 183.36	\$ 181.23	\$ 2,996.79
2026	\$ 326.53	\$ 1,215.92	\$ 317.05	\$ 871.01	\$ 180.29	\$ 184.85	\$ 2,994.32
2027	\$ 346.94	\$ 1,196.33	\$ 336.86	\$ 853.97	\$ 177.07	\$ 188.55	\$ 3,000.02
2028	\$ 367.35	\$ 1,175.51	\$ 346.77	\$ 835.86	\$ 173.65	\$ 192.32	\$ 2,993.50
2029	\$ 387.76	\$ 1,153.47	\$ 366.58	\$ 817.22	\$ 170.08	\$ 196.17	\$ 2,995.16
2030	\$ 408.16	\$ 1,130.20	\$ 386.40	\$ 797.52	\$ 166.31	\$ 200.09	\$ 2,994.50
2031	\$ 428.57	\$ 1,105.71	\$ 406.21	\$ 776.75	\$ 162.34	\$ 204.09	\$ 2,991.54
2032	\$ 448.98	\$ 1,080.00	\$ 426.03	\$ 754.92	\$ 158.16	\$ 208.17	\$ 2,986.26
2033	\$ 469.39	\$ 1,053.06	\$ 455.75	\$ 732.02	\$ 153.79	\$ 212.34	\$ 2,988.59
2034	\$ 510.20	\$ 1,024.90	\$ 475.57	\$ 707.52	\$ 149.16	\$ 216.58	\$ 2,998.53
2035	\$ 530.61	\$ 994.29	\$ 495.38	\$ 681.96	\$ 144.24	\$ 220.91	\$ 2,984.53
2036	\$ 571.43	\$ 962.45	\$ 525.11	\$ 655.33	\$ 139.11	\$ 225.33	\$ 2,998.55
2037	\$ 612.24	\$ 928.16	\$ 554.83	\$ 627.11	\$ 133.62	\$ 229.84	\$ 3,008.46
2038	\$ 632.65	\$ 891.43	\$ 584.55	\$ 597.28	\$ 127.79	\$ 234.44	\$ 2,993.86
2039	\$ 673.47	\$ 853.47	\$ 614.28	\$ 565.86	\$ 121.70	\$ 239.12	\$ 2,996.78
2040	\$ 714.29	\$ 813.06	\$ 644.00	\$ 532.85	\$ 115.26	\$ 243.91	\$ 2,995.61
2041	\$ 755.10	\$ 770.20	\$ 683.63	\$ 498.23	\$ 108.47	\$ 248.78	\$ 3,000.24
2042	\$ 816.33	\$ 724.90	\$ 723.26	\$ 459.78	\$ 101.28	\$ 253.76	\$ 3,018.89
2043	\$ 857.14	\$ 675.92	\$ 762.89	\$ 419.09	\$ 93.58	\$ 258.84	\$ 3,011.14
2044	\$ 897.96	\$ 624.49	\$ 802.52	\$ 376.18	\$ 85.48	\$ 264.01	\$ 2,998.60
2045	\$ 959.18	\$ 570.61	\$ 852.06	\$ 331.04	\$ 76.98	\$ 269.29	\$ 3,011.61
2046	\$ 1,020.41	\$ 513.06	\$ 901.60	\$ 283.11	\$ 67.92	\$ 274.68	\$ 3,018.02
2047	\$ 1,081.63	\$ 451.84	\$ 951.14	\$ 232.40	\$ 58.31	\$ 280.17	\$ 3,017.83
2048	\$ 1,142.86	\$ 386.94	\$ 1,000.68	\$ 178.90	\$ 48.15	\$ 285.78	\$ 3,011.04
2049	\$ 1,204.08	\$ 318.37	\$ 1,060.12	\$ 122.61	\$ 37.43	\$ 291.49	\$ 3,007.57
2050	\$ 1,285.71	\$ 246.12	\$ 1,119.57	\$ 62.98	\$ 26.11	\$ 297.32	\$ 3,017.30
2051	\$ 1,367.35	\$ 168.98	\$ -	\$ -	\$ 14.08	\$ 151.01	\$ 1,687.33
2052	\$ 1,448.98	\$ 86.94	\$ -	\$ -	\$ 7.24	\$ 154.03	\$ 1,689.95
Total	\$ 21,122.45	\$ 24,869.39	\$ 16,664.71	\$ 16,479.83	\$ 3,556.12	\$ 6,758.94	\$ 87,484.61

¹ Represents Improvement Area #2-5 Bonds allocable to a Single Family Lot Type in Block C.

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

³ Represents the portion of the Major Improvement Area Bonds allocable to a Single Family Lot Type in Block C.

⁴ Interest on the Major Improvement Area Bonds is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-8 – IMPROVEMENT AREA #4 BLOCK D1 MULTI-FAMILY BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #4 BLOCK D1 PRINCIPAL ASSESSMENT: \$5,040,131

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #4 BLOCK D1

Installments Due January 31,	Improvement Area #2-5 Bonds ¹		Major Improvement Area Bonds ³		Total		
	Principal	Interest ²	Principal	Interest ⁴	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ 35,979	\$ 170,639	\$ 36,559	\$ 120,961	\$ 25,201	\$ 15,000	\$ 404,339
2024	\$ 38,432	\$ 168,480	\$ 37,865	\$ 118,996	\$ 24,838	\$ 15,300	\$ 403,911
2025	\$ 40,068	\$ 166,174	\$ 40,476	\$ 116,961	\$ 24,456	\$ 15,606	\$ 403,742
2026	\$ 42,521	\$ 163,770	\$ 41,782	\$ 114,785	\$ 24,054	\$ 15,918	\$ 402,830
2027	\$ 45,792	\$ 161,219	\$ 44,393	\$ 112,539	\$ 23,632	\$ 16,237	\$ 403,812
2028	\$ 48,245	\$ 158,472	\$ 45,699	\$ 110,153	\$ 23,181	\$ 16,562	\$ 402,311
2029	\$ 50,698	\$ 155,577	\$ 48,310	\$ 107,697	\$ 22,712	\$ 16,893	\$ 401,886
2030	\$ 53,969	\$ 152,535	\$ 50,921	\$ 105,100	\$ 22,217	\$ 17,231	\$ 401,973
2031	\$ 57,239	\$ 149,297	\$ 53,533	\$ 102,363	\$ 21,692	\$ 17,575	\$ 401,700
2032	\$ 60,510	\$ 145,863	\$ 56,144	\$ 99,486	\$ 21,138	\$ 17,927	\$ 401,068
2033	\$ 64,599	\$ 142,232	\$ 60,061	\$ 96,468	\$ 20,555	\$ 18,285	\$ 402,200
2034	\$ 68,687	\$ 138,356	\$ 62,672	\$ 93,240	\$ 19,932	\$ 18,651	\$ 401,538
2035	\$ 72,776	\$ 134,235	\$ 65,284	\$ 89,871	\$ 19,275	\$ 19,024	\$ 400,465
2036	\$ 76,864	\$ 129,868	\$ 69,201	\$ 86,362	\$ 18,585	\$ 19,405	\$ 400,285
2037	\$ 80,953	\$ 125,256	\$ 73,118	\$ 82,643	\$ 17,854	\$ 19,793	\$ 399,617
2038	\$ 85,859	\$ 120,399	\$ 77,035	\$ 78,713	\$ 17,084	\$ 20,188	\$ 399,278
2039	\$ 91,583	\$ 115,248	\$ 80,952	\$ 74,572	\$ 16,269	\$ 20,592	\$ 399,216
2040	\$ 96,489	\$ 109,753	\$ 84,869	\$ 70,221	\$ 15,407	\$ 21,004	\$ 397,743
2041	\$ 103,031	\$ 103,963	\$ 90,092	\$ 65,659	\$ 14,500	\$ 21,424	\$ 398,669
2042	\$ 108,755	\$ 97,781	\$ 95,314	\$ 60,591	\$ 13,534	\$ 21,853	\$ 397,829
2043	\$ 115,297	\$ 91,256	\$ 100,537	\$ 55,230	\$ 12,514	\$ 22,290	\$ 397,124
2044	\$ 122,656	\$ 84,338	\$ 105,760	\$ 49,575	\$ 11,435	\$ 22,736	\$ 396,499
2045	\$ 130,015	\$ 76,979	\$ 112,288	\$ 43,626	\$ 10,293	\$ 23,190	\$ 396,391
2046	\$ 137,375	\$ 69,178	\$ 118,816	\$ 37,310	\$ 9,081	\$ 23,654	\$ 395,414
2047	\$ 145,552	\$ 60,936	\$ 125,345	\$ 30,626	\$ 7,800	\$ 24,127	\$ 394,386
2048	\$ 154,547	\$ 52,202	\$ 131,873	\$ 23,576	\$ 6,446	\$ 24,610	\$ 393,253
2049	\$ 163,541	\$ 42,930	\$ 139,707	\$ 16,158	\$ 5,014	\$ 25,102	\$ 392,452
2050	\$ 173,354	\$ 33,117	\$ 147,541	\$ 8,299	\$ 3,497	\$ 25,604	\$ 391,413
2051	\$ 183,984	\$ 22,716	\$ -	\$ -	\$ 1,893	\$ 6,051	\$ 214,643
2052	\$ 194,614	\$ 11,677	\$ -	\$ -	\$ 973	\$ 6,172	\$ 213,436
Total	\$ 2,843,985	\$ 3,354,447	\$ 2,196,145	\$ 2,171,782	\$ 475,062	\$ 568,003	\$ 11,609,424

¹ Represents Improvement Area #2-5 Bonds allocable to Block D1.

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

³ Represents the portion of the Major Improvement Area Bonds allocable to Block D1.

⁴ Interest on the Major Improvement Area Bonds is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-9 – IMPROVEMENT AREA #5 BLOCK F MULTI-FAMILY BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #5 BLOCK F PRINCIPAL ASSESSMENT: \$3,090,552

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #5 BLOCK F

Installments Due January 31,	Improvement Area #2-5 Bonds ¹		Major Improvement Area Bonds ³		Total		
	Principal	Interest ²	Principal	Interest ⁴	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ 21,197	\$ 99,806	\$ 23,757	\$ 78,604	\$ 15,453	\$ 9,742	\$ 248,558
2024	\$ 22,257	\$ 98,534	\$ 24,606	\$ 77,327	\$ 15,228	\$ 9,936	\$ 247,888
2025	\$ 23,847	\$ 97,198	\$ 26,303	\$ 76,005	\$ 14,994	\$ 10,135	\$ 248,481
2026	\$ 24,906	\$ 95,768	\$ 27,151	\$ 74,591	\$ 14,743	\$ 10,338	\$ 247,497
2027	\$ 26,496	\$ 94,273	\$ 28,848	\$ 73,132	\$ 14,483	\$ 10,545	\$ 247,776
2028	\$ 28,086	\$ 92,683	\$ 29,696	\$ 71,581	\$ 14,206	\$ 10,755	\$ 247,008
2029	\$ 29,676	\$ 90,998	\$ 31,393	\$ 69,985	\$ 13,917	\$ 10,971	\$ 246,940
2030	\$ 31,795	\$ 89,218	\$ 33,090	\$ 68,298	\$ 13,612	\$ 11,190	\$ 247,203
2031	\$ 33,385	\$ 87,310	\$ 34,787	\$ 66,519	\$ 13,287	\$ 11,414	\$ 246,702
2032	\$ 35,505	\$ 85,307	\$ 36,484	\$ 64,649	\$ 12,946	\$ 11,642	\$ 246,533
2033	\$ 37,625	\$ 83,177	\$ 39,030	\$ 62,688	\$ 12,586	\$ 11,875	\$ 246,980
2034	\$ 39,744	\$ 80,919	\$ 40,727	\$ 60,590	\$ 12,203	\$ 12,112	\$ 246,296
2035	\$ 42,394	\$ 78,535	\$ 42,423	\$ 58,401	\$ 11,801	\$ 12,355	\$ 245,908
2036	\$ 45,043	\$ 75,991	\$ 44,969	\$ 56,121	\$ 11,377	\$ 12,602	\$ 246,103
2037	\$ 47,693	\$ 73,288	\$ 47,514	\$ 53,704	\$ 10,927	\$ 12,854	\$ 245,980
2038	\$ 50,343	\$ 70,427	\$ 50,060	\$ 51,150	\$ 10,451	\$ 13,111	\$ 245,540
2039	\$ 53,522	\$ 67,406	\$ 52,605	\$ 48,459	\$ 9,949	\$ 13,373	\$ 245,314
2040	\$ 56,702	\$ 64,195	\$ 55,150	\$ 45,632	\$ 9,418	\$ 13,641	\$ 244,737
2041	\$ 59,881	\$ 60,793	\$ 58,544	\$ 42,667	\$ 8,859	\$ 13,913	\$ 244,658
2042	\$ 63,591	\$ 57,200	\$ 61,938	\$ 39,374	\$ 8,267	\$ 14,192	\$ 244,561
2043	\$ 67,300	\$ 53,384	\$ 65,332	\$ 35,890	\$ 7,639	\$ 14,475	\$ 244,021
2044	\$ 71,540	\$ 49,346	\$ 68,726	\$ 32,215	\$ 6,976	\$ 14,765	\$ 243,568
2045	\$ 75,779	\$ 45,054	\$ 72,968	\$ 28,349	\$ 6,274	\$ 15,060	\$ 243,485
2046	\$ 80,548	\$ 40,507	\$ 77,211	\$ 24,245	\$ 5,531	\$ 15,361	\$ 243,403
2047	\$ 85,318	\$ 35,674	\$ 81,453	\$ 19,902	\$ 4,742	\$ 15,669	\$ 242,757
2048	\$ 90,087	\$ 30,555	\$ 85,695	\$ 15,320	\$ 3,908	\$ 15,982	\$ 241,548
2049	\$ 95,916	\$ 25,150	\$ 90,786	\$ 10,500	\$ 3,029	\$ 16,302	\$ 241,683
2050	\$ 101,745	\$ 19,395	\$ 95,877	\$ 5,393	\$ 2,096	\$ 16,628	\$ 241,134
2051	\$ 107,574	\$ 13,290	\$ -	\$ -	\$ 1,108	\$ 3,921	\$ 125,893
2052	\$ 113,933	\$ 6,836	\$ -	\$ -	\$ 570	\$ 4,000	\$ 125,339
Total	\$ 1,663,427	\$ 1,962,219	\$ 1,427,125	\$ 1,411,292	\$ 290,576	\$ 368,856	\$ 7,123,496

¹ Represents Improvement Area #2-5 Bonds allocable to Block F.

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

³ Represents the portion of the Major Improvement Area Bonds allocable to Block F.

⁴ Interest on the Major Improvement Area Bonds is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-10 – IMPROVEMENT AREA #5 BLOCK L3 COMMERCIAL 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #5 BLOCK L3 PRINCIPAL ASSESSMENT: \$1,317,596

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #5 BLOCK L3

Installments Due January 31,	Improvement Area #2-5 Bonds ¹		Major Improvement Area Bonds ³		Total		
	Principal	Interest ²	Principal	Interest ⁴	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ 9,037	\$ 42,550	\$ 10,128	\$ 33,511	\$ 6,588	\$ 4,153	\$ 105,968
2024	\$ 9,489	\$ 42,008	\$ 10,490	\$ 32,967	\$ 6,492	\$ 4,236	\$ 105,682
2025	\$ 10,166	\$ 41,439	\$ 11,214	\$ 32,403	\$ 6,392	\$ 4,321	\$ 105,935
2026	\$ 10,618	\$ 40,829	\$ 11,575	\$ 31,800	\$ 6,285	\$ 4,407	\$ 105,515
2027	\$ 11,296	\$ 40,192	\$ 12,299	\$ 31,178	\$ 6,174	\$ 4,495	\$ 105,634
2028	\$ 11,974	\$ 39,514	\$ 12,660	\$ 30,517	\$ 6,056	\$ 4,585	\$ 105,307
2029	\$ 12,652	\$ 38,795	\$ 13,384	\$ 29,837	\$ 5,933	\$ 4,677	\$ 105,278
2030	\$ 13,555	\$ 38,036	\$ 14,107	\$ 29,117	\$ 5,803	\$ 4,771	\$ 105,390
2031	\$ 14,233	\$ 37,223	\$ 14,831	\$ 28,359	\$ 5,665	\$ 4,866	\$ 105,177
2032	\$ 15,137	\$ 36,369	\$ 15,554	\$ 27,562	\$ 5,519	\$ 4,963	\$ 105,105
2033	\$ 16,040	\$ 35,461	\$ 16,639	\$ 26,726	\$ 5,366	\$ 5,063	\$ 105,295
2034	\$ 16,944	\$ 34,498	\$ 17,363	\$ 25,831	\$ 5,203	\$ 5,164	\$ 105,003
2035	\$ 18,074	\$ 33,482	\$ 18,086	\$ 24,898	\$ 5,031	\$ 5,267	\$ 104,838
2036	\$ 19,203	\$ 32,397	\$ 19,172	\$ 23,926	\$ 4,850	\$ 5,372	\$ 104,921
2037	\$ 20,333	\$ 31,245	\$ 20,257	\$ 22,896	\$ 4,658	\$ 5,480	\$ 104,869
2038	\$ 21,463	\$ 30,025	\$ 21,342	\$ 21,807	\$ 4,455	\$ 5,590	\$ 104,681
2039	\$ 22,818	\$ 28,737	\$ 22,427	\$ 20,660	\$ 4,241	\$ 5,701	\$ 104,585
2040	\$ 24,174	\$ 27,368	\$ 23,512	\$ 19,454	\$ 4,015	\$ 5,815	\$ 104,339
2041	\$ 25,529	\$ 25,918	\$ 24,959	\$ 18,190	\$ 3,777	\$ 5,932	\$ 104,305
2042	\$ 27,111	\$ 24,386	\$ 26,406	\$ 16,786	\$ 3,524	\$ 6,050	\$ 104,264
2043	\$ 28,692	\$ 22,759	\$ 27,853	\$ 15,301	\$ 3,257	\$ 6,171	\$ 104,034
2044	\$ 30,499	\$ 21,038	\$ 29,300	\$ 13,734	\$ 2,974	\$ 6,295	\$ 103,840
2045	\$ 32,307	\$ 19,208	\$ 31,109	\$ 12,086	\$ 2,675	\$ 6,421	\$ 103,805
2046	\$ 34,340	\$ 17,269	\$ 32,917	\$ 10,336	\$ 2,358	\$ 6,549	\$ 103,770
2047	\$ 36,373	\$ 15,209	\$ 34,726	\$ 8,485	\$ 2,022	\$ 6,680	\$ 103,495
2048	\$ 38,407	\$ 13,027	\$ 36,535	\$ 6,531	\$ 1,666	\$ 6,814	\$ 102,979
2049	\$ 40,892	\$ 10,722	\$ 38,705	\$ 4,476	\$ 1,291	\$ 6,950	\$ 103,037
2050	\$ 43,377	\$ 8,269	\$ 40,875	\$ 2,299	\$ 893	\$ 7,089	\$ 102,803
2051	\$ 45,862	\$ 5,666	\$ -	\$ -	\$ 472	\$ 1,672	\$ 53,672
2052	\$ 48,573	\$ 2,914	\$ -	\$ -	\$ 243	\$ 1,705	\$ 53,436
Total	\$ 709,169	\$ 836,553	\$ 608,426	\$ 601,677	\$ 123,882	\$ 157,255	\$ 3,036,962

¹ Represents Improvement Area #2-5 Bonds allocable to Block L3.

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

³ Represents the portion of the Major Improvement Area Bonds allocable to Block L3.

⁴ Interest on the Major Improvement Area Bonds is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-11 – IMPROVEMENT AREA #5 BLOCK L2 COMMERCIAL 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #5 BLOCK L2 PRINCIPAL ASSESSMENT: \$395,674

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #5 BLOCK L2

Installments Due January 31,	Improvement Area #2-5 Bonds ¹		Major Improvement Area Bonds ³		Total		
	Principal	Interest ²	Principal	Interest ⁴	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ 2,714	\$ 12,778	\$ 3,042	\$ 10,063	\$ 1,978	\$ 1,247	\$ 31,822
2024	\$ 2,849	\$ 12,615	\$ 3,150	\$ 9,900	\$ 1,950	\$ 1,272	\$ 30,685
2025	\$ 3,053	\$ 12,444	\$ 3,367	\$ 9,731	\$ 1,920	\$ 1,298	\$ 30,775
2026	\$ 3,189	\$ 12,261	\$ 3,476	\$ 9,550	\$ 1,887	\$ 1,324	\$ 30,665
2027	\$ 3,392	\$ 12,070	\$ 3,693	\$ 9,363	\$ 1,854	\$ 1,350	\$ 30,716
2028	\$ 3,596	\$ 11,866	\$ 3,802	\$ 9,164	\$ 1,819	\$ 1,377	\$ 30,635
2029	\$ 3,799	\$ 11,650	\$ 4,019	\$ 8,960	\$ 1,782	\$ 1,405	\$ 30,644
2030	\$ 4,071	\$ 11,422	\$ 4,236	\$ 8,744	\$ 1,743	\$ 1,433	\$ 30,697
2031	\$ 4,274	\$ 11,178	\$ 4,454	\$ 8,516	\$ 1,701	\$ 1,461	\$ 30,653
2032	\$ 4,546	\$ 10,922	\$ 4,671	\$ 8,277	\$ 1,657	\$ 1,490	\$ 30,653
2033	\$ 4,817	\$ 10,649	\$ 4,997	\$ 8,026	\$ 1,611	\$ 1,520	\$ 30,733
2034	\$ 5,088	\$ 10,360	\$ 5,214	\$ 7,757	\$ 1,562	\$ 1,551	\$ 30,669
2035	\$ 5,428	\$ 10,055	\$ 5,431	\$ 7,477	\$ 1,511	\$ 1,582	\$ 30,645
2036	\$ 5,767	\$ 9,729	\$ 5,757	\$ 7,185	\$ 1,457	\$ 1,613	\$ 30,697
2037	\$ 6,106	\$ 9,383	\$ 6,083	\$ 6,876	\$ 1,399	\$ 1,646	\$ 30,710
2038	\$ 6,445	\$ 9,017	\$ 6,409	\$ 6,549	\$ 1,338	\$ 1,679	\$ 30,684
2039	\$ 6,852	\$ 8,630	\$ 6,735	\$ 6,204	\$ 1,274	\$ 1,712	\$ 30,688
2040	\$ 7,259	\$ 8,219	\$ 7,061	\$ 5,842	\$ 1,206	\$ 1,746	\$ 30,648
2041	\$ 7,666	\$ 7,783	\$ 7,495	\$ 5,463	\$ 1,134	\$ 1,781	\$ 30,674
2042	\$ 8,141	\$ 7,323	\$ 7,930	\$ 5,041	\$ 1,058	\$ 1,817	\$ 30,700
2043	\$ 8,616	\$ 6,835	\$ 8,364	\$ 4,595	\$ 978	\$ 1,853	\$ 30,672
2044	\$ 9,159	\$ 6,318	\$ 8,799	\$ 4,124	\$ 893	\$ 1,890	\$ 30,657
2045	\$ 9,702	\$ 5,768	\$ 9,342	\$ 3,630	\$ 803	\$ 1,928	\$ 30,692
2046	\$ 10,312	\$ 5,186	\$ 9,885	\$ 3,104	\$ 708	\$ 1,967	\$ 30,730
2047	\$ 10,923	\$ 4,567	\$ 10,428	\$ 2,548	\$ 607	\$ 2,006	\$ 30,699
2048	\$ 11,534	\$ 3,912	\$ 10,971	\$ 1,961	\$ 500	\$ 2,046	\$ 30,599
2049	\$ 12,280	\$ 3,220	\$ 11,623	\$ 1,344	\$ 388	\$ 2,087	\$ 30,674
2050	\$ 13,026	\$ 2,483	\$ 12,275	\$ 690	\$ 268	\$ 2,129	\$ 30,665
2051	\$ 13,772	\$ 1,702	\$ -	\$ -	\$ 142	\$ 502	\$ 15,976
2052	\$ 14,587	\$ 875	\$ -	\$ -	\$ 73	\$ 512	\$ 15,974
Total	\$ 212,964	\$ 251,217	\$ 182,711	\$ 180,684	\$ 37,202	\$ 47,224	\$ 892,131

¹ Represents Improvement Area #2-5 Bonds allocable to Block L2.

² Interest on the Improvement Area #2-5 Bonds is calculated at a 6.00% rate for illustrative purposes.

³ Represents the portion of the Major Improvement Area Bonds allocable to Block L2.

⁴ Interest on the Major Improvement Area Bonds is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-12 – IMPROVEMENT AREA #6 BLOCK I COMMERCIAL 3 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #6 BLOCK I PRINCIPAL ASSESSMENT: \$623,236

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #6 BLOCK I

Installments Due January 31,	Improvement Area #2-5 Bonds ¹		Major Improvement Area Bonds ²		Total		
	Principal	Interest	Principal	Interest ³	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ -	\$ -	\$ 10,375	\$ 34,327	\$ 3,116	\$ 3,271	\$ 51,089
2024	\$ -	\$ -	\$ 10,745	\$ 33,769	\$ 3,064	\$ 3,336	\$ 50,915
2025	\$ -	\$ -	\$ 11,487	\$ 33,192	\$ 3,011	\$ 3,403	\$ 51,092
2026	\$ -	\$ -	\$ 11,857	\$ 32,574	\$ 2,953	\$ 3,471	\$ 50,855
2027	\$ -	\$ -	\$ 12,598	\$ 31,937	\$ 2,894	\$ 3,540	\$ 50,969
2028	\$ -	\$ -	\$ 12,969	\$ 31,260	\$ 2,831	\$ 3,611	\$ 50,671
2029	\$ -	\$ -	\$ 13,710	\$ 30,563	\$ 2,766	\$ 3,683	\$ 50,722
2030	\$ -	\$ -	\$ 14,451	\$ 29,826	\$ 2,697	\$ 3,757	\$ 50,731
2031	\$ -	\$ -	\$ 15,192	\$ 29,049	\$ 2,625	\$ 3,832	\$ 50,698
2032	\$ -	\$ -	\$ 15,933	\$ 28,233	\$ 2,549	\$ 3,909	\$ 50,624
2033	\$ -	\$ -	\$ 17,044	\$ 27,376	\$ 2,470	\$ 3,987	\$ 50,877
2034	\$ -	\$ -	\$ 17,786	\$ 26,460	\$ 2,384	\$ 4,067	\$ 50,697
2035	\$ -	\$ -	\$ 18,527	\$ 25,504	\$ 2,295	\$ 4,148	\$ 50,474
2036	\$ -	\$ -	\$ 19,638	\$ 24,508	\$ 2,203	\$ 4,231	\$ 50,580
2037	\$ -	\$ -	\$ 20,750	\$ 23,453	\$ 2,105	\$ 4,316	\$ 50,623
2038	\$ -	\$ -	\$ 21,861	\$ 22,338	\$ 2,001	\$ 4,402	\$ 50,602
2039	\$ -	\$ -	\$ 22,973	\$ 21,162	\$ 1,892	\$ 4,490	\$ 50,517
2040	\$ -	\$ -	\$ 24,085	\$ 19,928	\$ 1,777	\$ 4,580	\$ 50,369
2041	\$ -	\$ -	\$ 25,567	\$ 18,633	\$ 1,656	\$ 4,671	\$ 50,527
2042	\$ -	\$ -	\$ 27,049	\$ 17,195	\$ 1,528	\$ 4,765	\$ 50,537
2043	\$ -	\$ -	\$ 28,531	\$ 15,674	\$ 1,393	\$ 4,860	\$ 50,458
2044	\$ -	\$ -	\$ 30,013	\$ 14,069	\$ 1,251	\$ 4,957	\$ 50,290
2045	\$ -	\$ -	\$ 31,866	\$ 12,380	\$ 1,100	\$ 5,056	\$ 50,403
2046	\$ -	\$ -	\$ 33,718	\$ 10,588	\$ 941	\$ 5,157	\$ 50,405
2047	\$ -	\$ -	\$ 35,571	\$ 8,691	\$ 773	\$ 5,261	\$ 50,296
2048	\$ -	\$ -	\$ 37,424	\$ 6,690	\$ 595	\$ 5,366	\$ 50,075
2049	\$ -	\$ -	\$ 39,647	\$ 4,585	\$ 408	\$ 5,473	\$ 50,113
2050	\$ -	\$ -	\$ 41,870	\$ 2,355	\$ 209	\$ 5,583	\$ 50,017
Total	\$ -	\$ -	\$ 623,236	\$ 616,322	\$ 55,487	\$ 121,182	\$ 1,416,226

¹ No improvements are being constructed within Improvement Area #6 that will be financed with Improvement Area #2-5 Assessments or Improvement Area #2-5 Bonds.

² Represents the portion of the Major Improvement Area Bonds allocable to Block I.

³ Interest on the Major Improvement Area Bonds is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-13 – IMPROVEMENT AREA #7 BLOCK J COMMERCIAL 3 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #7 BLOCK J PRINCIPAL ASSESSMENT: \$1,315,191

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #7 BLOCK J

Installments Due January 31,	Improvement Area #2-5 Bonds ¹		Major Improvement Area Bonds ²		Total		
	Principal	Interest	Principal	Interest ³	Additional Interest	Annual Collection Costs	Total Installment
2023	\$ -	\$ -	\$ 21,894	\$ 72,439	\$ 6,576	\$ 6,902	\$ 107,811
2024	\$ -	\$ -	\$ 22,676	\$ 71,262	\$ 6,466	\$ 7,040	\$ 107,444
2025	\$ -	\$ -	\$ 24,240	\$ 70,043	\$ 6,353	\$ 7,181	\$ 107,817
2026	\$ -	\$ -	\$ 25,021	\$ 68,741	\$ 6,232	\$ 7,324	\$ 107,318
2027	\$ -	\$ -	\$ 26,585	\$ 67,396	\$ 6,107	\$ 7,471	\$ 107,559
2028	\$ -	\$ -	\$ 27,367	\$ 65,967	\$ 5,974	\$ 7,620	\$ 106,928
2029	\$ -	\$ -	\$ 28,931	\$ 64,496	\$ 5,837	\$ 7,773	\$ 107,037
2030	\$ -	\$ -	\$ 30,495	\$ 62,941	\$ 5,692	\$ 7,928	\$ 107,056
2031	\$ -	\$ -	\$ 32,059	\$ 61,302	\$ 5,540	\$ 8,087	\$ 106,987
2032	\$ -	\$ -	\$ 33,623	\$ 59,578	\$ 5,380	\$ 8,248	\$ 106,829
2033	\$ -	\$ -	\$ 35,968	\$ 57,771	\$ 5,212	\$ 8,413	\$ 107,365
2034	\$ -	\$ -	\$ 37,532	\$ 55,838	\$ 5,032	\$ 8,582	\$ 106,984
2035	\$ -	\$ -	\$ 39,096	\$ 53,821	\$ 4,844	\$ 8,753	\$ 106,514
2036	\$ -	\$ -	\$ 41,442	\$ 51,719	\$ 4,649	\$ 8,928	\$ 106,738
2037	\$ -	\$ -	\$ 43,788	\$ 49,492	\$ 4,441	\$ 9,107	\$ 106,828
2038	\$ -	\$ -	\$ 46,133	\$ 47,138	\$ 4,222	\$ 9,289	\$ 106,783
2039	\$ -	\$ -	\$ 48,479	\$ 44,658	\$ 3,992	\$ 9,475	\$ 106,604
2040	\$ -	\$ -	\$ 50,825	\$ 42,053	\$ 3,749	\$ 9,664	\$ 106,291
2041	\$ -	\$ -	\$ 53,953	\$ 39,321	\$ 3,495	\$ 9,858	\$ 106,626
2042	\$ -	\$ -	\$ 57,080	\$ 36,286	\$ 3,225	\$ 10,055	\$ 106,646
2043	\$ -	\$ -	\$ 60,208	\$ 33,075	\$ 2,940	\$ 10,256	\$ 106,479
2044	\$ -	\$ -	\$ 63,336	\$ 29,689	\$ 2,639	\$ 10,461	\$ 106,124
2045	\$ -	\$ -	\$ 67,245	\$ 26,126	\$ 2,322	\$ 10,670	\$ 106,364
2046	\$ -	\$ -	\$ 71,155	\$ 22,343	\$ 1,986	\$ 10,884	\$ 106,368
2047	\$ -	\$ -	\$ 75,064	\$ 18,341	\$ 1,630	\$ 11,101	\$ 106,137
2048	\$ -	\$ -	\$ 78,974	\$ 14,119	\$ 1,255	\$ 11,323	\$ 105,671
2049	\$ -	\$ -	\$ 83,666	\$ 9,676	\$ 860	\$ 11,550	\$ 105,752
2050	\$ -	\$ -	\$ 88,357	\$ 4,970	\$ 442	\$ 11,781	\$ 105,550
Total	\$ -	\$ -	\$ 1,315,191	\$ 1,300,600	\$ 117,093	\$ 255,726	\$ 2,988,609

¹ No improvements are being constructed within Improvement Area #7 that will be financed with Improvement Area #2-5 Assessments or Improvement Area #2-5 Bonds.

² Represents the portion of the Major Improvement Area Bonds allocable to Block J.

³ Interest on the Major Improvement Area Bonds is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C-14 – MAJOR IMPROVEMENT AREA REMAINING PARCEL BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SACHSE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**MAJOR IMPROVEMENT AREA REMAINING PARCEL PRINCIPAL ASSESSMENT:
\$988,966**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Sachse, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Sachse Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code. You are also obligated to pay for the operation and maintenance of the Authorized Improvements (the "***Operations and Maintenance Assessment***") which is calculated and levied annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The City will mail notice to each property owner, as required by Chapter 372, with information regarding the annual public hearing for the levy of the Maintenance Assessment.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Sachse. The exact amount of each annual installment will be approved each year by the Sachse City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Sachse.

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Dallas County.

ANNUAL INSTALLMENTS - MAJOR IMPROVEMENT AREA REMAINING PARCEL

	Major Improvement Area Bonds					
Installments Due January 31,	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Annual Installment	
2023	\$ 16,463	\$ 54,471	\$ 4,945	\$ 5,190	\$ 81,069	
2024	\$ 17,051	\$ 53,586	\$ 4,863	\$ 5,294	\$ 80,794	
2025	\$ 18,227	\$ 52,670	\$ 4,777	\$ 5,400	\$ 81,074	
2026	\$ 18,815	\$ 51,690	\$ 4,686	\$ 5,508	\$ 80,699	
2027	\$ 19,991	\$ 50,679	\$ 4,592	\$ 5,618	\$ 80,879	
2028	\$ 20,579	\$ 49,604	\$ 4,492	\$ 5,730	\$ 80,405	
2029	\$ 21,755	\$ 48,498	\$ 4,389	\$ 5,845	\$ 80,487	
2030	\$ 22,931	\$ 47,329	\$ 4,280	\$ 5,962	\$ 80,502	
2031	\$ 24,107	\$ 46,096	\$ 4,166	\$ 6,081	\$ 80,450	
2032	\$ 25,283	\$ 44,800	\$ 4,045	\$ 6,202	\$ 80,331	
2033	\$ 27,047	\$ 43,441	\$ 3,919	\$ 6,327	\$ 80,733	
2034	\$ 28,223	\$ 41,988	\$ 3,784	\$ 6,453	\$ 80,447	
2035	\$ 29,399	\$ 40,471	\$ 3,642	\$ 6,582	\$ 80,094	
2036	\$ 31,162	\$ 38,891	\$ 3,495	\$ 6,714	\$ 80,262	
2037	\$ 32,926	\$ 37,216	\$ 3,340	\$ 6,848	\$ 80,330	
2038	\$ 34,690	\$ 35,446	\$ 3,175	\$ 6,985	\$ 80,296	
2039	\$ 36,454	\$ 33,581	\$ 3,002	\$ 7,125	\$ 80,162	
2040	\$ 38,218	\$ 31,622	\$ 2,819	\$ 7,267	\$ 79,926	
2041	\$ 40,570	\$ 29,568	\$ 2,628	\$ 7,413	\$ 80,178	
2042	\$ 42,922	\$ 27,286	\$ 2,425	\$ 7,561	\$ 80,194	
2043	\$ 45,274	\$ 24,871	\$ 2,211	\$ 7,712	\$ 80,068	
2044	\$ 47,626	\$ 22,325	\$ 1,984	\$ 7,866	\$ 79,801	
2045	\$ 50,565	\$ 19,646	\$ 1,746	\$ 8,024	\$ 79,981	
2046	\$ 53,505	\$ 16,801	\$ 1,493	\$ 8,184	\$ 79,984	
2047	\$ 56,445	\$ 13,792	\$ 1,226	\$ 8,348	\$ 79,810	
2048	\$ 59,385	\$ 10,617	\$ 944	\$ 8,515	\$ 79,460	
2049	\$ 62,913	\$ 7,276	\$ 647	\$ 8,685	\$ 79,521	
2050	\$ 66,441	\$ 3,737	\$ 332	\$ 8,859	\$ 79,369	
Total	\$ 988,966	\$ 977,995	\$ 88,049	\$ 192,295	\$ 2,247,304	

¹ Interest is calculated at a 5.375% rate for bonds maturing 9/15/2040, and a 5.625% rate for bonds maturing 9/15/2050.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**AGREEMENT FOR THE CONSTRUCTION OF PID PROJECTS
AND REIMBURSEMENT OF ADVANCES**

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This Agreement for the Construction of PID Projects and Reimbursement of Advances (this “Agreement”) is made and entered into as of the Effective Date by and between the City of Sachse, Texas, a Texas home-rule municipality (“City”) and PMB Station Developer LLC, a Texas limited liability company (together with any successors and assigns, “Owner”) (each individually, a “Party,” and collectively, the “Parties”).

RECITALS

WHEREAS, Owner owns approximately 133.933 acres of real property located in City’s corporate limits in Dallas County, Texas, which property is more particularly described on Exhibit A (the “Property”), attached hereto and incorporated herein by reference;

WHEREAS, effective October 3, 2018, the Parties entered into that certain Development Agreement setting forth certain terms and conditions relating to the development of the Property, said agreement being amended effective September 5, 2019 by that certain First Amendment to Development Agreement (collectively, the “Development Agreement”);

WHEREAS, in accordance with provisions of the Development Agreement, on January 22, 2019, and pursuant to Chapter 372, Texas Local Government Code, as amended (the “PID Act”), City’s City Council (the “City Council”) approved Resolution No. 3905, establishing the Sachse Public Improvement District No. 1 (the “PID”) and, on December 2, 2019, the City Council approved Resolution No. 3958, adding land to the PID;

WHEREAS, the Property, as presently described, is located fully within the boundaries of the PID;

WHEREAS, all notices relating to establishment and enlargement of the PID were published as required by the PID Act;

WHEREAS, Owner has incurred and/or intends to incur PID Project Costs in association with the design and construction of the PID Projects;

WHEREAS, the PID was created, in part, to finance the PID Projects;

WHEREAS, pursuant to Section 7.01 of the Development Agreement, a service and assessment plan (“SAP”) will be established and approved by City in accordance with the PID Act and the provisions of the Development Agreement, and shall establish, among other matters, the projected PID Project Costs;

WHEREAS, the SAP shall allocate the PID Project Costs to the Property upon which they confer a special benefit;

WHEREAS, assessments against lots within the PID ("PID Assessments"), which will be reflected on the SAP and an assessment roll to be approved by the City Council, will be collected to pay PID Project Costs;

WHEREAS, subject to the consent and approval of the City Council, the satisfaction of all conditions for issuing the PID Bonds (as defined in the Development Agreement and SAP), Owner's compliance with this Agreement and the Development Agreement, and in accordance with the terms of this Agreement, the Development Agreement, and all legal requirements, including, but not limited to any Indenture (as defined in the SAP), the Parties desire to set forth their agreement regarding: (i) adoption of the SAP, (ii) adoption of one or more assessment ordinances (each an "Assessment Ordinance") levying assessments on the Property, and (iii) the levy of assessments and any related issuance of PID Bonds for the purpose of financing the PID Projects in accordance with the SAP and reimbursing Owner for certain associated costs as described herein;

WHEREAS, all PID Assessment revenues shall be deposited (1) as provided in the applicable Indenture if PID Bonds secured by such PID Assessments are issued and/or (2) into the PID Reimbursement Fund (defined herein) if no such PID Bonds are issued or such PID Bonds are no longer outstanding;

WHEREAS, proceeds of any PID Bonds shall be deposited as provided in the applicable Indenture; and

WHEREAS, the funds on deposit in the project fund created under an Indenture (the "PID Project Fund") shall only be used in the manner set forth in the SAP and the applicable Indenture.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the sufficiency of which is hereby acknowledged, the Parties hereby contract and agree as follows:

ARTICLE 1. Design and Construction of the PID Projects

1.01. Design and Construction of PID Projects. Owner shall cause all PID Projects to be designed and constructed in accordance with applicable provisions of the Development Agreement. Subject to the right of Developer to cure any nonconformity in accordance with the Development Agreement, Owner shall not be entitled to reimbursement for PID Project Costs relating to a PID Project if the design and construction of the PID Project does not otherwise conform to the requirements set forth in the Development Agreement.

1.02. PID Project Costs to be Funded by Owner. Owner shall promptly pay as the same become due all PID Project Costs incurred in connection with the PID Projects (the same being defined in the SAP as the “Authorized Improvements”); all costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, rights-of-way, or sites required as a part of the construction of the PID Projects, including, without limitation, any on-site or off-site mitigation costs; and all costs arising in connection with the creation of the PID (the “Actual Costs”). City shall not be liable to any contractor, engineer, attorney, materialman or other party employed or contracted with in connection with the construction of the PID Projects but shall only be obligated to acquire and maintain the PID Projects and reimburse Owner in the manner and to the extent provided herein.

1.03. Security for PID Projects. In accordance with Section 4.04 of the Development Agreement, prior to completion and conveyance to City of any PID Project, Owner shall cause a two (2) year maintenance bond to be delivered to City in the amount required by City’s subdivision regulations for applicable PID Projects. Nothing in this Agreement or the Development Agreement shall be deemed to prohibit Owner or City from contesting in good faith the validity or amount of any mechanics or materialman’s lien and/or judgment nor limit the remedies available to Owner or City with respect thereto so long as such delay in performance shall not subject the PID Project to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the PID Project is contested before conveyance of the PID Project to the City, Owner shall be required to post or cause the delivery of a surety bond in compliance with Texas Property Code §53.172 to indemnify against a mechanic’s lien claim or, in the case of a judgment lien, a surety bond or letter of credit, whichever is preferred by City, in an amount reasonably determined by City, not to exceed 100% of the disputed amount.

1.04. Remaining Funds after Completion of a PID Project. Upon the final completion of a PID Project and payment of all outstanding invoices for such PID Project, if the PID Project Costs of such PID Project is less than shown in the SAP (a “Cost Underrun”), any remaining amounts in the PID Project Fund will be available to pay cost overruns on any other PID Project. City shall promptly confirm to the Administrator (as defined in the SAP) and the Indenture Trustee of the PID Bonds issued to finance such PID Project(s) that such remaining amounts are available to pay such cost overruns, and the Owner and the City will agree how to use such moneys to secure the payment and performance of the work for other PID Projects. Any Cost Underrun for any PID Project available to pay cost overruns on any other PID Project may be added to the amount approved for payment in any Certificate for Payment, in substantially the form attached hereto as Exhibit B.

1.05. Contracts and Change Orders. Owner shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “Change Orders”) required for the construction of a PID Project. Owner or its contractors may approve and implement any Change Orders even if such Change Order would increase the PID Project Cost of a PID Project, but Owner shall be solely responsible for payment of any cost overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 1.04 hereof. If any Change Order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under the Development Agreement, then such revisions made by an engineer must be submitted to City for approval by City’s engineer

prior to execution of the Change Order, which approval shall not be unreasonably withheld and provided within ten (10) business days of submission to the City.

1.06. Indemnity. OWNER SHALL INDEMNIFY AND HOLD CITY HARMLESS FROM AND AGAINST ALL LOSSES, COSTS, DAMAGES, EXPENSES, AND LIABILITIES (HEREIN COLLECTIVELY REFERRED TO AS “LOSSES”) OF WHATSOEVER NATURE, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS’ FEES, COSTS OF LITIGATION, COURT COSTS, AMOUNTS PAID IN SETTLEMENT AND AMOUNTS PAID TO DISCHARGE JUDGMENTS RELATING TO ANY CLAIM, LAWSUIT, CAUSE OF ACTION OR OTHER LEGAL ACTION OR PROCEEDING BROUGHT AGAINST CITY OR TO WHICH CITY MAY BE A PARTY, DIRECTLY OR INDIRECTLY RESULTING FROM, ARISING OUT OF, OR RELATING TO THE ACQUISITION, PURCHASE OR CONSTRUCTION OF THE PID PROJECTS PRIOR TO THE ISSUANCE OF ANY APPLICABLE MAINTENANCE BOND. IN THE EVENT OF ANY ACTION BROUGHT AGAINST CITY IN WHICH INDEMNIFICATION BY OWNER IS APPLICABLE, CITY SHALL PROMPTLY GIVE WRITTEN NOTICE TO OWNER AND OWNER SHALL ASSUME THE INVESTIGATION AND DEFENSE OF SUCH ACTION, INCLUDING THE EMPLOYMENT OF COUNSEL AND THE PAYMENT OF ALL EXPENSES. CITY SHALL HAVE THE RIGHT, AT CITY’S EXPENSE, TO EMPLOY SEPARATE COUNSEL AND TO PARTICIPATE IN THE INVESTIGATION AND DEFENSE OF ANY SUCH ACTION. OWNER SHALL NOT BE LIABLE FOR THE SETTLEMENT OF ANY SUCH ACTION MADE BY CITY WITHOUT THE CONSENT OF OWNER; PROVIDED, HOWEVER, IN THE EVENT OF ANY SETTLEMENT ENTERED INTO WITH THE CONSENT OF OWNER OR OF ANY FINAL JUDGMENT FOR A PLAINTIFF IN ANY SUCH ACTION, OWNER SHALL INDEMNIFY AND HOLD CITY HARMLESS FROM AND AGAINST ANY LOSSES INCURRED BY REASON OF SUCH SETTLEMENT OR JUDGMENT. THE EXPIRATION OF THE TERM OF THIS AGREEMENT SHALL NOT RELIEVE OWNER FROM ANY LIABILITY HEREUNDER ARISING PRIOR TO THE EXPIRATION OF THIS AGREEMENT.

ARTICLE II. Reimbursement for Funds Advanced

2.01. PID Assessments. City hereby establishes a fund, to be segregated from all other City funds, into which City shall deposit PID Assessment revenues (the “PID Reimbursement Fund”), except as otherwise provided herein or in any Indenture. Until PID Bonds are issued, City shall bill, collect and deposit into the PID Reimbursement Fund all PID Assessment revenues consisting of: (1) revenue collected from the payment of PID Assessments (including prepayments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); (2) revenue collected from the payment of Annual Installments (excluding costs and expenses related to collection), and (3) any other revenue authorized by the PID Act and approved by the City Council.. If PID Bonds are issued, City shall bill, collect and deposit all PID Assessment revenues in the manner and amounts set forth in the applicable Indenture. Any PID Assessment revenues that are not needed to provide for the security for and payment of PID Bonds and any administrative costs of funds created under an Indenture and related to the PID Bonds, excluding Annual Collection Costs and Additional Interest (each as defined in the SAP) shall be deposited into the PID Reimbursement Fund. City shall also deposit

the proceeds of any PID Bonds and any other funds authorized or required by an Indenture into a PID Project Fund as provided in the applicable Indenture. Annual Installments shall be billed and collected by City (or by any person, entity or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds deposited into any fund under an Indenture shall only be used in accordance with the applicable Indenture. Funds in the PID Reimbursement Fund shall only be used to reimburse the Owner for PID Project Costs, plus applicable interest. Once PID Bonds are issued, the applicable Indenture shall control in the event of any conflicts with this Agreement.

2.02. Payment of Reimbursement Agreement Balance. Strictly subject to the terms, conditions and requirements and solely from the revenues herein provided, City agrees to pay to Owner, and Owner shall be entitled to receive from City, until the April 30th after the last Annual Installment is collected (the "Maturity Date"), a principal amount not to exceed TWENTY-THREE MILLION NINE HUNDRED FIFTY-ONE THOUSAND EIGHT HUNDRED FIFTY FOUR AND NO/100 DOLLARS (\$23,951,854), (the "Reimbursement Agreement Balance"). The Reimbursement Agreement Balance shall bear simple interest on the unpaid Reimbursement Agreement Balance at the greater rate of (i) two percent (2.0%) above the highest Bond Buyer Revenue Bond Index published in The Bond Buyer, a daily publication that publishes this interest rate index approved by the City Council and reported in the month before the date the obligation was incurred (which is the date the City approves the applicable Assessment Ordinance levying the PID Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid) or (ii) if PID Bonds are issued for the purpose of paying all or a portion of the outstanding Reimbursement Agreement Balance, the interest rate paid to Owner on the outstanding principal amount of the Reimbursement Agreement Balance shall be the same as the interest rate on such initial series of PID Bonds. The interest rate on any portion of the outstanding Reimbursement Agreement Balance shall be calculated based on the date the City accepts (i) by recording of the final plat in association with which the applicable PID Project(s) was/were constructed or (ii) if such PID Project is not constructed in association with development of Property within the boundaries of a specific recorded final plat, the latter of (y) the date the Director of CIP and Public Works or other authorized City representative provides written notice to Developer of acceptance for City ownership and maintenance the completed PID Project(s) and (z) the date the document conveying to City an easement in which such PID Project is located is recorded. The method for determining the interest rate for the unpaid balance of the Reimbursement Agreement Balance as set forth in this paragraph has been approved by the City Council and is authorized by and complies with the PID Act, including specifically subsections (e)(1) and (e)(2) of Section 372.023 of the PID Act. City's obligation to pay the Reimbursement Agreement Balance is payable solely from assessments, the PID Reimbursement Fund or from the proceeds of PID Bonds. Except as approved by the City Council, no other City funds, revenues, taxes, income or property shall be used to pay the Reimbursement Agreement Balance even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments from the PID Reimbursement Fund shall be applied in accordance with this Agreement. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the PID Reimbursement Fund since the last payment. If there is a dispute over the amount of any

payment, City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made.

2.03. PID Bonds.

(a) City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (1) paying the Reimbursement Agreement Balance; or (2) directly paying for PID Project Costs described in the applicable Indenture. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable Indenture. Upon the issuance of PID Bonds for such purpose, Owner's right to receive payments each year in accordance with Section 2.02 hereof shall be subordinate to (i) deposits required to provide for the security for and payment of PID Bonds and any administrative costs of funds created under an Indenture related to the PID Bonds under the applicable Indenture related to any outstanding PID Bonds and such payments shall exclude revenues from the portion of Assessments levied to pay Annual Collection Costs and Additional Interest. Owner shall be entitled to receive funds pursuant to the flow of funds provisions of the applicable Indenture, which shall contemplate payment of assessments to the PID Reimbursement Fund. The failure of City to issue PID Bonds shall not constitute a default by City under this Agreement. Upon the issuance of PID Bonds, Owner has a duty to construct the PID Projects described in the applicable Indenture. Owner shall not be relieved of its duty to construct or cause to be constructed such PID Projects as set forth in the Development Agreement even if there are insufficient funds in the PID Project Fund to pay the PID Costs; provided, however, Owner may be relieved of its obligation to construct a PID Project if City fails to provide the City Participation Amount for said PID Project in the amount set forth in Exhibit C of the Development Agreement. Notwithstanding the foregoing sentence to the contrary, nothing herein shall be construed as relieving Developer from construction of any public improvements relating to the development of the Property that are required to be constructed in accordance with the Governing Regulations. This Agreement shall apply to all PID Bonds issued by City whether in one or more series, and no additional reimbursement agreement shall be required for future series of PID Bonds.

(b) Pursuant to the Development Agreement, City may issue PID Bonds in an amount not to exceed \$30,000,000 solely for the purpose of acquiring or constructing PID Projects or any other purposes authorized by the PID Act, subject to the satisfaction of the provisions and conditions set forth in Article VII of the Development Agreement including, but not limited to, Section 7.03. The issuance of PID Bonds shall be at the sole, legislative discretion of City and is subject to the provisions of the Development Agreement and this Agreement. With regard to City's issuance of PID Bonds, in the event of any irreconcilable conflict between this Agreement and the Development Agreement, the Development Agreement shall control. In addition to the satisfaction of the conditions contained in the Development Agreement, the issuance of PID Bonds is further subject to the following conditions:

- (1) Recommendation of City's financial advisor, that sale of the PID Bonds to finance all or a portion of the PID Project Costs is feasible and prudent;

(2) Receipt of a bona fide bid for the PID Bonds through either competitive or negotiated sale;

(3) City shall not be obligated to issue PID Bonds in increments of less than \$1,000,000 unless such PID Bond issue is the last PID Bond issue anticipated to be issued by City; and

(4) The issuance of the PID Bonds and reimbursement to Owner are subject to the requirements of the PID Act.

2.04. Disbursements and Transfers at and after Bond Closing. The Parties agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to City, City will cause the Trustee under the applicable Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to City or Owner, as applicable, which costs may include payment for costs of issuance and payment of costs incurred in the establishment, administration and operation of the PID and any other eligible items expended by Owner and City as of the time of the delivery of the PID Bonds as described in the applicable Indenture and the SAP. In order to receive disbursement, Owner shall execute a Closing Disbursement Request, in substantially the form attached hereto as Exhibit C, to be delivered to City no less than fifteen (15) business days prior to the scheduled pricing date for the applicable series of PID Bonds for payment in accordance with the provisions of the applicable Indenture. In order to receive additional disbursements from the applicable fund under this Agreement or an Indenture, as applicable, Owner shall execute a Certificate for Payment, no more frequently than monthly, to be delivered to City for payment in accordance with the provisions of the applicable Indenture and this Agreement. Upon receipt of a Certificate for Payment (along with all accompanying documentation required by City) from Owner, City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable plans therefore and with the terms of this Agreement and any other agreement between the Parties related to property in the PID, and to verify and approve the PID Project Costs of such work specified in such Certificate for Payment. City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. Owner agrees to cooperate with City in conducting each such review and to provide City with such additional information and documentation as is reasonably necessary for City to conclude each such review. Not later than fifteen (15) business days following receipt of any Certificate for Payment, City shall either: (1) approve the Certificate for Payment and forward it to the Trustee for payment, or (2) provide Owner with written notification of disapproval of all or part of a Certificate for Payment, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 2.02 hereof. City shall deliver the approved or partially approved Certificate for Payment to the Trustee for payment, and the Trustee shall make the disbursements as quickly as practicable thereafter. Upon receipt of a reviewed and approved Certificate for Payment, the Trustee shall make payment from the account designated in the Certificate for Payment pursuant to the terms of the Certificate for Payment and the applicable Indenture in an amount not to exceed the PID Project Cost for the particular Authorized Improvement (or its completed segment), unless a Cost Overrun amount has been approved for a particular Authorized Improvement. If a Cost Overrun amount has been approved, then the amount

reimbursed shall not exceed the PID Project Cost plus the approved Cost Overrun amount. Approved Certificates for Payment that await reimbursement shall not accrue interest from the date of City approval.

2.05. Obligations Limited. The obligations of City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of City or a debt or other obligation of City payable from any source other than the PID Reimbursement Fund or the PID Project Fund. Unless approved by City, no other City funds, revenues, taxes or income of any kind shall be used to pay: (1) the PID Project Costs; (2) the Reimbursement Agreement Balance, even if the Reimbursement Agreement Balance is not paid in full on or before the Maturity Date; or (3) debt service on any PID Bonds. None of City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to Owner or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement. Nothing in this Section 2.05 shall be construed as relieving City of its agreement to pay for City's share of costs for Public Infrastructure that are PID Projects as provided in Section 2.02 of the Development Agreement.

2.06. Obligation to Pay. Subject to the provisions of Sections 2.04 and 2.05 hereof, and as determined solely by City, if Owner (1) is current on the payment of all taxes, assessments and fees owed to City, (2) is in then-current compliance with its obligations under: (a) this Agreement, and (b) all Owner continuing disclosure agreements (if PID Bonds are issued and remain outstanding), and (3) has received no notice of any material default under the Development Agreement; then, following the inspection and approval of any portion of PID Projects for which Owner seeks reimbursement of PID Project Costs by submission of a Certificate for Payment or Closing Disbursement Request, the obligations of City under this Agreement to pay disbursements (whether to Owner or to any person designated by Owner) identified in any Certificate for Payment or Closing Disbursement Request and to pay debt service on PID Bonds are unconditional and not subject to any defenses or rights of offset except as may be provided in any Indenture.

ARTICLE III. Acquisition of PID Projects

3.01. Ownership and Transfer of PID Projects. Owner shall furnish to City a preliminary title report for land related to the PID Projects to be acquired and accepted by City from Owner and not previously dedicated or otherwise conveyed to City. The report shall be made available for City review and approval not less than fifteen (15) business days prior to the scheduled transfer of title. City shall approve the preliminary title report unless it reveals a matter that, in the reasonable judgment of City, could materially affect City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. If City objects to any preliminary title report, City shall not be obligated to accept title to the applicable PID Project until Owner has cured the objections to the reasonable satisfaction of City.

3.02. PID Projects Constructed on City Land or Owner Land.

(a) If any PID Projects are to be constructed on land owned by City, City hereby grants to Owner, where applicable, a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the PID Project. The provisions for inspection and acceptance of such PID Projects otherwise provided herein shall apply.

(b) If the PID Projects are on land owned by Owner, Owner hereby grants to City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the PID Projects.

(c) The provisions for design, construction, inspection and acceptance of such PID Projects otherwise provided herein and in the Development Agreement shall apply, including, but not limited to, the provisions of Article IV of the Development Agreement.

3.03. Correction of Defects. Conveyance of the PID Projects to City shall not relieve Owner of liability for the correction of any existing engineering or construction defects then existing in the PID Projects or for satisfaction of any unpaid claim for materials or labor. City shall be under no obligation to contest or challenge any claim for labor or materials; provided, however, that in the event Owner fails to promptly correct any such defect or satisfy any such claim, City may elect to do so and, in such event, shall have full rights of subrogation. Subject to any applicable statutes of limitation, Owner shall pay City for City's costs in correcting any defect or satisfying any claim for defects including, but not limited to, construction costs, engineering fees, attorneys' fees, building or construction permits, filing fees or court costs. Owner shall not be liable for maintenance and repair of the PID Projects after conveyance of the PID Projects to the City except for the application of any maintenance bond.

3.04. Survival or Representations. All representations, warranties and agreements of the Parties hereunder shall survive the conveyance of the PID Projects to City.

ARTICLE IV. Representations

4.01. Representations by Owner. Owner hereby represents to City that:

- (a) the execution and delivery of this Agreement and the transactions contemplated hereby have been duly authorized by Owner;
- (b) this Agreement, the representations and covenants contained herein, and the consummation of the transactions contemplated hereby shall not violate or constitute a breach of any contract or other agreement to which Owner is a party; and
- (c) Owner has made financial arrangements sufficient to assure its ability to perform its obligations hereunder.

4.02. Representations by City. City hereby represents and covenants to Owner that it shall use good faith efforts to:

- (a) levy and collect the PID Assessments for payment of PID Project Costs or for reimbursement to Owner for PID Project Costs;
- (b) issue PID Bonds, subject to general market acceptance of the PID Bonds, pursuant to the PID Act, this Agreement, the Development Agreement, and other applicable law;
- (c) obtain the Attorney General's approval of the Bonds; and
- (d) obtain registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

ARTICLE V. Remedies

5.01. Default by Owner.

(a) In the event of default by Owner hereunder, City shall deliver to Owner written notice of such default and Owner shall have thirty (30) days to cure the default following receipt of the notice, unless such default cannot be cured or remedied within thirty (30) days, in which case the cure period shall be extended for a reasonable time not to exceed an additional sixty (60) days (or as otherwise agreed in writing by City), so long as Owner has commenced action to cure within the initial thirty (30) days following receipt of such notice default. In the event Owner fails to cure the default in accordance with such default notice, City shall have the right to:

- i. terminate this Agreement without thereby incurring any liability to Owner, except that City must reimburse Owner for the PID Projects previously constructed or under construction by or on behalf of Owner and acquired or to be acquired by City, provided that for PID Projects under construction the Owner shall be reimbursed for only the PID Project Costs incurred by Owner prior to and on the date of termination;
- ii. pursue all other legal or equitable remedies; and
- iii. recover from Owner all expenses incurred in pursuing its legal rights hereunder, including reasonable attorneys' fees.

(b) An event of default by Owner does not release City from the obligation to reimburse Owner for PID Project Costs advanced or incurred by Owner on behalf of City prior to the date of default by Owner.

5.02. Default by City. In the event of default by City hereunder, Owner shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring City and its officers to observe and perform the covenants, obligations and conditions hereof to the extent allowed by law.

5.03. Future Performance. The failure of either Party to insist, in any one or more instances, upon performance of any of the terms, covenants, and conditions of this Agreement, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition by the other Party, but the obligation of such other Party with respect to such future performance shall continue in full force and effect.

ARTICLE VI. Miscellaneous

6.01. Recitals. The recitals contained in this Agreement: (a) contain legislative findings by the City Council; (b) are true and correct as of the Effective Date; (c) contribute to the basis upon which the Parties negotiated and entered into this Agreement; and (d) reflect the final intent of the Parties as stated therein. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

6.02. Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a “Notice”) shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 5th business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested, with a confirming copy sent by e-mail; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed by delivery in person or by regular mail. Notices given pursuant to this section shall be addressed as follows:

To the City: City of Sachse
 Attn: Mayor
 3815 Sachse Road, Building B
 Sachse, Texas 75048
 e-mail: mfelix@cityofsachse.com

 City of Sachse
 Attn: City Manager
 3815 Sachse Road, Building B
 Sachse, Texas 75048
 e-mail: gnash@cityofsachse.com

With a copy to: Joseph J. Gorfida, Jr.
Nichols, Jackson, Dillard, Hager & Smith, LLP
500 N. Akard St., Suite 1800
Dallas, Texas 75201
e-mail: jgorfida@njdhs.com

To the Owner: PMB Station Developer LLC
Attn: Taylor Baird
4001 Maple Ave, Suite 600
Dallas, Texas 75219
e-mail: taylor@pmbinv.com

PMB Station Developer LLC
Attn: Matt Mildren
4001 Maple Ave, Suite 600
Dallas, Texas 75219
e-mail: matt@pmbinv.com

With a copy to: Ross Martin
Winstead PC
2728 N. Harwood St., Suite 500
Dallas, Texas 75201
e-mail: rmartin@winstead.com

6.03. Assignability. Except as otherwise provided herein, this Agreement may be assigned by Owner only upon written consent of City, which shall not be unreasonably withheld. Notwithstanding the foregoing, and upon written notice to City, Owner may (a) assign this Agreement in whole or in part to any related entity or affiliate of Owner, or (b) grant security interests pursuant to a collateral assignment to any bank or lending institution in Owner's rights hereunder and to all sums to be paid to Owner by City pursuant to this Agreement; provided that, the right of any assignee or grantee to receive payments or any other funds described in this Agreement (i) shall be subordinate to deposits required to provide for the security for and payment of PID Bonds and any administrative costs of funds created under an Indenture related to PID Bonds, (ii) shall not include revenues from the portion of Assessments levied to pay Annual Collection Costs and Additional Interest and (iii) shall be subject to the flow of funds provisions of the applicable Indenture. No assignment, whether with or without City's prior consent, shall increase the liability of, or impose additional liabilities upon, City beyond what is specifically provided for herein or increase the duties or expenses of, or impose additional duties or expenses upon, City beyond what is specifically provided for herein.

6.04. Captions. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement or used as interpreting the meanings and provisions hereof.

6.05. Applicable Law; Venue. This Agreement is entered into under and pursuant to, and shall be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Dallas County, Texas. Venue and exclusive jurisdiction for any action to enforce or construe this Agreement shall be a state court of competent jurisdiction in Dallas County, Texas.

6.06. Parties at Interest. This Agreement shall be for the sole and exclusive benefit of the Parties and shall never be construed to confer any benefit on any third party. This Agreement shall be binding upon each party, its successors and assigns.

6.07. Term. Except as otherwise provided herein, this Agreement shall be in force and effect from the Effective Date and shall continue until the earlier to occur of the Maturity Date or the date on which the Reimbursement Agreement Balance is paid in full.

6.08. Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three (3) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance shall give notice to the other Party, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. Any suspension of obligation(s) because of any force majeure shall terminate automatically sixty (60) days following the provision of the notice described by this section, unless otherwise separately agreed by the Parties or unless the Party whose obligation was suspended by the force majeure is prohibited by law to perform such obligation, in which case said Party shall perform such obligation(s) as soon as reasonably practical after the legal impediment to such performance has ended. The term “force majeure”, as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the Government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics and pandemics causing a disaster declaration by the State of Texas; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery; pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other incapacities of the Party, whether similar to those enumerated or otherwise, which are not within the control of the Party, which the Party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such Party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing Party when such settlement is unfavorable to it in the judgment of such Party.

6.09. Conflict. In the event of a conflict between a provision of this Agreement and a provision of the Development Agreement, the conflicting provisions shall be construed to the extent possible to give both effect. Except where otherwise expressly stated in this Agreement,

in the event such conflicting provisions cannot be reconciled to give all such provision effect, the terms of the Development Agreement shall control.

6.10 Authority and Enforceability. City represents and warrants that this Agreement has been approved by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of City has been duly authorized to do so. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, and that the individual(s) executing this Agreement on behalf of Owner have been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

6.11 Entire Agreement; Amendment; Severability. This Agreement constitutes the entire agreement between the Parties and, with the exception of the Development Agreement, supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by City, Owner, and the owner of the portion of the Property affected by the amendment. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

6.12 No Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

6.13. Audit. For a period of two (2) years after completion of the PID Projects or after the expenditure of all PID Bond proceeds, whichever is later, (i) Owner shall maintain proper books of record and account for the construction of the PID Projects and all costs related thereto, and (ii) City shall have the right, during normal business hours and upon ten (10) business days' prior written notice to Owner, to review all books and records of Owner relating to costs and expenses incurred by Owner with respect to any of the PID Projects. Such accounting books shall be maintained in accordance with customary real estate accounting principles. Owner shall have the right, during normal business hours, to review all records and accounts relating to the PID Assessments upon written request to City. City shall provide Owner an opportunity to inspect such books and records relating to the PID Assessments during City's regular business hours and on a mutually agreeable date no later than ten (10) business days after City receives such written request. City shall keep and maintain a proper and complete system of records and

accounts pertaining to the PID Assessments for so long as PID Bonds remain outstanding or any portion of the Reimbursement Agreement Balance remains unpaid.

6.14. No Waiver of Powers or Immunity. City does not waive or surrender any of its governmental powers, immunities or rights except as necessary to allow Owner to enforce its remedies under this Agreement.

6.15. Effective Date. This Agreement will become effective on the date it bears the signatures of authorized representatives of all of the Parties ("Effective Date"), regardless of whether those signatures are on the same or multiple counterparts.

6.16. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

6.17. Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

6.18. Employment of Undocumented Workers. During the term of this Agreement, Owner agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a (f), Owner shall repay the amount of any Reimbursement Payment or other funds received by Owner from City from the date of this Agreement to the date of such violation within 120 days after the date Developer is notified by City of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Owner is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of Owner or by a person with whom Owner contracts.

6.19. Boycott Israel. Owner verifies that Owner (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Owner) does not Boycott Israel and agrees that during the term of this Agreement will not Boycott Israel as that term is defined in Section 808.001, Texas Government Code, as amended.

6.20. Verification Pursuant to Chapters 2252 and 2270 of the Texas Government Code. As of the Effective Date, the Owner represents that, to the extent this Agreement constitutes a "governmental contract" within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required or permitted by or under applicable federal law, neither Owner nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Owner is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 (as enacted by Acts 2017, 85th Leg., ch. 96, Senate Bill 253) or 2252.153 of the Texas Government Code.

6.21 Form 1295 Certificate of Interested Parties. Prior to its execution of this Agreement, Owner agrees to file with City pursuant to Texas Government Code 2252.908 a signed and completed Texas Ethics Commission ("TEC") Form 1295 and a certification of filing with TEC.

6.22. Defined Terms. Unless another meaning is clearly set forth in this Agreement, the words and phrases set forth in this Agreement shall have the same meaning as given to the same words and phrases in the Development Agreement.

Signatures on Following Pages

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts, each of equal dignity, on this 20th day of July, 2020.

CITY OF SACHSE

By: Gina Nash
Gina Nash, City Manager

ATTEST:

By: Michelle Lewis Siriani
Michelle Lewis Siriani, City Secretary

APPROVED AS TO FORM:

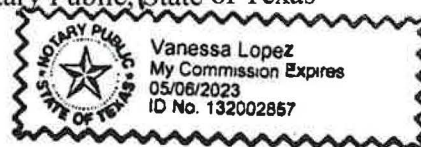
Joseph A. Stoltz
City Attorney

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 21 day of July, 2020, by Gina Nash, City Manager of the City of Sachse, a Texas home rule municipality, for and on behalf of said municipality.

Vanessa Lopez
Notary Public, State of Texas

[SEAL]



OWNER:

PMB STATION DEVELOPER LLC,
a Texas limited liability company

By: 
K. Taylor Baird, Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 10th day of July, 2020, by K. Taylor Baird, Manager of PMB Station Developer LLC, a Texas limited liability company, on behalf on behalf of said limited liability company.


Notary Public, State of Texas

[SEAL]

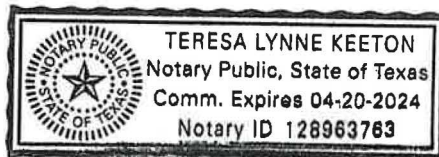


Exhibit A
Description of the Property

DESCRIPTION OF TRACT 1

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being a portion of a 78.13-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a T.X.D.O.T. aluminum monument stamped "2662" found for the southeast corner of said 78.13-acre tract also lying at the intersection of the west line of Pleasant Valley Road, a variable width right-of-way with the north line of President George Bush Turnpike, a called 350.00 feet wide right-of-way, also for the beginning of a non-tangent curve to the left;

THENCE along the south line of said 78.13 acre tract and the north line of said President George Bush turnpike with said curve to the left having a radius of 7813.20 feet, a central angle of 06 degrees 03 minutes 12 seconds, an arc length of 825.47 feet, a chord bearing of North 88 degrees 24 minutes 26 seconds West, a distance of 825.09 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the southwest corner of said 78.13 acre tract also lying on the east line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, page 6284 of the Deed Records of Dallas County, Texas;

THENCE North 01 degrees 00 minutes 01 seconds West, along the common line of said 78.13-acre tract and said City of Sachse tract, a distance of 1038.64 feet to a 1/2-inch iron rod with cap stamped "NDM" found for the southwest corner of a tract of land described by deed to the City of Sachse recorded in Volume 98121, Page 6186 of the Deed Records of Dallas County, Texas;

THENCE along the common line of said 78.13-acre tract and last mentioned City of Sachse tract the following courses and distances:

North 89 degrees 22 minutes 43 seconds East, a distance of 76.91 feet to a 1/2-inch iron rod with cap stamped "NDM" found for corner;

North 26 degrees 33 minutes 56 seconds East, a distance of 113.49 feet to a 1/2-inch iron rod with cap stamped "NDM" found for corner;

North 20 degrees 41 minutes 28 seconds East, a distance of 220.44 feet to a 1/2-inch iron rod with cap stamped "HAT" found for corner;

North 36 degrees 49 minutes 51 seconds East, a distance of 336.02 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

North 05 degrees 13 minutes 42 seconds East, a distance of 238.67 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

North 07 degrees 29 minutes 41 seconds East, a distance of 257.79 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

North 21 degrees 10 minutes 21 seconds East, a distance of 228.89 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the northwest corner of said 78.13-acre tract also lying on the southerly line of Hudson Drive a variable width right-of-way, also for the beginning of a curve to the right;

THENCE along the north line of said 78.13-acre tract and the southerly line of said Hudson Drive, with said curve to the right having a radius of 573.50 feet, a central angle of 15 degrees 36 minutes 23 seconds, an arc length of 156.21 feet, a chord bearing of South 55 degrees 44 minutes 24 seconds East, a distance of 155.73 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the beginning of a reverse curve to the left;

THENCE with said reverse curve to the left having a radius of 575.00 feet, a central angle of 18 degrees 05 minutes 20 seconds, an arc length of 181.53 feet, a chord bearing of South 56 degrees 58 minutes 52 seconds East, a distance of 180.78 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the beginning of a compound curve to the left;

THENCE with said compound curve continuing to the left having a radius of 2500.00 feet, a central angle of 20 degrees 36 minutes 16 seconds, an arc length of 899.04 feet, a chord bearing of South 76 degrees 19 minutes 40 seconds East, a distance of 894.20 feet to a PK Nail found at the end of said compound curve;

THENCE South 69 degrees 16 minutes 05 seconds East, continuing along the north line of said 78.13 acre tract and the southerly line of said Hudson Drive, a distance of 110.00 feet to a 1/2 inch iron rod found for corner;

THENCE South 89 degrees 45 minutes 48 seconds East, continuing along the north line of said 78.13-acre tract and the southerly line of said Hudson Drive, a distance of 67.22 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

THENCE North 89 degrees 28 minutes 37 seconds East, continuing along the north line of said 78.13 acre tract and the southerly line of said Hudson Drive, a distance of 173.94 feet to a 1/2 inch iron rod found for the northeast corner of said 78.13 acre tract, also lying on the west line of Merritt Road a variable width right-of-way;

THENCE South 00 degrees 14 minutes 29 seconds West along the west line of said Merritt Road, a distance of 265.43 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for an angle point in same;

THENCE South 00 degrees 17 minutes 44 seconds East, continuing along the west line of said Merritt Road, a distance of 749.92 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

THENCE South 89 degrees 49 minutes 07 seconds West, continuing along the west line of said Merritt Road, a distance of 19.40 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

THENCE South 00 degrees 58 minutes 54 seconds East, continuing along the west line of said Merritt Road, a distance of 166.49 feet to a 5/8-inch iron rod with cap stamped "TNP" set for corner;

THENCE South 87 degrees 23 minutes 36 seconds West, leaving the west line of said Merritt Road, a distance of 160.08 feet to a 1/2-inch iron rod found for the northeast corner of a tract of land described by deed to the City of Sachse recorded in Instrument Number 201700347810 of the Official Public Records of Dallas County, Texas;

THENCE South 89 degrees 05 minutes 27 seconds West, along the north line of last mentioned City of Sachse tract, a distance of 228.63 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the northwest corner of same;

THENCE South 00 degrees 15 minutes 35 seconds East, along the west line of said City of Sachse tract, a distance of 381.16 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the southwest corner of same, also lying on the north line of the aforementioned Pleasant Valley Drive;

THENCE South 89 degrees 07 minutes 35 seconds West along the north line of said Pleasant Valley Road, a distance of 562.19 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for the beginning of a curve to the left;

THENCE with said curve to the left having a radius of 236.92 feet, a central angle of 89 degrees 51 minutes 53 seconds, an arc length of 371.59 feet, a chord bearing of South 44 degrees 14 minutes 35 seconds West, a distance of 334.66 feet to a 1/2-inch iron rod found for corner;

THENCE South 00 degrees 35 minutes 07 seconds East, a distance of 88.22 feet to the POINT OF BEGINNING, containing 3,312,431 Square Feet, or 76.043 Acres of land.

DESCRIPTION OF TRACT 2

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being all of a 11.27-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a T.X.D.O.T. aluminum cap stamped "2655" found for the northeast corner of said 11.27-acre tract also lying at the intersection of the west line of Pleasant Valley Road, a variable width right-of-way with the south line of President George Bush Turnpike, a called 350.00 feet wide right-of-way;

THENCE along the common line of said 11.27-acre tract and said Pleasant Valley Road the following courses and distances:

South 00 degrees 23 minutes 36 seconds East, a distance of 255.19 feet to a 5/8-inch iron rod with cap stamped "TNP" set for the beginning of a curve to the right;

with said curve to the right having a radius of 311.06 feet, a central angle of 76 degrees 44 minutes 04 seconds, an arc length of 416.59 feet, a chord bearing of South 37 degrees 58 minutes 24 seconds West, a distance of 386.15 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for corner;

South 76 degrees 28 minutes 32 seconds West, a distance of 320.80 feet to 1/2-inch iron rod with cap stamped "HALFF" found for the beginning of a curve to the right;

with said curve to the right having a radius of 707.53 feet, a central angle of 13 degrees 35 minutes 53 seconds, an arc length of 167.92 feet, a chord bearing of South 83 degrees 01 minutes 55 seconds West, a distance of 167.53 feet 1/2-inch iron rod with cap stamped "HALFF" found for corner;

North 89 degrees 46 minutes 07 seconds West, a distance of 96.34 feet to 1/2-inch iron rod with cap stamped "JBI" found for the southwest corner of said 11.27-acre tract, also lying on the east line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas;

THENCE North 00 degrees 55 minutes 31 seconds West, along the common line of said 11.27-acre tract and said City of Sachse tract, a distance of 678.28 feet to 1/2-inch iron rod with cap stamped "WAI" found for the northwest corner of said 11.27-acre tract, also lying on the south line of the aforementioned President George Bush Turnpike, also for the beginning of a non-tangent curve to the right;

THENCE along the south line of said President George Bush Turnpike with said curve to the right having a radius of 7465.00 feet, a central angle of 06 degrees 18 minutes 35 seconds, an arc length of 822.09 feet, a chord bearing of South 88 degrees 21 minutes 02 seconds East, a distance of 821.67 feet to the POINT OF BEGINNING, containing 490,729 Square Feet, or 11.266 Acres of land.

DESCRIPTION OF TRACT 3

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being all of an 8.68-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with cap stamped "WAI" found for the northwest corner of said 8.68-acre tract also lying on the south line of President George Bush Turnpike, a called 350.00 feet wide right-of-way;

THENCE North 79 degrees 45 minutes 22 seconds East, along the south line of said President George Bush Turnpike, a distance of 218.91 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a non-tangent curve to the right;

THENCE continuing along the south line of said President George Bush Turnpike with said curve to the right having a radius of 7465.00 feet, a central angle of 02 degrees 19 minutes 19 seconds, an arc length of 302.51 feet, a chord bearing of North 80 degrees 55 minutes 01 seconds East, a distance of 302.49 feet to a 5/8 inch iron rod found for the northeast corner of said 8.68 acre tract, also lying on the westerly line of a tract of land described by deed to Batsu Enterprises recorded in Volume 91249, Page 4515 of the Deed Records of Dallas County, Texas;

THENCE along the common line of said 8.68-acre tract and said Batsu Enterprises tract the following courses and distances:

South 05 degrees 29 minutes 08 seconds East, a distance of 202.09 feet to a 1/2 inch iron rod found for corner;

North 89 degrees 33 minutes 14 seconds East, a distance of 196.48 feet to 5/8 inch iron rod with cap stamped "JBI" found for corner;

South 04 degrees 09 minutes 28 seconds East, a distance of 416.53 feet to a 5/8 inch iron rod with cap stamped "JBI" found for the southeast corner of said 8.68 acre tract and the southwest corner of said Batsu Enterprises tract, also lying on the north line of Pleasant Valley road, a variable width right-of-way;

THENCE South 89 degrees 50 minutes 57 seconds West, along the north line of said Pleasant Valley Road, a distance of 712.69 feet to a 5/8-inch iron rod with cap stamped "JBI" found for the southwest corner of said 8.68-acre tract;

THENCE North 05 degrees 17 minutes 07 seconds West, along the west line of said 8.68-acre tract, a distance of 277.26 feet to a 1/2-inch iron rod found for an angle point in same for corner;

THENCE North 04 degrees 55 minutes 13 seconds West, continuing along the west line of said 8.68-acre tract, a distance of 255.12 feet to the POINT OF BEGINNING, containing 381,007 Square Feet, or 8.747 Acres of land.

DESCRIPTION OF TRACT 4

BEING a tract of land situated in the Richard Copeland Survey, abstract No. 228, also being a portion of a 33.63-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "TNP" set for the northeast corner of a right-of-way dedication for Miles Road, a variable width right-of-way to the City of Sachse as

recorded in Instrument Number 201700128760 of the Official Public Records of Dallas County, from which a 1/2-inch iron rod with cap stamped "R.P.L.S. 4701" found for the southwest corner of a tract of land described by deed to CSL Sachse L.P., LLC., recorded in Instrument Number 201700290587 of the Official Public Records of Dallas County, Texas bears South 88 degrees 43 minutes 23 seconds west, 11.00 feet

THENCE North 88 degrees 43 minutes 23 seconds East, along the south line of said CSL Sachse tract, a distance of 836.14 feet to a 1/2-inch iron rod with cap stamped "R.P.L.S. 4701" found for the southeast corner of same, also lying on the west line of a tract of land described by deed to the City of Sachse recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas;

THENCE South 05 degrees 23 minutes 54 seconds East, along the west line of said City of Sachse tract, a distance of 111.60 feet to a 1/2-inch iron rod with cap stamped "HALFF" found for the northwest corner of a tract of land described by deed to Batsu Enterprises recorded in Volume 91249, page 4515 of the Deed Records of Dallas County, Texas

THENCE South 04 degrees 12 minutes 40 seconds East, along the west line of said Batsu tract, a distance of 59.32 feet to 5/8-inch iron rod with cap stamped "TNP" set for the northeast corner of a tract of land described by deed to Sachse Medical Center Annex 1, recorded in Instrument Number 201400065513 of the Official Public Records of Dallas County, Texas, and for the beginning of a curve to the left;

THENCE along the north line of said Sachse Medical Center Annex 1 tract the following courses and distances:

with said curve to the left having a radius of 555.00 feet, a central angle of 17 degrees 05 minutes 04 seconds, an arc length of 165.49 feet, a chord bearing of South 51 degrees 33 minutes 33 seconds West, a distance of 164.88 feet to 5/8-inch iron rod with cap stamped "TNP" set for corner;

South 43 degrees 01 minutes 02 seconds West, a distance of 87.64 feet to a to 5/8-inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

with said curve to the right having a radius of 755.00 feet, a central angle of 45 degrees 57 minutes 01 seconds, an arc length of 605.50 feet, a chord bearing of South 65 degrees 59 minutes 32 seconds West, a distance of 589.40 feet to 5/8-inch iron rod with cap stamped "TNP" set for corner;

South 88 degrees 58 minutes 01 seconds West, a distance of 100.58 feet to a to 5/8-inch iron rod with cap stamped "TNP" set for corner

North 46 degrees 16 minutes 56 seconds West, a distance of 32.97 feet to a to 5/8-inch iron rod with cap stamped "TNP" set for the northwest corner of said Sachse Medical Center Annex 1 tract, also lying on the east line of the aforementioned Miles Road;

THENCE along the east line of said Miles Road the following courses and distances:

North 01 degree 04 minutes 22 seconds West, a distance of 309.36 feet to a 5/8-inch iron rod with cap stamped "TNP" set for an angle point in same;

North 03 degrees 17 minutes 48 seconds East, a distance of 144.44 feet to a 5/8-inch iron rod with cap stamped "TNP" set for an angle point in same;

North 01 degrees 04 minutes 34 seconds West, a distance of 83.55 feet to the POINT OF BEGINNING, containing 379,379 Square Feet, or 8.709 Acres of land.

DESCRIPTION OF TRACT 5

BEING a tract of land situated in the Robert McCullough Survey, Abstract No. 928, also being a portion of a called 4.07-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "W.A.I." found for the northwest corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas, also lying on the southwest line of said 4.07-acre tract and the northeast line of a tract of land described by deed to The Trull Foundation as recorded in Volume 2001009, Page 575 of the Deed Records of Dallas County, Texas;

THENCE North 38 degrees 21 minutes 45 seconds West, along the common line of said 4.07-acre tract and said Trull Foundation tract, a distance of 326.23 feet to a 5/8 inch iron rod with cap stamped "TNP" set for most westerly corner of said 4.07-acre tract, also lying on the southeast line of Old Miles Road a variable width right-of-way;

THENCE North 36 degrees 49 minutes 36 seconds East, along the southeast line of said Old Miles Road and the northwest line of said 4.07-acre tract, a distance of 564.86 feet to a 1/2 inch iron rod with cap stamped "HALFF" found for the beginning of a curve to the left;

THENCE continuing along the southeast line of said Old Miles Road and the northwest line of said 4.07-acre tract with said curve to the left having a radius of 585.85 feet, a central angle of 03 degrees 53 minutes 34 seconds, an arc length of 39.80 feet, a chord bearing of North 34 degrees 51 minutes 58 seconds East, a distance of 39.80 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the north corner of said 4.07-acre tract, also lying on the west line of Miles Road a variable width right-of-way;

THENCE South 01 degrees 01 minutes 20 seconds East, along the west line of Miles Road, a distance of 708.15 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the northeast corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas;

THENCE leaving the west line of said Miles Road along the northerly line of said right-of-way dedication the following courses and distances:

South 43 degrees 28 minutes 06 seconds West, a distance of 39.07 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 88 degrees 28 minutes 07 seconds West, a distance of 120.98 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a curve to the left; with said curve to the left having a radius of 845.00 feet, a central angle of 01 degrees 36 minutes 24 seconds, an arc length of 23.69 feet, a chord bearing of South 87 degrees 39 minutes 54 seconds West, a distance of 23.69 feet to the POINT OF BEGINNING containing 157,785 Square Feet, or 3.622 Acres of land.

DESCRIPTION OF TRACT 6

BEING a tract of land situated in the Robert McCullough Survey, Abstract No. 928, also being a portion of a called 4.07-acre tract of land described by deed to Children's Medical Center Foundation recorded in Instrument Number 201200202382 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with cap stamped "HALFF" found for the southeast corner of said 4.07-acre tract, same being the northeast corner of a tract of land described by deed to The Trull Foundation as recorded in Volume 2001009, Page 575 of the Deed Records of Dallas County, Texas, also lying on the west line of Miles Road a variable width right-of-way;

THENCE North 38 degrees 21 minutes 45 seconds West, along the common line of said 4.07-acre tract and said Trull Foundation tract, a distance of 165.28 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the southwest corner of a right-of-way dedication to the City of Sachse as recorded in Instrument Number 201100215349 of the Official Public Records of Dallas County, Texas;

THENCE North 88 degrees 28 minutes 07 seconds East, along the south line of said right-of-way dedication, a distance of 77.52 feet to a 5/8 inch iron rod with cap stamped "TNP" set for for a corner clip of same;

THENCE South 46 degrees 31 minutes 54 seconds East, continuing along said right-of-way dedication, a distance of 37.26 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the west line of the aforementioned Miles Road;

THENCE South 01 degrees 01 minutes 20 seconds East, along the west line of said Miles Road, a distance of 2.71 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the beginning of a curve to the right;

THENCE continuing along the east line of said Miles Road with said curve to the right having a radius of 1450.00 feet, a central angle of 04 degrees 05 minutes 05 seconds, an arc length of

103.38 feet, a chord bearing of South 01 degrees 06 minutes 22 seconds West, a distance of 103.35 feet to the POINT OF BEGINNING, containing 6,655 Square Feet, or 0.153 Acre.

DESCRIPTION OF TRACT 7

BEING a tract of land situated in the SAMUEL COMPTON SURVEY, ABSTRACT NO. 368, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Donald K. McClain, recorded in Volume 73241, Page 1582, Deed Records, Dallas County, Texas (D.R.D.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner at the intersection of the northerly right-of-way line of President George Bush Turnpike (variable width right-of-way) and the east right-of-way line of Pleasant Valley Road (60' right-of-way);

THENCE North 00 deg 22 min 24 sec West, departing said northerly right-of-way line and along said east right-of-way line, a distance of 93.16 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner and the beginning of a curve to the right having a radius of 176.92 feet, a central angle of 89 deg 49 min 11 sec, a chord bearing of North 44 deg 10 min 00 sec East and a chord length of 249.81 feet;

THENCE, continuing along the easterly and southeasterly right-of-way line of said Pleasant Valley Road and along said curve to the right, an arc distance of 277.35 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner;

THENCE North 88 deg 50 min 52 sec East, along the south right-of-way line of said Pleasant Valley Road, a distance of 286.91 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner, said iron rod being the northwest corner of a portion of a tract of land as described in deed to Maurice L. McClain, recorded in Volume 73241, Page 1582, D.R.D.C.T.;

THENCE South 00 deg 36 min 18 sec East, departing the south right-of-way line of said Pleasant Valley Road and along the west line of said Maurice L. McClain tract, a distance of 332.98 feet to a point for corner, from which a TXDOT (Texas Department of Transportation) aluminum monument found bears South 73 deg 55 min 58 sec East, a distance of 1.57 feet, said point being situated in the north right-of-way line of said President George Bush Turnpike, and being the beginning of a non-tangent curve to the left having a radius of 7,815.00 feet, a central angle of 03 deg 25 min 29 sec, a chord bearing of North 83 deg 15 min 24 sec West and a chord length of 467.04 feet;

THENCE along said north right-of-way line and along said non-tangent curve to the left, an arc distance of 467.11 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 3.022 acres or 131,637 square feet of land, more or less.

DESCRIPTION OF TRACT 8

BEING a tract of land situated in the SAMUEL COMPTON SURVEY, ABSTRACT NO. 368, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Maurice L. McClain, recorded in Volume 73241, Page 1582, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner at the northeast corner of a portion of a tract of land as described in deed to Donald K. McClain, recorded in Volume 73241, Page 1582, D.R.D.C.T. and being the northwest corner of said Maurice L. McClain tract and being situated in the south right-of-way line of Pleasant Valley Road (60' right-of-way);

THENCE North 88 deg 50 min 52 sec East, departing the east line of said portion of Donald K. McClain tract and along said south right-of-way line and the north line of said portion of Maurice L. McClain tract, a distance of 347.22 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner, said iron rod being the northeast corner of said portion of Maurice L. McClain tract and the northwest corner of a portion of a tract of land as described in deed to Stan McClain, recorded in Volume 2005117, Page 8527, D.R.D.C.T.;

THENCE South 00 deg 29 min 42 sec East, departing the south right-of-way line of said Pleasant Valley Road and along the east line of said portion of Maurice L. McClain tract and the west line of said portion of Stan McClain tract, a distance of 399.57 feet to a 5/8-inch iron rod found for corner, said iron rod being situated in the north right-of-way line of President George Bush Turnpike (variable width right-of-way) and being the beginning of a non-tangent curve to the left having a radius of 7,815.00 feet, a central angle of 02 deg 34 min 56 sec, a chord bearing of North 80 deg 15 min 12 sec West and a chord length of 352.17 feet;

THENCE departing along said common line and along said north right-of-way line and said non-tangent curve to the left, an arc distance of 352.20 feet to a point for corner, from which a TXDOT (Texas Department of Transportation) aluminum monument found bears South 73 deg 55 min 58 sec East, a distance of 1.57 feet, said point being the southwest corner of said portion of Donald K. McClain tract;

THENCE North 00 deg 36 min 18 sec West, departing the north right-of-way line of said Pleasant Valley Road and along the east line of said portion of Donald K. McClain tract, a distance of 332.98 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 2.906 acres or 126,577 square feet of land, more or less.

DESCRIPTION OF TRACT 9

BEING a tract of land situated in the ZACH MOTLEY SURVEY, ABSTRACT NO. 1009, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Maurice L. McClain, recorded in Volume 172, Page 96, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner at the northeast end of a corner clip at the intersection of the west right-of-way line of Merritt Road (variable width right-of-way) and the north right-of-way line of Pleasant Valley Road (variable width right-of-way, at this point);

THENCE South 36 deg 54 min 43 sec West, along said corner clip, a distance of 45.33 feet to a 1/2-inch iron rod with plastic cap stamped "PACHECO" found for corner at the southwest end of said corner clip, said iron rod being situated in said north right-of-way line and being the beginning of a non-tangent curve to the right having a radius of 3,454.00 feet, a central angle of 02 deg 02 min 15 sec, a chord bearing of South 85 deg 36 min 08 sec West and a chord length of 122.82 feet;

THENCE along said north right-of-way line and said non-tangent curve to the right, an arc distance of 122.83 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

THENCE North 00 deg 15 min 34 sec West, departing the north right-of-way line of said Pleasant Valley Road, a distance of 364.30 feet to a 3/8-inch iron rod found for corner;

THENCE North 86 deg 49 min 47 sec East, a distance of 151.77 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner, said iron rod being situated in the west right-of-way line of said Merritt Road;

THENCE South 00 deg 02 min 08 sec West, along said west right-of-way line, a distance of 327.03 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 1.245 acres or 54,216 square feet of land, more or less.

DESCRIPTION OF TRACT 10

BEING a tract of land situated in the SAMUEL COMPTON SURVEY, ABSTRACT NO. 368, City of Sachse, Dallas County, Texas and being a portion of a tract of land as described in deed to Stan McClain, recorded in Volume 2005117, Page 8527, Deed Records, Dallas County, Texas (D.R.D.C.T.) and a portion of a tract of land as described in deed to Stan McClain and Laura McClain, recorded in Document No. 201500028951, Official Public Records, Dallas County, Texas (O.P.R.D.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with plastic cap stamped "PACHECO" found for corner at the northwest end of a corner clip at the intersection of the west right-of-way line of Merritt Road (variable width right-of-way) and the south right-of-way line of Pleasant Valley Road (variable width right-of-way, at this point);

THENCE South 47 deg 40 min 11 sec East, along said corner clip, a distance of 16.95 feet to a 1/2-inch iron rod with plastic cap stamped "PACHECO" found for corner at the southeast end of said corner clip, said iron rod being situated in said west right-of-way line;

THENCE along the west right-of-way line of said Merritt Road, the following:

South 01 deg 06 min 55 sec East, a distance of 173.31 feet to a 1/2-inch iron rod found for corner;

South 89 deg 11 min 04 sec West, a distance of 3.72 feet to a NTTA (North Texas Transit Authority) aluminum monument found for corner;

South 00 deg 48 min 56 sec East, a distance of 233.48 feet to a 5/8-inch iron rod found for corner at the northeast end of a corner clip at the intersection of the west right-of-way line of said Merritt Road and the northerly right-of-way line of President George Bush Turnpike (variable width right-of-way);

THENCE South 46 deg 54 min 01 sec West, along said corner clip, a distance of 52.06 feet to a TXDOT (Texas Department of Transportation) Brass Monument found for corner at the southwest end of said corner clip, said Brass Monument also situated in the northerly right-of-way line of said President George Bush Turnpike and being the beginning of a non-tangent curve to the left having a radius of 7,815.00 feet, a central angle of 02 deg 02 min 41 sec, a chord bearing of North 77 deg 56 min 23 sec West and a chord length of 278.90 feet;

THENCE along said northerly right-of-way line and said non-tangent curve to the left, an arc distance of 278.91 feet to a 5/8-inch iron rod found for corner;

THENCE North 00 deg 29 min 42 sec West, departing said northerly right-of-way line, a distance of 399.57 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" found for corner, said iron rod being situated in the south right-of-way line of said Pleasant Valley Road (60' right-of-way, at this point);

THENCE North 89 deg 24 min 45 sec East, along said south right-of-way line, a distance of 14.47 feet to a 1/2-inch iron rod with red plastic cap stamped "WAI" set for corner;

THENCE South 00 deg 08 min 33 sec West, continuing along said south right-of-way line, a distance of 18.81 feet to a 1/2-inch iron rod with plastic cap stamped "PACHECO" found for corner, said iron rod being the beginning of a non-tangent curve to the left having a radius of 3,545.00 feet, a central angle of 01 deg 09 min 16 sec, a chord bearing of North 88 deg 46 min 59 sec East and a chord length of 71.43 feet;

THENCE continuing along said south right-of-way line and along said non-tangent curve to the left, an arc distance of 71.43 feet to a 1/2-inch iron rod with red plastic cap stamped "W.A.I. 5714" set for corner, said iron rod being situated in the west line of a tract of land as described in deed to Earlene Jones Drain, recorded in County Clerk's File No. 201500080747, O.P.R.D.C.T.;

THENCE South 00 deg 42 min 54 sec East, departing the south right-of-way line of said Pleasant Valley Road and along the west line of said Earlene Jones Drain tract, a distance of 120.34 feet to a 5/8-inch iron pipe found for corner, said iron pipe being the southwest corner of said Earlene Jones Drain tract;

THENCE North 89 deg 18 min 06 sec East, departing the west line and along the south line of said Earlene Jones Drain tract, a distance of 144.00 feet to an axle found for corner, said axle being the southeast corner of said Earlene Jones Drain tract;

THENCE North 00 deg 42 min 54 sec West, departing the south line and along the east line of said Earlene Jones Drain tract, a distance of 126.03 feet to a 1/2-inch iron rod with red plastic cap stamped "W.A.I. 5714" set for corner, said iron rod being situated in the south right-of-way line of said Pleasant Valley Road (variable width right-of-way, at this point), and being the beginning of a non-tangent curve to the left having a radius of 3,545.00 feet, a central angle of 01 deg 07 min 05 sec, a chord bearing of North 85 deg 19 min 02 sec East and a chord length of 69.17 feet;

THENCE along said south right-of-way line and along said non-tangent curve to the left, an arc distance of 69.17 feet to the POINT OF BEGINNING.

CONTAINING within these metes and bounds 2.569 acres or 111,889 square feet of land, more or less.

DESCRIPTION OF TRACT 11

Being a 0.406 acre tract of land situated in the Zach Motley Survey, Abstract Number 1009, Dallas County, Texas, and being all of a tract of land to Earlene Jones Drain as recorded in Instrument Number 201500080747 of the Official Public Records of Dallas County, Texas and being more particularly described by metes and bounds as follows;

BEGINNING at a 1/2 inch iron rod with cap stamped "W.A.I. 5714" found lying on the south line of Pleasant Valley Road, (a variable width R.O.W.) for the northeast corner of said Drain tract;

THENCE South 00 degrees 42 minutes 54 seconds East departing the south line of said Pleasant Valley Road and along the east line of said Drain tract, a distance of 126.03 feet to an Axle found for the occupied southeast corner of said Drain tract;

THENCE South 89 degrees 18 minutes 06 seconds West along the south line of said Drain tract, a distance of 144.00 feet to a 5/8 inch iron pipe found for the occupied southwest corner of said Drain tract;

THENCE North 00 degrees 42 minutes 54 seconds West along the west line of said drain tract, a distance of 120.34 feet to a 1/2 inch iron rod with cap stamped "W.A.I. 5714" found for the northwest corner of said drain tract lying on the south line of said Pleasant Valley road and at the beginning of a curve to the left;

THENCE with said curve to the left along the south line of said Pleasant Valley Road, having a radius of 3545.00 feet, a central angle of 02 degrees 19 minutes 46 seconds, an arc length of 144.12 feet, a chord bearing of North 87 degrees 02 minutes 28 seconds East, a distance of

144.11 feet to the POINT OF BEGINNING containing 17,669 square feet, or 0.406 of an acre of land.

DESCRIPTION OF TRACT 12

BEING a tract of land situated in the Richard Copeland Survey, Abstract No. 228, City of Sachse, Dallas County, Texas and being all of a called 14.933 acres, described in a Special Warranty Deed to Sachse Medical Center, LLC, recorded in Instrument No. 201400065513 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the southeast corner of said 14.933 acre tract, said corner being in the west line of that tract of land described in a Special Warranty Deed to Batsu Enterprises, recorded in Volume 91249, Page 4515 of the Deed Records of Dallas County, Texas, and in the north right-of-way line of President George Bush Turnpike, a 350 foot wide right-of-way, said corner also being at the beginning of a non-tangent curve to the left;

THENCE, along the south line of said 14.933 acre tract and the north right-of-way line of said President George Bush Turnpike, the following courses and distances:

Southwesterly, along said non-tangent curve to the left through a central angle of 02°26'08", having a radius of 7815.00 feet, a chord bearing of South 80°58'58" West, a chord distance of 332.18 feet and an arc length of 332.20 feet to a concrete monument with brass disk found for corner at the end of said curve;

South 79°45'54" West, a distance of 343.41 feet to the most southerly southwest corner of said 14.933 acre tract, said corner being in the northeast line of a called 51.724 acre tract of land described in a Warranty Deed to The Trull Foundation, recorded in Volume 94077, Page 2599 of the Deed Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "WAI" found for witness bears North 73°54' East, 0.6 feet;

THENCE North 38°00'53" West, departing the north right-of-way line of said President George Bush Turnpike, and along the southwest line of said 14.933 acre tract and the northeast line of said 51.724 acre tract and the northeast line of Tract Two, called 0.5384 acre, as described in a General Warranty Deed to The Trull Foundation, recorded in Volume 96158, Page 6025 of the Deed Records of Dallas County, Texas, a distance of 435.20 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for the most westerly southwest corner of said 14.933 acre tract, said corner being in the east right-of-way line of Miles Road, a 100 foot wide right-of-way at this point, and also being at the beginning of a non-tangent curve to the left;

THENCE, along the west line of said 14.933 acre tract and the east right-of-way line of said Miles Road, the following courses and distances:

Northeasterly, along said non-tangent curve to the left through a central angle of $08^{\circ}21'44''$, having a radius of 1550.00 feet, a chord bearing of North $03^{\circ}08'21''$ East, a chord distance of 226.02 feet and an arc length of 226.22 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the end of said curve;

North $01^{\circ}02'31''$ West, a distance of 142.90 feet to the northwest corner of said 14.933 acre tract, common to the southwest corner of a called 8.709 acres, as described in a Special Warranty Deed, recorded in Instrument No. 201800267365 of the Official Public Records of Dallas County, Texas, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $41^{\circ}40'$ East, 0.3 feet;

THENCE departing the east right-of-way line of said Miles Road, along the common line of said 14.933 acre tract and said 8.709 acre tract, the following courses and distances:

South $46^{\circ}17'27''$ East, a distance of 32.97 feet to a 5/8 inch iron rod with red plastic stamped "TNP" found for corner;

North $88^{\circ}57'30''$ East, a distance of 100.58 feet to the beginning of a tangent curve to the left, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $45^{\circ}49'$ East, 0.2 feet;

Northeasterly, along said tangent curve to the left through a central angle of $45^{\circ}57'00''$, having a radius of 755.00 feet, a chord bearing of North $65^{\circ}59'01''$ East, a chord distance of 589.40 feet and an arc length of 605.49 feet to the end of said curve, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $69^{\circ}15'$ East, 0.3 feet;

North $43^{\circ}00'31''$ East, a distance of 87.64 feet to a 5/8 inch iron rod with red plastic cap stamped "KHA" set for corner at the beginning of a tangent curve to the right, from which, a 5/8 inch iron rod with plastic cap stamped "TNP" found for witness bears North $68^{\circ}18'$ East, 0.3 feet;

Northeasterly, along said tangent curve to the right through a central angle of $16^{\circ}00'32''$, having a radius of 555.00 feet, a chord bearing of North $51^{\circ}00'47''$ East, a chord distance of 154.57 feet and an arc length of 155.07 feet to a 5/8 inch iron rod with red plastic stamped "KHA" set for the northeast corner of said 14.933 acre tract at the end of said curve, said point being in the west line of aforesaid Batsu Enterprises tract, from which a 1/2 inch iron rod found for the most northerly northwest corner of said Batsu Enterprises tract and the most westerly southwest corner of a called 26.04 acre tract of land described in a Special Warranty Deed to the City of Sachse, recorded in Volume 94150, Page 6284 of the Deed Records of Dallas County, Texas, bears North $05^{\circ}00'48''$ West a distance of 63.83 feet;

THENCE, along the east line of said 14.933 acre tract and the west line of said Batsu Enterprises tract, the following courses and distances:

South 05°00'48" East, a distance of 550.69 feet to a point for corner, from which, a 1/2 inch iron rod found for witness bears South 58°28' East, 0.5 feet;

South 04°26'52" East, a distance of 431.33 feet to the POINT OF BEGINNING and containing 14.933 acres (650,474 square feet) of land, more or less.

Exhibit B

Form of Certificate for Payment

The undersigned is an agent for _____ (“Owner”) and requests payment from [the applicable account of the PID Project Fund]/[the PID Reimbursement Fund] from the City of Sachse, Texas (“City”) in the amount of _____ (\$_____) for labor, materials, fees and/or other general costs related to the creation, acquisition or construction of certain PID Projects providing a special benefit to property within the Sachse Public Improvement District No. 1 (the “District”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Reimbursement Agreement between Owner and City (the “Reimbursement Agreement”).

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

1. The undersigned is a duly authorized officer of Owner, is qualified to execute this Certificate for Payment on behalf of Owner and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced PID Projects has not been the subject of any prior payment request submitted for the same work to City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the PID Projects below is a true and accurate representation of the Costs associated with the acquisition, installation or construction of said PID Projects, and such costs are in compliance with the Reimbursement Agreement and consistent with the SAP.
4. Owner is in compliance with the terms and provisions of the Reimbursement Agreement, the Indenture, Owner Continuing Disclosure Agreement, Development Agreement (as defined in the Reimbursement Agreement) and the SAP.
5. Owner is current on all ad valorem property taxes and PID assessments on property owned by Owner within the PID.
6. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.
7. The work with respect to the PID Projects referenced below (or its completed segment) has been completed, and City has inspected such PID Projects (or its completed segment).
8. Owner agrees to cooperate with City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for City to complete said review.

9. Owner confirms that [based on the statements provided by the Trustee as of the date of this Certificate for Payment and based on the percentage of the PID Projects as of the date of this Certificate for Payment as verified by City against the estimated costs from the SAP,] payment of the amounts requested in this Certificate for Payment, taking into account [all prior payments for the PID Projects and] the amount of work related to the PID Projects remaining to be completed as of the date of this Certificate for Payment will not cause the amounts on deposit in the [PID Project Fund]/[PID Reimbursement Fund] to fall below the amount necessary to complete the remaining PID Projects.

Payments requested hereunder shall be made as directed below:

Attached hereto are receipts, purchase orders, change orders, and similar instruments that support and validate the above requested payments. Also attached hereto are “bills paid” affidavits and supporting documentation in the standard form for City construction projects.

[Information regarding Payee, amount and deposit instructions attached]

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

By: _____
Name: _____
Title: _____

APPROVAL OF REQUEST BY CITY

City is in receipt of and acknowledges the attached Certificate for Payment, acknowledges that the PID Projects (or its completed segment) covered by said certificate have been inspected by City and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, City approves the Certificate for Payment and shall include said payments in the City Certificate submitted to the trustee directing payments to be made from the [PID Project Fund]/[PID Reimbursement Fund] to Owner or to any person designated by Owner.

CITY OF SACHSE, TEXAS

By: _____

Name: _____

Title: _____

Date: _____, 202_

Exhibit C

Form of Closing Disbursement Request

The undersigned is an agent for _____ (“Owner”) and requests payment to Owner (or to the person designated by Owner) from the applicable account of the PID Project Fund from _____ (the “Trustee”) in the amount of _____ (\$_____) to be transferred from the applicable account of the Project Fund upon the delivery of the PID Bonds for costs incurred in the issuance of bonds, establishment, administration, and operation of the Sachse Public Improvement District No. 1 (the “District”) or payment of any costs attributable to the PID by Owner, as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between City and the Trustee dated as of _____, 20__ (the “Indenture”) relating to the “[INSERT NAME OF BONDS]” (the “PID Bonds”).

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

1. The undersigned is a duly authorized officer of Owner, is qualified to execute this Closing Disbursement Request on behalf of Owner and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced costs of issuance, establishment, administration, and operation of the District or payment of any costs attributable to the PID by Owner at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with the SAP.
4. Owner is in compliance with the terms and provisions of the Reimbursement Agreement, the Indenture, Owner Continuing Disclosure Agreement, the SAP, and the Development Agreement (as defined in the Reimbursement Agreement).
5. Owner is current on all ad valorem property taxes and PID assessments on property owned by Owner within the PID.
6. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.

7. Owner agrees to cooperate with City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for City to complete said review.

Payments requested hereunder shall be made as directed below:

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

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

By: _____

Name: _____

Title: _____

APPROVAL OF REQUEST BY CITY

City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, City approves the Closing Disbursement Request and shall include said payments in City Certificate submitted to the Trustee directing payments to be made from the applicable account under the Indenture upon delivery of the PID Bonds.

CITY OF SACHSE, TEXAS

By: _____

Name: _____

Title: _____

Date: _____, 202__

Exhibit B
CITY OF SACHSE, TEXAS
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of the City of Sachse, Texas (the “City”) at 6:30 p.m. on October 17, 2022, at Sachse City Hall, Council Chambers, 3815 Sachse Road, Building B, Sachse, Texas 75048. The public hearing will be held to consider proposed assessments to be levied against certain assessable property within Improvement Areas #2-5 (“Improvement Areas #2-5”) of the Sachse Public Improvement District No. 1 (the “District”) pursuant to the provisions of Chapter 372 of the Texas Local Government, as amended (the “PID Act”).

The general nature of the proposed public improvements may include: (i) street, roadway, and sidewalk improvements, including related drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking, and right-of-way; (ii) water, wastewater and drainage improvements, and facilities; (iii) parks, trails, and recreational facilities improvements; (iv) projects similar to those listed above authorized by the PID Act, including similar off-site projects that provide a benefit to the Property (defined below); (v) acquisition of real property, interests in real property, or contract rights in connection with each Authorized Improvement; (vi) payment of costs, including, without limitation, design, engineering, permitting, legal, required payment, performance and maintenance bonds, bidding, support, construction, construction management, administrative, and inspection costs, associated with developing and financing the public improvements listed in (i) through (v) above [(i) through (vi), collectively, the “Public Projects”]; (vii) payment of costs associated with operating and maintaining the public improvements listed in (i) through (v) above; and (viii) payment of costs of establishing, administering, and operating the District, as well as the interest, costs of issuance, reserve funds, or credit enhancement of bonds issued for the purposes described in (i) through (vii) above [(vii) and (viii) above, collectively, the “District Expenses” and, together with the Public Projects, the “Authorized Improvements”] and secured by assessments levied against the property in the District that benefit from such Authorized Improvements (the “Property”). The Authorized Improvements shall promote the interests of the city and confer a special benefit upon the Property. The total cost of the Public Projects is approximately \$30,397,854, plus the District Expenses.

The boundaries of the District include approximately 170.686 acres of land generally located south of Hudson Drive, north of the PGBT between Merritt Road and Miles Road and including parcels west of Miles Road and south of the PGBT. Improvement Areas #2-5 include approximately 64.957 acres of land generally located in the same area, but with no parcels south of the PGBT. Metes and bounds descriptions of the boundaries of the District and of Improvement Areas #2-5 are available for public inspection at the City Secretary’s office, located in City Hall at 3815 Sachse Road, Building B, Sachse, Texas 75048.

All written or oral objections on the proposed assessments within Improvement Areas #2-5 will be considered at the public hearing.

Copies of the Proposed Assessment Rolls relating to the Authorized Improvements to be undertaken at this time, which includes the assessments to be levied against certain assessable parcels in Improvement Areas #2-5, are available for public inspection at the City Secretary’s office, located in City Hall at 3815 Sachse Road, Building B, Sachse, Texas 75048.

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

**CITY OF SACHSE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS,
SERIES 2022 (SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1 PROJECT)**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____

AS BOND COUNSEL for the City of Sachse, Texas (the “City”), we have examined into the legality and validity of the issue of the bonds described above (the “Bonds”), which bear interest from the date specified in the text of the Bonds, until maturity or prior redemption, at the rates and payable on the dates as stated in the text of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the “Bond Ordinance”) and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the City and other pertinent instruments furnished by the City relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the City upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors’ rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the City which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Amended and Restated Indenture of Trust between the City and Wilmington Trust, National Association, dated as of October 15, 2022 (the “Trust Indenture”), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the City, (iii) the Bonds constitute valid and legally binding special obligations of the City secured as Bonds under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE CITY has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some



(but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION that, except as discussed below, the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not “specified private activity bonds” and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or if the City fails to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation’s adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the “Service”); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced,



in accordance with its current published procedures the Service is likely to treat the City as the taxpayer. We observe that the City has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the City, and, in that capacity, we have been engaged by the City for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the City, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the City's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

**CITY OF SACHSE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS,
SERIES 2022 (SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-5 PROJECT)**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____

AS BOND COUNSEL for the City of Sachse, Texas (the “City”), we have examined into the legality and validity of the issue of the bonds described above (the “Bonds”), which bear interest from the date specified in the text of the Bonds, until maturity or prior redemption, at the rates and payable on the dates as stated in the text of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the “Bond Ordinance”) and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the City and other pertinent instruments furnished by the City relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the City upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors’ rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the City which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust between the City and Wilmington Trust, National Association, dated as of October 15, 2022 (the “Trust Indenture”), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the City, (iii) the Bonds constitute valid and legally binding special obligations of the City secured as Bonds under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE CITY has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some



(but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION that, except as discussed below, the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not “specified private activity bonds” and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or if the City fails to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation’s adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the “Service”); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced,



in accordance with its current published procedures the Service is likely to treat the City as the taxpayer. We observe that the City has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the City, and, in that capacity, we have been engaged by the City for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the City, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the City's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

**CITY OF SACHSE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of October 15, 2022 (this “Disclosure Agreement”) is executed and delivered by and among the City of Sachse, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Area #1 Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Amended and Restated Indenture of Trust dated as of October 15, 2022, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or independent firm designated by the Issuer who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the initial Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee or any national holiday observed by the Trustee.

“Developer” shall mean, PMB Station Developer LLC, a Texas limited liability company, including its respective affiliates, successors and assigns.

“Disclosure Representative” shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Sachse Public Improvement District No. 1.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Filing Date” shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer’s Fiscal Year, which Filing Date is currently March 31.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the twelve-month period from October 1 through September 30.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in

part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Area #1 in accordance with the Act.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Prepayment” shall mean the payment of all or a portion of an Assessment before the due date of the final installment thereof.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean Wilmington Trust, National Association, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2022, the Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer.

If by the fifth (5th) day before the Filing Date, the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Filing Date, state the date by which the Annual Issuer Report for such year will be provided and

instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than the Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Filing Date, the following:

(a) The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) for the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and the principal amount remaining Outstanding and the interest amount remaining Outstanding;

(B) the amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) the assets and liabilities of the Trust Estate.

(ii) The principal and interest paid on the Bonds during such Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(iii) Any changes to the land use designation for the property in Improvement Area #1 from the purposes identified in the Service and Assessment Plan.

(iv) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a “SAP Update”), including any changes to the methodology for levying the Assessments in Improvement Area #1.

(v) The aggregate taxable assessed valuation for parcels or lots within Improvement Area #1 based on the most recent certified tax roll available to the Issuer.

(vi) With respect to single-family residential lots, until certificates of occupancy have been issued (or, if certificates of occupancy are not issued upon completion of construction of single-family dwellings, approval of the final inspection has been granted) for lots representing, in the aggregate, ninety-five percent (95%) of the total single-family residential lots within Improvement Area #1, the Annual Issuer Report (in the SAP Update or otherwise) shall include the following:

(A) the number of new homes completed in Improvement Area #1 during such Fiscal Year; and

(B) the aggregate number of new homes completed within Improvement Area #1 since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2022.

(vii) With respect to commercial, office, retail and multifamily residential parcels, until such time as development thereof is complete, the following information:

(A) issuance of building permit(s);

(B) issuance of certificate(s) of occupancy; and

(C) for parcels where a certificate of occupancy was issued, the total covered square footage for such commercial, office, retail and/or multifamily residential units on an annual and cumulative basis, if available.

(viii) Listing of any landowners in Improvement Area #1, as determined by the most recent certified tax roll available to the Issuer, representing more than five percent (5%) of the levy of Assessments, the amount of the levy of Assessments against such landowners, and the percentage of such Assessments relative to the entire levy of Assessments within Improvement Area #1, as shown on the Assessment Roll attached to the SAP Update for such Fiscal Year.

(ix) Collection and delinquency history of the Assessments within Improvement Area #1 for the past five (5) Fiscal Years, in the following format:

Collection and Delinquent History of Assessments

Collected in Fiscal Year <u>Ending 9/30</u>	Assessment <u>Billed</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 3/1</u>	Delinquent Percentage <u>as of 3/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Total Assessments <u>Collected⁽¹⁾</u>
202__	\$			—	—		\$

⁽¹⁾ Collected as of _____, 20___. Includes \$_____ attributable to Prepayments.

(x) For each calendar year, if the total amount of Annual Installments that are delinquent as of September 1 in such calendar year is equal to or greater than ten percent (10%) of the total amount of Annual Installments due in such calendar year, a list of parcel numbers for which the Annual Installments are delinquent.

(xi) The amount of delinquent Assessments by Fiscal Year:

(A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);

(B) for which foreclosure proceedings have been instituted but have not been concluded;

(C) which have been reduced to judgment but not collected;

(D) which have been reduced to judgment and collected; and

(E) the result of any foreclosure sales of assessed property within Improvement Area #1 if the assessed property sold at a foreclosure sale represents more than five percent (5%) of the total amount of Assessments.

(xii) Total amount of Prepayments collected, as of March 1 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).

(xiii) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(xiv) With respect to the aggregate value of the Indenture:

(A) the total aggregate amount paid to the Trustee under the Indenture, as of the earlier of (1) six (6) months after the end of such Bond Year or (2) the dated date of the applicable Annual Issuer Report; and

(B) the dollar limitation set forth in Section 2274.002(a)(2), Texas Government Code, as amended.

(b) The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited financial statements of the Issuer are not available by the Filing Date, the Issuer shall provide unaudited financial statements of the Issuer no later than the Filing Date and audited financial statements when and if available.

See Exhibit B hereto for a form for submitting the information set forth in Section 4(a) above. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases,

the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The sale by the Developer of real property within Improvement Area #1 will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the issuance of additional bonds, if any, under the Indenture or the incurrence of Other Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 5 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the

Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Administrator and Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent. If the Issuer discharges the Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any

amendment so requested by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall

not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. The Dissemination Agent and Administrator hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and Administrator, if any, do not boycott Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the Administrator represent that neither the Dissemination Agent, the Administrator nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State law and excludes the Dissemination Agent, the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

SECTION 20. No Discrimination Against Fossil-Fuel Companies. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is

required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent and the Administrator hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

SECTION 21. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent and the Administrator hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination and Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Disclosure Agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification,

(a) “discriminate against a firearm entity or firearm trade association” (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association,

(b) “firearm entity” means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or

without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and

(c) “firearm trade association” means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

SECTION 22. Affiliate. As used in Sections 18 through 21, the Dissemination Agent and Administrator understand “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

SECTION 23. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 24. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 25. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow]

CITY OF SACHSE, TEXAS
(as Issuer)

By: _____
Mayor

HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.
(as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
ANNUAL ISSUER REPORT**

Name of Issuer: City of Sachse, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Sachse Public Improvement District No. 1 Improvement Area #1
Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP NOs.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Sachse, Texas, has not provided [an Annual Issuer Report][annual [audited][unaudited] financial statements] for fiscal year end _____ with respect to the Bonds as required by the Continuing Disclosure Agreement of the Issuer dated as of October 15, 2022, by and among the Issuer, P3Works, LLC, as the “Administrator,” and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][annual [audited][unaudited] financial statements] will be filed by _____.

Dated: _____

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.,
on behalf of the City of Sachse, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Sachse, Texas

EXHIBIT B

CITY OF SACHSE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1 PROJECT)

ANNUAL ISSUER REPORT¹

Delivery Date: _____, 20__

CUSIP NOS: [insert CUSIP NOs.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____, Texas ____]
Telephone: (____) ____-____
Contact Person: Attn: _____

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

ASSETS

Bonds (Principal Balance) _____

¹ Excluding audited financial statements of the Issuer.

Funds and Accounts [list] _____

TOTAL ASSETS _____

LIABILITIES

Outstanding Bond Principal _____

Outstanding Program Expenses (if any) _____

TOTAL LIABILITIES _____

EQUITY

Assets Less Liabilities _____

Value to Debt Ratio _____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

ITEMS REQUIRED BY SECTIONS 4(a)(ii) – (viii)

[Insert a line item]

SECTION 4(a)(ix) COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN IMPROVEMENT AREA #1 FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:

Collection and Delinquent History of Assessments

Collected in Fiscal Year <u>Ending 9/30</u>	Assessment <u>Billed</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 3/1</u>	Delinquent Percentage <u>as of 3/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Total Assessments <u>Collected⁽¹⁾</u>
202__	\$			—	—		\$

⁽¹⁾ Collected as of _____, 20___. Includes \$_____ attributable to Prepayments.

ITEMS REQUIRED BY SECTIONS 4(a)(x) – (xiv) OF THE CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO THE CITY OF SACHSE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1 PROJECT)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies
		Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing.
		Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
		At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure, in

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the Dallas County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

accordance with the Dallas County Tax/Assessor Collector's procedures².

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Dallas County/Tax Assessor Collector procedures².

March 15

43/44

Trustee pays bond interest payments to Owners.

Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.

Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.

July 1

152/153

Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the Dallas County/Tax Assessor Collector procedures².

Preliminary Foreclosure activity commences, in accordance with the Dallas County/Tax Assessor Collector procedures², and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

² If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court, in accordance with the Dallas County/Tax Assessor Collector procedures³.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the City Manager or the Finance Director to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

³ If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

**CITY OF SACHSE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-5 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of October 15, 2022 (this “Disclosure Agreement”) is executed and delivered by and among the City of Sachse, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of October 15, 2022, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or independent firm designated by the Issuer who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the initial Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee or any national holiday observed by the Trustee.

“Developer” shall mean, PMB Station Developer LLC, a Texas limited liability company, including its respective affiliates, successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of October 15, 2022 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Sachse Public Improvement District No. 1.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Filing Date” shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer’s Fiscal Year, which Filing Date is currently March 31.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the twelve-month period from October 1 through September 30.

“Improvement Areas #2-5” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Areas #2-5 in accordance with the Act.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Prepayment” shall mean the payment of all or a portion of an Assessment before the due date of the final installment thereof.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean Wilmington Trust, National Association, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2022, the Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer.

If by the fifth (5th) day before the Filing Date, the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Filing Date; or (ii) instruct the

Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Filing Date, state the date by which the Annual Issuer Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than the Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Filing Date, the following:

(a) The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) for the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and the principal amount remaining Outstanding and the interest amount remaining Outstanding;

(B) the amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) the assets and liabilities of the Trust Estate.

(ii) The principal and interest paid on the Bonds during such Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(iii) Any changes to the land use designation for the property in Improvement Areas #2-5 from the purposes identified in the Service and Assessment Plan.

(iv) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a “SAP Update”), including any changes to the methodology for levying the Assessments in Improvement Areas #2-5.

(v) The aggregate taxable assessed valuation for parcels or lots within Improvement Areas #2-5 based on the most recent certified tax roll available to the Issuer.

(vi) With respect to single-family residential lots, until certificates of occupancy have been issued (or, if certificates of occupancy are not issued upon completion of construction of single-family dwellings, approval of the final inspection has been granted) for lots representing, in the aggregate, ninety-five percent (95%) of the total single-family residential lots within Improvement Areas #2-5, the Annual Issuer Report (in the SAP Update or otherwise) shall include the following:

(A) the number of new homes completed in Improvement Areas #2-5 during such Fiscal Year; and

(B) the aggregate number of new homes completed within Improvement Areas #2-5 since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2022.

(vii) With respect to commercial, office, retail and multifamily residential parcels, until such time as development thereof is complete, the following information:

(A) issuance of building permit(s);

(B) issuance of certificate(s) of occupancy; and

(C) for parcels where a certificate of occupancy was issued, the total covered square footage for such commercial, office, retail and/or multifamily residential units on an annual and cumulative basis, if available.

(viii) Listing of any landowners in Improvement Areas #2-5, as determined by the most recent certified tax roll available to the Issuer, representing more than five percent (5%) of the levy of Assessments, the amount of the levy of Assessments against such landowners, and the percentage of such Assessments relative to the entire levy of Assessments within Improvement Areas #2-5, as shown on the Assessment Roll attached to the SAP Update for such Fiscal Year.

(ix) Collection and delinquency history of the Assessments within Improvement Areas #2-5 for the past five (5) Fiscal Years, in the following format:

Collection and Delinquent History of Assessments

Collected in Fiscal Year <u>Ending 9/30</u>	Assessment <u>Billed</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 3/1</u>	Delinquent Percentage <u>as of 3/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Total Assessments <u>Collected⁽¹⁾</u>
202__	\$			—	—		\$

⁽¹⁾ Collected as of _____, 20___. Includes \$_____ attributable to Prepayments.

(x) For each calendar year, if the total amount of Annual Installments that are delinquent as of September 1 in such calendar year is equal to or greater than ten percent (10%) of the total amount of Annual Installments due in such calendar year, a list of parcel numbers for which the Annual Installments are delinquent.

(xi) The amount of delinquent Assessments by Fiscal Year:

(A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);

(B) for which foreclosure proceedings have been instituted but have not been concluded;

(C) which have been reduced to judgment but not collected;

(D) which have been reduced to judgment and collected; and

(E) the result of any foreclosure sales of assessed property within Improvement Areas #2-5 if the assessed property sold at a foreclosure sale represents more than five percent (5%) of the total amount of Assessments.

(xii) Total amount of Prepayments collected, as of March 1 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).

(xiii) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(xiv) With respect to the aggregate value of the Indenture:

(A) the total aggregate amount paid to the Trustee under the Indenture, as of the earlier of (1) six (6) months after the end of such Bond Year or (2) the dated date of the applicable Annual Issuer Report; and

(B) the dollar limitation set forth in Section 2274.002(a)(2), Texas Government Code, as amended.

(b) The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited financial statements of the Issuer are not available by the Filing Date, the Issuer shall provide unaudited financial statements of the Issuer no later than the Filing Date and audited financial statements when and if available.

See Exhibit B hereto for a form for submitting the information set forth in Section 4(a) above. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases,

the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The sale by the Developer of real property within Improvement Areas #2-5 will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the issuance of additional bonds, if any, under the Indenture or the incurrence of Other Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 5 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the

Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Administrator and Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent. If the Issuer discharges the Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-

five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Areas #2-5, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Areas #2-5, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in

good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Areas #2-5, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. The Dissemination Agent and Administrator hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and Administrator, if any, do not boycott Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the Administrator represent that neither the Dissemination Agent, the Administrator nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State law and excludes the Dissemination Agent, the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from

its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

SECTION 20. No Discrimination Against Fossil-Fuel Companies. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent and the Administrator hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

SECTION 21. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent and the Administrator hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination and Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Disclosure Agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification,

(a) “discriminate against a firearm entity or firearm trade association” (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association,

(b) “firearm entity” means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and

(c) “firearm trade association” means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

SECTION 22. Affiliate. As used in Sections 18 through 21, the Dissemination Agent and Administrator understand “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

SECTION 23. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 24. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 25. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow]

CITY OF SACHSE, TEXAS
(as Issuer)

By: _____
Mayor

HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.
(as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
ANNUAL ISSUER REPORT**

Name of Issuer: City of Sachse, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022
(Sachse Public Improvement District No. 1 Improvement Areas #2-
5 Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP NOs.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Sachse, Texas, has not provided [an Annual Issuer Report][annual [audited][unaudited] financial statements] for fiscal year end _____ with respect to the Bonds as required by the Continuing Disclosure Agreement of the Issuer dated as of October 15, 2022, by and among the Issuer, P3Works, LLC, as the “Administrator,” and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][annual [audited][unaudited] financial statements] will be filed by _____.

Dated: _____

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.,
on behalf of the City of Sachse, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Sachse, Texas

EXHIBIT B

**CITY OF SACHSE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-5 PROJECT)**

ANNUAL ISSUER REPORT¹

Delivery Date: _____, 20__

CUSIP NOS: [insert CUSIP NOs.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____, Texas ____]
Telephone: (____) ____-____
Contact Person: Attn: _____

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

ASSETS

Bonds (Principal Balance) _____

¹ Excluding audited financial statements of the Issuer.

Funds and Accounts [list] _____

TOTAL ASSETS _____

LIABILITIES

Outstanding Bond Principal _____

Outstanding Program Expenses (if any) _____

TOTAL LIABILITIES _____

EQUITY

Assets Less Liabilities _____

Value to Debt Ratio _____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

ITEMS REQUIRED BY SECTIONS 4(a)(ii) – (viii)

[Insert a line item]

SECTION 4(a)(ix) COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN IMPROVEMENT AREAS #2-5 FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:

Collection and Delinquent History of Assessments

Collected in Fiscal Year <u>Ending 9/30</u>	Assessment <u>Billed</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 3/1</u>	Delinquent Percentage <u>as of 3/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Total Assessments <u>Collected⁽¹⁾</u>
202__	\$			—	—		\$

⁽¹⁾ Collected as of _____, 20___. Includes \$_____ attributable to Prepayments.

ITEMS REQUIRED BY SECTIONS 4(a)(x) – (xiv) OF THE CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO THE CITY OF SACHSE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREAS #2-5 PROJECT)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies
		Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing.
		Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
		At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure, in

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the Dallas County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

accordance with the Dallas County Tax/Assessor Collector's procedures².

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Dallas County/Tax Assessor Collector procedures².

March 15

43/44

Trustee pays bond interest payments to Owners.

Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.

Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.

July 1

152/153

Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the Dallas County/Tax Assessor Collector procedures².

Preliminary Foreclosure activity commences, in accordance with the Dallas County/Tax Assessor Collector procedures², and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

² If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court, in accordance with the Dallas County/Tax Assessor Collector procedures³.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the City Manager or the Finance Director to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

³ If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

**CITY OF SACHSE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-5 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of October 15, 2022 (this “Disclosure Agreement”) is executed and delivered by and among PMB Station Developer LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”) and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”) with respect to the “City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project)” (the “Bonds”). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of October 15, 2022, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Service Plan Update” shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Assessment Roll ” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Dissemination Agent or the Trustee or any national holiday observed by the Trustee.

“Certification Letter” shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean, PMB Station Developer LLC, a Texas limited liability company, including its respective affiliates, successors and assigns, including, but not limited to PMB Station Retail 2, LLC, PMB Station MF 1 LP.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer dated as of October 15, 2022 executed and delivered by the Issuer, the Administrator and the Dissemination Agent.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Sachse Public Improvement District No. 1.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Homebuilder(s)” shall mean any merchant homebuilder, including K. Hovnanian Homes – DFW, L.L.C., who enters into a Homebuilder Purchase Agreement with the Developer and/or another merchant homebuilder, and the affiliates and/or successors and assigns of such homebuilder under such Homebuilder Purchase Agreement.

“Homebuilder Purchase Agreement” shall mean, with respect to lots or land within Improvement Areas #2-5, any purchase agreement between one or more Homebuilders and/or the Developer to purchase lots or to purchase land intended for single family residential use, including detached or attached single family homes or townhomes.

“Improvement Areas #2-5” shall have the meaning assigned to such term in the Indenture.

“Improvement Areas #2-5 Improvements” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Sachse, Texas.

“Listed Events” shall mean any of the events listed in Section 4(a), 4(b) and 4(c) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Non-SF Landowner” shall mean any landowner, other than the Developer, including, Sachse Station Boulevard Owner LLC, Vaquero Sachse Partners LP and TRHS MOB ONE, LP, who has acquired or acquires a Non-SF Parcel within Improvement Areas #2-5.

“Non-SF Landowner Purchase Agreement” shall mean, with respect to lots or land within Improvement Areas #2-5, any purchase agreement between one or more Non-SF Landowners and/or the Developer to purchase lots or to purchase land intended for any use other than single family residential.

“Non-SF Parcel” shall mean any Parcel in Improvement Areas #2-5 that is designated for any use other than single family residential use, including, but not limited to, commercial, retail, office or multifamily residential.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

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

“Purchase Agreement” shall mean, collectively, any Homebuilder Purchase Agreement and any Non-SF Landowner Purchase Agreement.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning March 31, 2023.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Owners who have acknowledged and assumed reporting obligations in accordance with Section 5 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“SF Parcel” shall mean any Parcel in Improvement Areas #2-5 that is designated for single family residential use.

“Significant Homebuilder” shall mean a Homebuilder that then owns fifteen (15) or more single family residential lots, or the equivalent of fifteen (15) or more single family residential lots, with respect to unplatted lots, within Improvement Areas #2-5.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Significant Non-SF Landowner” shall mean any Non-SF Landowner, including any affiliates of such Non-SF Landowner, other than the Developer, that then owns property within Improvement Areas #2-5 representing at least five percent (5%) of the total Annual Installments of the Assessments as of each Quarterly Ending Date.

“Significant Non-SF Listed Events” shall mean any of the events listed in Section 4(c) of this Disclosure Agreement.

“Significant Owner” shall mean, collectively, any Significant Homebuilder and any Significant Non-SF Landowner.

“Trustee” shall mean Wilmington Trust, National Association, or any successor trustee pursuant to the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer, with respect to Improvement Areas #2-5, and any Significant Owner, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with March 31, 2023, the information required for the preparation of the Quarterly Report (with respect to each Reporting Party, the “Quarterly Information”). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 6 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Owner and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Owner until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 5 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) provide to the Reporting Parties each Quarterly Report for review no later than twenty (20) days after each Quarterly Ending Date. Each Reporting Party shall review the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide to the Administrator the

Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Issuer and Dissemination Agent pursuant to subsection (c) below. In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. Notwithstanding anything to the contrary in this Disclosure Agreement, the Developer shall use commercially reasonable efforts to cause to be provided any information required by this Section 3 regarding and in the possession of a Homebuilder or a Non-SF Landowner that is not a Reporting Party. Without limiting the generality of the immediately preceding sentence, commercially reasonable efforts in such regard shall include, but not be limited to, ensuring that each Purchase Agreement that is executed with a Homebuilder or Non-SF Landowner after the date hereof contains a provision obligating the applicable Homebuilder or Non-SF Landowner to provide the Developer the information required by this Section 3 as and when required for the Developer to comply with its obligations hereunder.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in this Section 3 and the Certification Letter(s) provided by each Reporting Party. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s) with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent or any other Reporting Party who provided complete information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the information provided by each Reporting Party to the Dissemination Agent, or the failure of the Dissemination Agent to provide such information to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Such Quarterly Report shall be in a form similar to that as attached in Exhibit A hereof and shall include:

(i) In a form similar to that as Table 3(d)(i) in Exhibit A attached hereto, the composition of the property within Improvement Areas #2-5 subject to the Assessments, including:

A. The total number of proposed single family residential lots and proposed number of acres of Non-SF Parcels, with the Non-SF Parcels broken out by type of use, within Improvement Areas #2-5, as of the Quarterly Ending Date;

B. The total number of proposed single family residential lots and proposed number of acres of Non-SF Parcels, with the Non-SF Parcels broken out by type of use, within Improvement Areas #2-5, identified in the prior Quarterly Report;

C. The number of platted single family residential lots and platted Non-SF Parcels, with the Non-SF Parcels broken out by type of use, within Improvement Areas #2-5, as of the Quarterly Ending Date;

D. The number of platted single family residential lots and platted Non-SF Parcels, with the Non-SF Parcels broken out by type of use, within Improvement Areas #2-5 identified in the prior Quarterly Report; and

E. An explanation as to any change to the total number of proposed single family residential lots and proposed number of acres of Non-SF Parcels within Improvement Areas #2-5 from the prior Quarterly Report;

(ii) In a form similar to that as Table 3(d)(ii) in Exhibit A attached hereto, the landowner composition of Improvement Areas #2-5, including:

A. The number of Parcels and/or lots owned by each type of landowner (i.e., the Developer, Homebuilder, Non-SF Landowner, homeowner (end-user)); and

B. Based on the information in the Annual Service Plan Update most recently approved by the Issuer, the percentage of Annual Installments of Assessments relative to the total Annual Installments of Assessments for each type of landowner, as of the Quarterly Ending Date, including any changes from the prior Quarterly Ending Date;

(iii) In a form similar to that as Table 3(d)(iii) in Exhibit A attached hereto, a listing of all Homebuilders and Non-SF Landowners and, based on the information in the Annual Service Plan Update most recently approved by the Issuer, the percentage of each Homebuilder's, Non-SF-Landowners, the Developer's and homeowner's (end-users') Annual Installments of Assessments relative to the total Annual Installments of Assessments, as of the Quarterly Ending Date;

(iv) In a form similar to that as Table 3(d)(iv) in Exhibit A attached hereto, for each SF Parcel, lot absorption statistics by lot type, on a quarter over quarter basis, including:

A. The number of single family lots platted in Improvement Areas #2-5;

B. The number of single family lots in Improvement Areas #2-5 owned by the Developer under contract (but not closed) with a Homebuilder;

C. The number of single family lots in Improvement Areas #2-5 closed with a Homebuilder; and

D. The number of single family lots in Improvement Areas #2-5 owned by the Developer not closed or under contract with a Homebuilder;

(v) In a form similar to that as Table 3(d)(v) in Exhibit A attached hereto, for each SF Parcel, for each Homebuilder by lot type, on a quarter over quarter basis:

- A. The number of homes under construction in Improvement Areas #2-5;
- B. The number of completed homes not under contract with homeowners (end-users), in Improvement Areas #2-5;
- C. The number of homes under contract with homeowners (end-users) in Improvement Areas #2-5;
- D. The number of homes closed with (delivered to) homeowners (end-users) in Improvement Areas #2-5;
- E. The average sales price of homes closed with homeowners (end-users) in Improvement Areas #2-5; and
- F. The estimated date of completion of all homes to be constructed by the Homebuilder in Improvement Areas #2-5;

(vi) In a form similar to that as Table 3(d)(vi) in Exhibit A attached hereto, for each Non-SF Parcel within Improvement Areas #2-5 designated as multifamily residential:

- A. Name of landowner/developer/builder entity;
- B. Number of actual or expected dwelling units by type of unit;
- C. Actual or expected date of commencement of vertical construction;
- D. Actual or expected date of substantial completion of the multifamily facility;
- E. Actual or expected average rental rates by dwelling unit type; and
- F. Narrative update on construction milestones of vertical construction since the date of the prior Quarterly Report.

(vii) In a form similar to that as Table 3(d)(vii) in Exhibit A attached hereto, for each Non-SF Parcel designated as any use other than multifamily residential, including but not limited to, commercial, office, retail, and mixed-use:

- A. List of any letters of intent (“LOIs”) and Non-SF Landowner Purchase Agreements, including (i) name of purchaser and seller, (ii) date of LOIs or Non-SF Landowner Purchase Agreements, (iii) legal description of property to be purchased, (iv) date of termination of feasibility period under such LOIs and Non-SF Landowner Purchase Agreements and (v) expected closing date under such LOIs and Non-SF Landowner Purchase Agreements;
- B. Actual or expected use for such Parcel (i.e., retail, office, mixed-use, etc.);

- C. Number of acres of such Parcel;
- D. Actual or expected date of commencement of vertical construction on the applicable Parcel;
- E. Actual or expected date of substantial completion of vertical improvements on the applicable Parcel;
- F. List of any lease agreements, including, (i) name of lessor and lessee, (ii) type of business(es), (iii) legal description of leased property and (iv) commencement and termination dates; and
- G. Narrative update on construction milestones of vertical construction since the date of the prior Quarterly Report.

(viii) In a form similar to that as Table 3(d)(viii) in Exhibit A attached hereto, materially adverse changes or determinations to permits/approvals for the development of Improvement Areas #2-5 which necessitates changes to the land use plans of the Developer; and

(ix) In a form similar to that as Table 3(d)(ix) in Exhibit A attached hereto, information on any existing, new or modified mortgage debt on the land within Improvement Areas #2-5 owned by the Developer, including the original principal amount, loan balance, existence of deeds of trust or other similar encumbrances against the property within Improvement Areas #2-5, interest rate and terms of repayment.

(e) In a form similar to that as Tables 3(e)(i)-(ii) in Exhibit A attached hereto, with respect to each category of the Improvement Areas #2-5 Improvements, as set forth in the Service and Assessment Plan, the Developer shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Report:

(i) Construction budget and timeline for the Improvement Areas #2-5 Improvements, including:

- A. Total budgeted costs of all Improvement Areas #2-5 Improvements;
- B. Total actual costs of the Improvement Areas #2-5 Improvements drawn from the Project Fund (as defined in the Indenture), as of the Quarterly Ending Date;
- C. Total actual costs of Improvement Areas #2-5 Improvements financed with other sources of funds (non-bond financed), as of the Quarterly Ending Date;
- D. Actual or expected date of commencement of construction;
- E. Forecast or actual construction completion date, and if there is a delay from the date previously reported, an explanation of the delay; and
- F. Actual Issuer acceptance date, if accepted; and

(ii) Narrative update on construction milestones for the Improvement Areas #2-5 Improvements since the date of the prior Quarterly Report.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Areas #2-5 on a Parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Areas #2-5 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements in Improvement Areas #2-5, including the Improvement Areas #2-5 Improvements;

(iii) Material default by the Developer or any of the Developer's affiliates on any loan with respect to the acquisition, development or permanent financing of Improvement Areas #2-5 undertaken by the Developer or any of the Developer's affiliates;

(iv) Material default by the Developer or any of the Developer's affiliates on any loan secured by property within Improvement Areas #2-5 owned by the Developer or any of the Developer's affiliates;

(v) The bankruptcy, insolvency or similar filing of the Developer or any of the Developer's affiliates or any determination that the Developer or any of the Developer's affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's affiliates other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages, in excess of \$1,000,000 against the Developer or any of the Developer's affiliates that may adversely affect the completion of the development of Improvement Areas #2-5 or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's affiliates;

(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Developer;

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein; and

(x) Early termination of or material default by a Homebuilder or Non-SF Landowner under a Purchase Agreement.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds;

(i) Failure to pay any real property taxes or Assessments levied within Improvement Areas #2-5 on a lot or SF Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Areas #2-5 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Homebuilder Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein.

(c) Pursuant to the provisions of this Section 4, each of the following occurrences related to each Significant Non-SF Landowner is a Significant Non-SF Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Areas #2-5 on a lot or Non-SF Parcel owned by such Significant Non-SF Landowner; provided, however, that the exercise of any right of such Significant Non-SF Landowner as a landowner within Improvement Areas #2-5 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Non-SF Listed Event under this Section 4(c) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Non-SF Landowner or any determination that such Significant Non-SF Landowner is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Non-SF Landowner or the sale of all or substantially all of the assets of such Significant Non-SF Landowner, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Non-SF Landowner;

(v) Early termination of or material default by such Significant Non-SF Landowner under a Non-SF Landowner Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein.

(d) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

Any notice under the preceding paragraph shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the Reporting Party becomes aware of the occurrence of the applicable Listed Event).

The Developer and each Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(e) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify the Issuer and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of

the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(f) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (d) or (e) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (d) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations by Significant Owner.

(a) If a Homebuilder or Non-SF Landowner acquires ownership of real property in Improvement Areas #2-5 resulting in such Homebuilder or Non-SF Landowner becoming a Significant Owner, the Developer may (i) cause such Significant Owner to comply with the Developer’s disclosure obligations under Sections 3(d)(iv)-(vii), 4(b) or 4(c) hereof, as applicable, with respect to such acquired real property until such party’s disclosure obligations terminate pursuant to Section 6 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Owner; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Owner, the Developer may elect in the future to cause such Significant Owner to comply with the Developer’s disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Owner to comply with the Developer’s disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit E, or a written acknowledgement from each Significant Non-SF Landowner, in substantially the form attached as Exhibit F (collectively, the “Significant Owner Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Sections 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Owner Acknowledgment with the MSRB, in accordance with Sections 4(d) and 4(f) above. Upon any such transfer to a Significant Owner, and such Significant Owner’s delivery of written acknowledgement of assumption of the Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Owner until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 5(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Owner arising from or in connection with such disclosure obligations under this Disclosure Agreement.

(d) If a Significant Owner acquires land within Improvement Areas #2-5 with the intent to develop such property for single family residential use, but, subsequent to such acquisition, converts the intended use to any use other than single family residential use, or vice versa, the reporting obligations of such Significant Owner under this Disclosure Agreement shall continue with respect to the new intended use of the property so converted.

SECTION 6. Termination of Reporting Obligations.

(a) With respect to the SF Parcels, the reporting obligations of the Developer or any Significant Homebuilder that is a Reporting Party under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Homebuilder no longer owns fifteen (15) or more single family residential lots, or the equivalent of fifteen (15) or more single family residential lots, with respect to unplatted lots, within Improvement Areas #2-5, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer or such Significant Homebuilder, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 5(a) above, the reporting obligations of the Developer, with respect to real property owned by such Significant Homebuilder on behalf of whom the Developer is providing Quarterly Information, under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when such Significant Homebuilder, including their respective affiliates and/or successors and assigns, no longer own fifteen (15) or more single family residential lots, or the equivalent of fifteen (15) or more single family residential lots, with respect to unplatted lots, within Improvement Areas #2-5, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by such Significant Homebuilder, including their respective affiliates and/or successors and assigns.

(b) With respect to the Non-SF Parcels, the reporting obligations of the Developer or any Significant Non-SF Landowner that is a Reporting Party under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Non-SF Landowner is no longer responsible for the payment of Annual Installments of Assessments equal to at least five percent (5%) of the total Annual Installment of Assessments, as of each Quarterly Ending Date or (iii) with respect to a specific Non-SF Parcel, the Issuer's issuance of the last certificate of occupancy for such Non-SF Parcel owned by the Developer or such Significant Non-SF Landowner, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Non-SF Landowner in accordance with Section 5(a) above, the reporting obligations of the Developer, with respect to real property owned by such Significant Non-SF Landowner on behalf of whom the Developer is providing Quarterly Information, under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when such Significant Non-SF Landowner is no longer responsible for the payment of Annual Installments of Assessments equal to at least five percent (5%) of the total Annual Installment of Assessments, as of each Quarterly Ending Date or (iii) with respect to a specific Non-SF Parcel, the

Issuer's issuance of the last certificate of occupancy for such Non-SF Parcel owned by such Significant Non-SF Landowner.

(c) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) or (b) of this Section 6, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(d) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) and (b) of this Section 6 and any Termination Notice required by subsection (c) of this Section 6 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 7. Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., Dallas, Texas. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Reporting Parties in carrying out their obligations under this Disclosure Agreement. The Issuer may not discharge any Dissemination Agent without first appointing a successor Dissemination Agent; provided that the Trustee shall have no obligations hereunder until it has been notified in writing that there is not any other designated Dissemination Agent and that it is the Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each then-existing Reporting Party of any change in the identity of the Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 8 to the Issuer, the Administrator, the Dissemination Agent and the Participating Underwriter.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 10. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.

SECTION 11. Default. In the event of a failure of a Reporting Party, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Reporting Party, Dissemination Agent and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against

any claim of liability, but excluding liabilities due to the Dissemination Agent's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER OR ANY SIGNIFICANT OWNER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT OWNER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 16. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Areas #2-5, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 17. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

HTS CONTINUING DISCLOSURE
SERVICES, A DIVISION OF HILLTOP
SECURITIES INC.
(as Dissemination Agent)

By: _____
Authorized Officer

PMB STATION DEVELOPER LLC,
A TEXAS LIMITED LIABILITY COMPANY
(as Developer)

By: PMB Station Land LP,
a Texas limited partnership,
its Manager

By: PMB Station Land GP, LLC
a Texas limited liability company

By: _____
Name: K. Taylor Baird
Title: Manager

P3WORKS, LLC
(as Administrator)

By: _____
Title: _____

EXHIBIT A

**CITY OF SACHSE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS SERIES 2022
(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREAS #2-5 PROJECT)**

QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: _____
City: _____
Telephone: _____
Contact Person: _____

[Remainder of page intentionally left blank]

TABLE 3(d)(i)

IMPROVEMENT AREAS #2-5 OVERVIEW (as of <i>[Insert Quarterly Ending Date]</i>)			
NUMBER OF PROPOSED AND PLATTED SINGLE FAMILY RESIDENTIAL LOTS, PROPOSED NON-SF ACRES AND PLATTED NON-SF PARCELS IN IMPROVEMENT AREAS #2-5 SUBJECT TO ASSESSMENTS:			
	As of <i>[Insert Quarterly Ending Date]</i>	As of <i>[Insert Prior Quarterly Ending Date]</i>	Explanation as to any change to the total number of proposed single family lots or non-single family acres from the prior Quarterly Report
Single Family			
Total Proposed SF Lots			
Total Platted SF Lots			NA
Non-Single Family			
Total Proposed Non-SF Acres			
[Inline Retail]			
[Food Retail]			
[Multi-Family]			
[Additional Non-SF]			
Total Platted Non-SF Parcels			NA
[Inline Retail]			NA
[Food Retail]			NA
[Multi-Family]			NA
[Additional Non-SF]			

[Remainder of page intentionally left blank]

TABLE 3(d)(ii)

LANDOWNER COMPOSITION (as of [<i>Insert Quarterly Ending Date</i>]) OF IMPROVEMENT AREAS #2-5			
Landowner Composition	Actual Number of Parcels/Lots Owned	% of Annual Installments of Assessments ⁽¹⁾	Change in % of Annual Installments from Prior Quarterly Ending Date
Developer Owned			
Homebuilder Owned⁽²⁾			
Non-SF Landowner Owned⁽²⁾			
Homeowner (End-User) Owned⁽²⁾			
Total Improvement Areas #2-5:			

⁽¹⁾ Derived from information in the Assessment Roll approved by the Issuer on _____, 20__ as part of the Annual Service Plan Update. Does not take into consideration any prepayments of Assessments made between the date of such Annual Service Plan Update and the date of this Quarterly Report.

⁽²⁾ Information for Homebuilder owned, Non-SF Landowner owned and homeowner (end-user) owned is reported as the total aggregate amount for the applicable type of landowner within Improvement Areas #2-5.

[Remainder of page intentionally left blank]

TABLE 3(d)(iii)

IMPROVEMENT AREAS #2-5 ASSESSMENT PAYER CONCENTRATION (as of <i>[Insert Quarterly Ending Date]</i>)	
Landowner	Percentage of Annual Installments of Assessments relative to the total Annual Installments of Assessments ⁽¹⁾
Developer	%
Homebuilders⁽²⁾	
	%
Non-SF Landowners⁽²⁾	
	%
	%
	%
	%
	%
	%
Homeowners (End-Users)⁽³⁾	%

(1) Derived from information in the Assessment Roll approved by the Issuer on _____, 20__ as part of the Annual Service Plan Update. Does not take into consideration any prepayments of Assessments made between the date of such Annual Service Plan Update and the date of this Quarterly Report.

(2) Add lines for each Homebuilder and Non-SF Landowner.

(3) Information for homeowners (end-users) is reported as the total aggregate amount for all end-users within Improvement Areas #2-5.

[Remainder of page intentionally left blank]

FOR EACH PARCEL DESIGNATED AS SINGLE FAMILY RESIDENTIAL:

TABLE 3(d)(iv)

LOT ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL IN IMPROVEMENT AREAS #2-5											
	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__
# of platted SF lots: • 40' TOTAL											
# of SF lots under contract (but not closed) with Homebuilders: • [Homebuilder] ○ 40' Subtotal • [Homebuilder] ○ 40' Subtotal • [Homebuilder] ○ 40' Subtotal TOTAL											
# of SF lots closed with Homebuilders: • [Homebuilder] ○ 40' Subtotal											
• [Homebuilder] ○ 40' Subtotal											
• [Homebuilder] ○ 40' Subtotal TOTAL											
# of SF lots not under contract or closed with Homebuilders: • 40' TOTAL											

(1) Add information for each Homebuilder.

[Remainder of page intentionally left blank]

TABLE 3(d)(v)

[Homebuilder] ABSORPTION STATISTICS FOR
SINGLE FAMILY RESIDENTIAL LOTS IN IMPROVEMENT AREAS #2-5⁽¹⁾

	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__
# of SF homes under construction: • 40' • Total								
# of completed SF homes NOT under contract with end-user: • 40' • Total								
# of SF homes under contract with end-user: • 40' • Total								
# of SF homes closed on (delivered to) end-users: • 40' • Total								
Average sales price of homes closed to end-users: • 40' • Average								

⁽¹⁾ Additional tables to be added for each Homebuilder

The estimated date of completion of all homes to be constructed by [Homebuilder] is _____, ____.

[Remainder of page intentionally left blank]

FOR EACH NON-SF PARCEL DESIGNATED AS MULTIFAMILY RESIDENTIAL:

TABLE 3(d)(vi)

DEVELOPMENT OF MULTIFAMILY RESIDENTIAL				
Name of Landowner/ Developer/Builder	Number of Actual/Expected Dwelling Units by Type	Actual/Expected Date of Commencement of Vertical Construction	Actual/Expected Date of Substantial Completion	Actual/Expected Rental Rates by Dwelling Unit Type

Narrative update on construction milestones of vertical construction since last Quarterly Report:

FOR EACH PARCEL DESIGNATED AS A NON-SF PARCEL, OTHER THAN MULTIFAMILY:

TABLE 3(d)(vii)

DEVELOPMENT OF NON-SF PARCELS						
Parcel	Number of Acres	Actual/ Expected Use	LOI/Purchase Agreement, including: (i) purchase and seller, (ii) date of LOI/Purchase Agreement, (iii) legal description, (iv) feasibility termination date, (v) expected closing date	Actual/ Expected Date of Commencement of Vertical Construction	Actual/ Expected Date of Substantial Completion	Any Lease Agreements, including: (i) name of lessor and lessee, (ii) type of business(es), (iii) legal description of leased property, (iv) commencement and termination dates

Narrative update on construction milestones of vertical construction since last Quarterly Report:

STATUS OF DEVELOPMENT:

TABLE 3(d)(viii)

PERMITS/APPROVALS FOR IMPROVEMENT AREAS #2-5	
Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(ix)

INFORMATION ON EXISTING, NEW OR MODIFIED MORTGAGE DEBT ON LAND WITHIN IMPROVEMENT AREAS #2-5 OWNED BY DEVELOPER						
Borrower	Lender	Amount	Loan Balance	Existence of Deeds of Trust	Interest Rate	Terms

[Remainder of page intentionally left blank]

STATUS OF IMPROVEMENT AREAS #2-5 IMPROVEMENTS:

TABLE 3(e)(i) & (ii)

IMPROVEMENT AREAS #2-5 PROJECTS BUDGET AND TIMELINE OVERVIEW						
Improvement Areas #2-5 Improvements	Budgeted Costs	Actual Costs Draw From Project Fund as of [Insert Quarterly Ending Date]	Actual Costs financed with sources other than Bond proceeds as of [Insert Quarterly Ending Date]	Actual/Expected Construction Commencement Date	Forecast Completion Date	Actual Issuer Acceptance Date
Improvement Area #2 Improvements:						
• Street	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Water	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Sewer	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Drainage	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Landscape and Hardscape	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Miscellaneous	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Soft Costs	\$ _____	\$ _____	\$ _____	_____	_____	_____
Improvement Area #3 Improvements:						
• Street	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Water	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Sewer	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Drainage	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Landscape and Hardscape	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Miscellaneous	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Soft Costs	\$ _____	\$ _____	\$ _____	_____	_____	_____
Improvement Area #4 Improvements:						
• Street	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Water	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Sewer	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Drainage	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Landscape and Hardscape	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Miscellaneous	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Soft Costs	\$ _____	\$ _____	\$ _____	_____	_____	_____
Improvement Area #5 Improvements:						
• Street	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Water	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Sewer	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Drainage	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Landscape and Hardscape	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Miscellaneous	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Soft Costs	\$ _____	\$ _____	\$ _____	_____	_____	_____

If there is a delay in the expected completion date for any Improvement Areas #2-5 Improvement from that previously reported, an explanation of such delay:

Narrative update on construction milestones for Improvement Areas #2-5 Improvements since last Quarterly Report:

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Sachse, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the [“Developer”] [“Significant Homebuilder”] [“Significant Non-SF Landowner”]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [Insert Quarterly Ending Date] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer dated as of October 15, 2022, by and among PMB Station Developer LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”) and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”). [Developer] [Significant Homebuilder] [Significant Non-SF Landowner] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.,
on behalf of the [Developer] [Significant
Homebuilder][Significant Non-SF Landowner]
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Sachse, Texas

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Sachse, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

PMB Station Developer LLC
4001 Maple Ave, Suite 600
Dallas, Texas 75219

City of Sachse, Texas
3815 Sachse Road
Sachse, Texas 75048

[Insert Significant Homebuilder
Contact Information]

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270

[Insert Significant Non-SF Landowner
Contact Information]

NOTICE IS HEREBY GIVEN that _____, a _____ (the [“Developer”] [“Significant Homebuilder”] [“Significant Non-SF Landowner”]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby, terminating such party’s reporting obligations under the Continuing Disclosure Agreement of Developer dated as of October 15, 2022, by and among PMB Station Developer LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”) and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”).

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant
Homebuilder][Significant Non-SF Landowner]
(as Administrator)

By: _____

Title: _____

EXHIBIT D
CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Sachse, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project)
CUSIP Nos. [insert CUSIP Nos.]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Sachse Public Improvement District No. 1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer dated as of October 15, 2022, by and among PMB Station Developer LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”) and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer] [_____, as a “Significant Homebuilder”] [_____, as a “Significant Non-SF Landowner”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer] [Significant Homebuilder] [Significant Non-SF Landowner], constitutes the [portion of the] Quarterly Report required to be furnished by [Developer] [Significant Homebuilder] [Significant Non-SF Landowner]. Any and all Quarterly Information, provided by the [Developer] [Significant Homebuilder] [Significant Non-SF Landowner], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

PMB STATION DEVELOPER LLC,
a Texas limited liability company
(as Developer)

By: PMB Station Land LP,
a Texas limited partnership,
its Manager

By: PMB Station Land GP, LLC
a Texas limited liability company

By:_____

Name: K. Taylor Baird
Title: Manager

OR

[SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)

By: _____
Title: _____]

OR

[SIGNIFICANT NON-SF LANDOWNER
(as Significant Non-SF Landowner)

By: _____
Title: _____]

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

City of Sachse, Texas
3815 Sachse Road
Sachse, Texas 75048

P3Works, LLC
3901 S. Lamar Blvd., Suite 440
Austin, Texas 78704

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270

Re: Sachse Public Improvement District No. 1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 202__, you own [_____] single family residential lots][the equivalent of [_____] or more single family residential lots, with respect to unplatted lots] within Improvement Areas #2-5 of the Sachse Public Improvement District No. 1 (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of the Developer (the “Disclosure Agreement”) dated as of October 15, 2022, by and among, PMB Station Developer LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”) and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the “Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project)” any entity that owns fifteen or more single family residential lots, or the equivalent of fifteen or more single family residential lots, with respect to unplatted lots, within Improvement Areas #2-5 is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 5 of the Disclosure Agreement, you acknowledge and assume the reporting obligations under Sections 3(d)(iv), 3(d)(v) and 4(b) of the Disclosure Agreement for the property which is owned as detailed in the Disclosure Agreement, which is included herewith.

Sincerely,

PMB STATION DEVELOPER LLC,
a Texas limited liability company
(as Developer)

By: PMB Station Land LP,
a Texas limited partnership,
its Manager

By: PMB Station Land GP, LLC
a Texas limited liability company

By: _____
Name: K. Taylor Baird

Title: Manager

Acknowledged by:

[INSERT SIGNIFICANT HOMEBUILDER NAME]

By: _____

Title: _____

Address: _____

Phone Number: _____

EXHIBIT F

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT NON-SF LANDOWNER REPORTING OBLIGATIONS**

[DATE]

City of Sachse, Texas
3815 Sachse Road
Sachse, Texas 75048

P3Works, LLC
3901 S. Lamar Blvd., Suite 440
Austin, Texas 78704

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270

Re: Sachse Public Improvement District No. 1– Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ acres of Non-SF Parcels within Improvement Areas #2-5 of the Sachse Public Improvement District No. 1 (the “District”), which property represents _____ percent (___%) of the total Annual Installments of the Assessments.

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Developer (the “Disclosure Agreement”) dated as of October 15, 2022, by and among PMB Station Developer LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”) and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the “City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project),” any entity that owns Non-SF Parcels within Improvement Areas #2-5 representing at least five percent (5%) of the total Annual Installments of the Assessments is defined as a Significant Non-SF Landowner.

As a Significant Non-SF Landowner, pursuant to Section 5 of the Disclosure Agreement, you acknowledge and assume the reporting obligations under Sections 3(d)[(vi)][vii] and 4(c) of the Disclosure Agreement for the property which is owned as detailed in the Disclosure Agreement, which is included herewith.

Sincerely,

PMB STATION DEVELOPER LLC,
a Texas limited liability company
(as Developer)

By: PMB Station Land LP,
a Texas limited partnership,
its Manager

By: PMB Station Land GP, LLC
a Texas limited liability company

By: _____
Name: K. Taylor Baird
Title: Manager

Acknowledged by:

[INSERT SIGNIFICANT NON-SF LANDOWNER NAME]

By: _____

Title: _____

Address: _____

Phone Number: _____

NEW ISSUE

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [REDACTED], 2022

THE 2022 BONDS ARE INITIALLY OFFERED 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 UNDER THE SECURITIES ACT OF 1933). SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions on the date thereof, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.

\$4,628,000*

CITY OF SACHSE, TEXAS

(a municipal corporation of the State of Texas located in Collin and Dallas Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1 PROJECT)

Dated Date: Delivery Date (defined below)

Interest to Accrue from Delivery Date

Due: September 15, as shown on page i

The City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Area #1 Project) (the “2022 Bonds”), are being issued by the City of Sachse, Texas (the “City”). The 2022 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The 2022 Bonds will bear interest at the rates set forth on page i hereof, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 15 and September 15, commencing March 15, 2023* until maturity or earlier redemption. The 2022 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 2022 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 2022 Bonds will be paid from the sources described herein by Wilmington Trust, National Association, Dallas, Texas, as trustee (the “Trustee”), to DTC as the registered owner thereof. See “BOOK-ENTRY-ONLY SYSTEM.”

The 2022 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 October 17, 2022, and an Amended and Restated Indenture of Trust, dated as of October 15, 2022 (the “Indenture”), entered into by and between the City and the Trustee. The 2022 Bonds are being issued as “Additional Bonds” pursuant to the terms of the hereinafter defined Original Indenture and are being issued on parity with the 2020 Bonds (as defined herein). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture. See “APPENDIX B — Form of Indenture.”

Proceeds of the 2022 Bonds will be used to provide funds for (i) paying a portion of the Actual Costs (as defined in the Indenture) of the Improvement Area #1 Projects, which consist of the pro rata portion of the Major Improvements allocable to Improvement Area #1 of the Sachse Public Improvement District No. 1 (the “District”) and the Improvement Area #1 Improvements (collectively, the “Improvement Area #1 Project Costs”), and (ii) paying certain Bond Issuance Costs (as defined herein) for the 2022 Bonds, which include (a) funding the Reserve Account of the Reserve Fund (both defined herein) and (b) paying certain other costs of issuance of the 2022 Bonds. See “IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

The 2022 Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of the Assessments levied against assessable properties in Improvement Area #1 of the District in accordance with the Service and Assessment Plan (defined herein) and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The 2022 Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS SIMILARLY SECURED.” The 2022 Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption “DESCRIPTION OF THE 2022 BONDS — Redemption Provisions.”

The 2022 Bonds involve a significant 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 2022 Bonds, should consult with their legal and financial advisors before considering a purchase of the 2022 Bonds, and should be willing to bear the risks of loss of their investment in the 2022 Bonds. The 2022 Bonds are not credit enhanced or rated and no application has been made for a rating on the 2022 Bonds.

THE 2022 BONDS ARE SPECIAL, LIMITED 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 2022 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 2022 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 2022 BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE 2022 BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE 2022 BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS SIMILARLY SECURED.”

This cover page contains certain information for quick reference only. It is not a summary of the 2022 Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The 2022 Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the 2022 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 2022 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its counsel, Nichols, Jackson, Dillard, Hager & Smith, LLP, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer (as defined herein) by its counsel, Winstead PC. It is expected that the 2022 Bonds will be delivered in book-entry form through the facilities of DTC on or about [November 15], 2022 (the “Delivery Date”).

FMSbonds, Inc.

* Preliminary; subject to change.

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

CUSIP Prefix: ^(a)

\$4,628,000*

CITY OF SACHSE, TEXAS

(a municipal corporation of the State of Texas located in Collin and Dallas Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1 PROJECT)

\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield _____%; CUSIP No. _____ ^{(a) (b) (c)}

\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield _____%; CUSIP No. _____ ^{(a) (b) (c)}

-
- ^(a) CUSIP numbers are included solely for the convenience of owners of the 2022 Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. 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.
- ^(b) The 2022 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 price set forth herein under "DESCRIPTION OF THE 2022 BONDS — Redemption Provisions."
- ^(c) The 2022 Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as set forth herein under "DESCRIPTION OF THE 2022 BONDS — Redemption Provisions."

* Preliminary; subject to change.

CITY OF SACHSE, TEXAS

Elected Officials

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>
Jeff Bickerstaff	< 1 Year - Mayor	May 2025
Mayor	9 Years - Councilmember	
Brett Franks Mayor Pro Tem	10 Years	May 2024
Michelle Howarth Councilmember	4 Years	May 2024
Frank Millsap Councilmember	2 Years	May 2023
Chance Lindsey Councilmember	3 Years	May 2023
Lindsay Buhler Councilmember	< 1 Year	May 2025
Matt Prestenberg Councilmember	< 1 Year	May 2025

Selected Administrative Staff

CITY MANAGER	ASSISTANT CITY MANAGER	CITY SECRETARY	FINANCE DIRECTOR	CITY ATTORNEY
Gina Nash	Lauren Rose	Leah Granger	David Baldwin	Nichols, Jackson, Dillard, Hager & Smith, LLP

Consultants and Advisors

BOND COUNSEL
McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

FINANCIAL ADVISOR
Hilltop Securities Inc.
Dallas, Texas

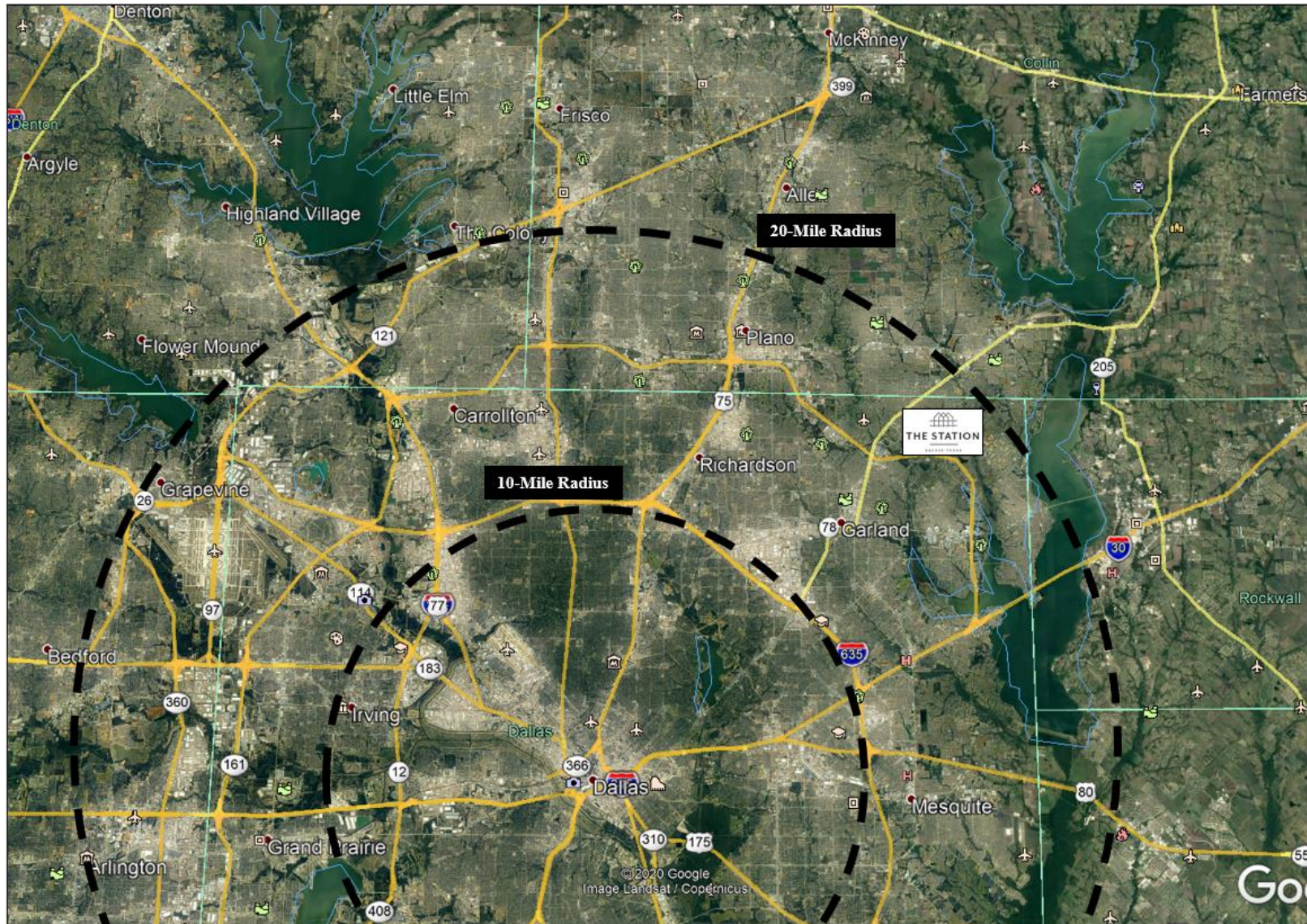
PID ADMINISTRATOR
P3Works, LLC
Austin, Houston and North Richland Hills, Texas

For additional information regarding the City, please contact:

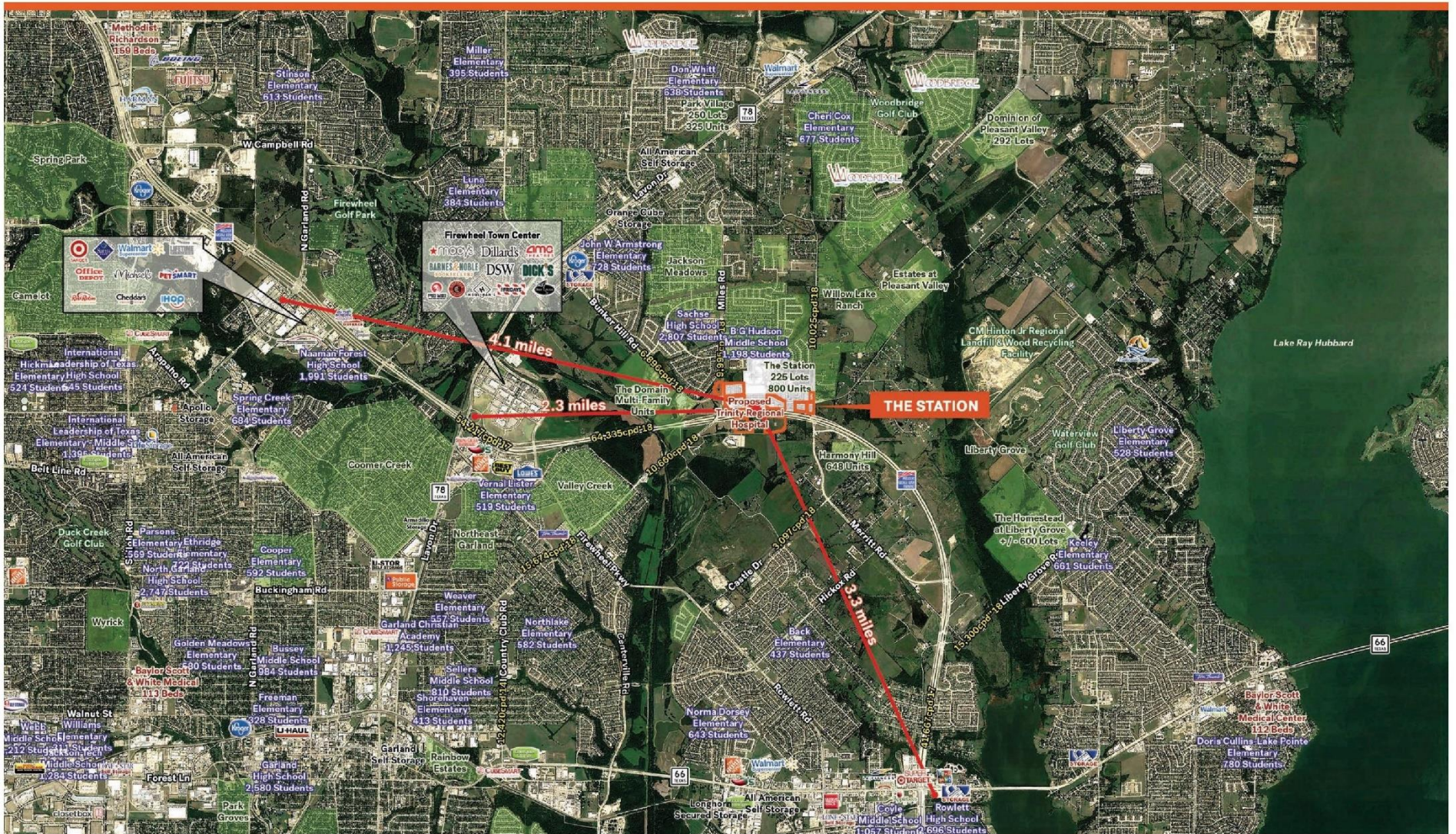
Mr. David Baldwin
Director of Finance
City of Sachse, Texas
3815-B Sachse Road
Sachse, Texas 75048
(469) 429-4775
dbaldwin@cityofsachse.com

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

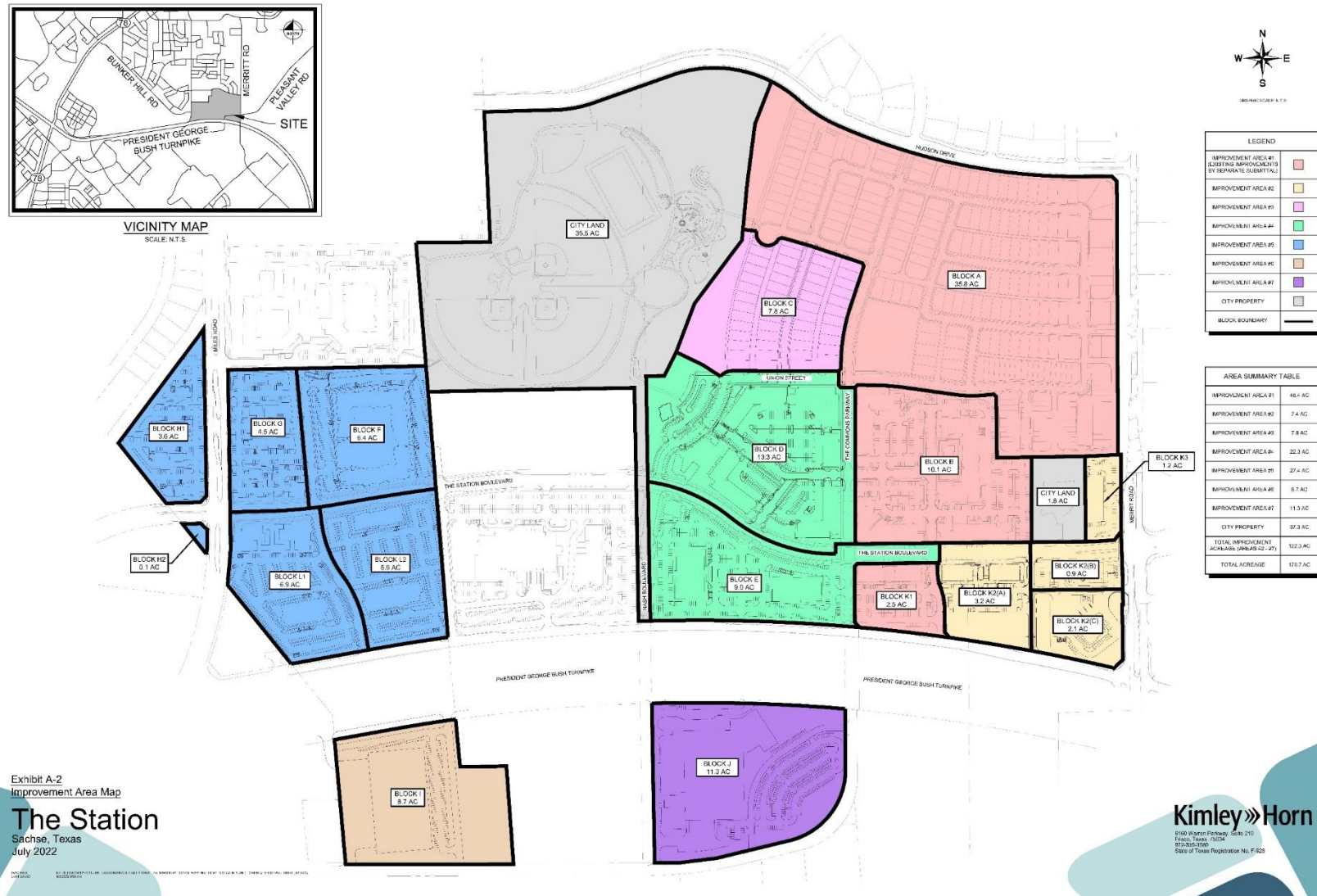
AREA LOCATION MAP OF THE DISTRICT



REGIONAL LOCATION MAP OF THE DISTRICT

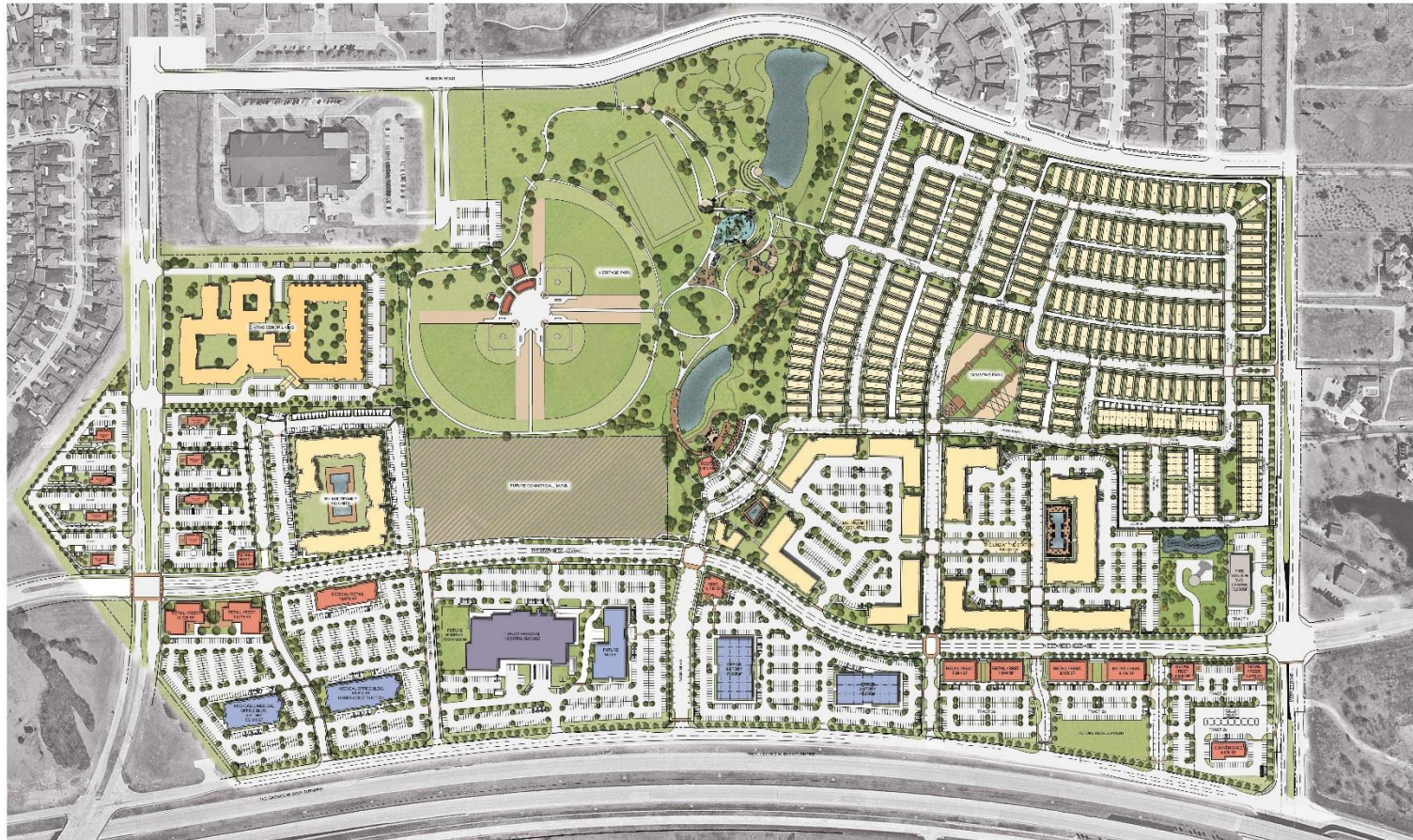


MAP SHOWING BLOCKS WITHIN THE DISTRICT*



* Improvement Area #1 (as defined herein) consists of Blocks A, B and K1. Improvement Areas #2-5 consists of Blocks C, D, E, F, G, H1, H2, K2(A), K2(B), K2(C), K3, L1 and L2. Improvement Areas #6-7 (as defined herein) includes Blocks I and J.

MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT*



CONCEPTUAL COLOR SITE PLAN

THE STATION AT SACHSE
SACHSE, TEXAS

Job #: 18100 Scale: 1/120
Date: File Name:
Drawn by: Not for regulatory approval, permitting, or construction



* Portions of the property shown in this map are not within the boundaries of the District and are not considered to be part of the Development (as defined herein).

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 (“RULE 15C2-12”), THIS DOCUMENT CONSTITUTES AN “OFFICIAL STATEMENT” OF THE CITY WITH RESPECT TO THE 2022 BONDS THAT HAS BEEN “DEEMED FINAL” BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE 2022 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INITIAL PURCHASERS ARE ADVISED THAT THE 2022 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, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE 2022 BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE 2022 BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE 2022 BONDS ARE SET FORTH UNDER “BONDHOLDERS’ RISKS” HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE 2022 BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE 2022 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 2022 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 2022 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.

(REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK.)

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$4,628,000*

CITY OF SACHSE, TEXAS

(a municipal corporation of the State of Texas located in Collin and Dallas Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover, and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Sachse, Texas (the “City”), of its \$4,628,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Area #1 Project) (the “2022 Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE 2022 BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. 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, PREMIUM, IF ANY, AND/OR INTEREST ON THE 2022 BONDS. THE 2022 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS,” AND “SUITABILITY FOR INVESTMENT.”

The 2022 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 2022 Bonds expected to be adopted by the City Council of the City (the “City Council”) on October 17, 2022 (the “Bond Ordinance”), and an Amended and Restated Indenture of Trust, dated as of October 15, 2022 (the “Indenture”), entered into by and between the City and Wilmington Trust, National Association, as trustee (the “Trustee”). The Indenture amends and restates the Indenture of Trust (the “Original Indenture”) entered into by and between the City and the Trustee dated as of November 1, 2020, at the time of issuance of the Series 2020 Bonds (as defined below). The 2022 Bonds will be issued on parity with the 2020 Bonds and are secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the “Assessments”) levied pursuant to a separate ordinance adopted by the City Council on October 26, 2020 (the “Assessment Ordinance”) against assessed parcels (the “Assessed Property”) located within Improvement Area #1 (as defined herein) of the Sachse Public Improvement District No. 1 (the “District”), all to the extent and upon the conditions described herein and in the Indenture.

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the 2022 Bonds. All capitalized terms used in this Limited Offering Memorandum, except as otherwise noted in “ASSESSMENT PROCEDURES,” that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B — Form of Indenture.”

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Reimbursement Agreement (as defined herein), the Development Agreement (as defined herein), the Developer (as defined herein), and the PID Administrator (as defined herein), together with summaries of terms of the 2022 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 2022 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

* Preliminary; subject to change.

obtained during the period of the offering of the 2022 Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Phone: (214) 302-2246. The form of Indenture appears in “APPENDIX B — Form of Indenture” and the form of Service and Assessment Plan, as updated, appears as “APPENDIX C — Form of Service and Assessment Plan.” The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

PMB Station Developer, LLC, a Texas limited liability company (the “Developer”), is developing or causing the development of the land within the District as part of a master planned, mixed-use development known as The Station (the “Development”), which is zoned to allow single-family residential, multifamily residential, office, retail and other commercial uses. The District consists of approximately 170.686 acres.

The District is being developed in phases or improvement areas (“Improvement Areas”), which began with the construction of certain public improvements benefitting the entire District (the “Major Improvements”) and certain public improvements (the “Improvement Area #1 Improvements”) benefiting only the first Improvement Area (“Improvement Area #1”) within the District and is being followed by certain public improvements (the “Improvement Area #2 Improvements”) benefiting only the second Improvement Area (“Improvement Area #2”), certain public improvements (the “Improvement Area #3 Improvements”) benefiting only the third Improvement Area (“Improvement Area #3”), certain public improvements (the “Improvement Area #4 Improvements”) benefiting only the fourth Improvement Area (“Improvement Area #4”) and certain public improvements (the “Improvement Area #5 Improvements”) and, together with the Improvement Area #2 Improvements, Improvement Area #3 Improvements and Improvement Area #4 Improvements, the “Improvement Areas #2-5 Improvements”) benefiting only the fifth Improvement Area (“Improvement Area #5,” and, together with Improvement Area #2, Improvement Area #3 and Improvement Area #4, the “Improvement Areas #2-5”). Such development will be followed by certain public improvements (the “Improvement Area #6 Improvements”) benefiting only the sixth Improvement Area (“Improvement Area #6”) and certain public improvements (the “Improvement Area #7 Improvements”) benefiting only the seventh Improvement Area (“Improvement Area #7,” and, together with Improvement Area #6, the “Improvement Areas #6-7,” and, together with Improvement Areas #2-5, the “Improvement Areas #2-7”). See “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS” for a more detailed description of the Improvement Area #1 Projects (as defined herein). The Major Improvements, the Improvement Area #1 Improvements and the Improvement Areas #2-5 Improvements are collectively hereinafter referred to as the “Authorized Improvements.”

The District was initially divided into two Improvement Areas: Improvement Area #1 and the portion of the District other than Improvement Area #1 (the “Major Improvement Area”). The Major Improvement Area was subsequently divided into Improvement Areas #2-7. The District and each Improvement Area are further divided into “Blocks” based on expected use. Improvement Area #1 consists of Blocks A, B and K1. Improvement Area #2 consists of Blocks K2(A), K2(B), K2(C) and K3. Improvement Area #3 consists of Block C. Improvement Area #4 consists of Blocks D and E. Improvement Area #5 consists of Blocks F, G, H1, H2, L1 and L2. Improvement Area #6 consists of Block I, and Improvement Area #7 consists of Block J. See “THE DEVELOPMENT.” See “MAP SHOWING BLOCKS WITHIN THE DISTRICT” and “MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT” on pages v and vi.

The Development is expected to include approximately 214 single-family residential lots, 59 townhomes, approximately 790 units of multifamily housing (conventional and age-restricted), and approximately 568,757 square feet of commercial space. The Development includes Heritage Park, an approximately 35-acre public park owned by the City. The Developer is enhancing the current amenities available at Heritage Park by constructing the Heritage Park Improvements, as defined and described under “THE DEVELOPMENT — Public Amenities.” The Developer also constructed one additional park within Improvement Area #1 (the “Improvement Area #1 Park” and, together with the Heritage Park Improvements, the “Public Amenities”), which was dedicated to the City. The Heritage Park Improvements are part of the Major Improvements and a portion of the costs of the Heritage Park Improvements are expected to be reimbursed to the Developer with proceeds of the MIA Bonds (as defined herein) and the IA #1 Bonds (as defined herein). The Improvement Area #1 Park is part of the Improvement Area #1 Improvements and a portion

of the costs of the Improvement Area #1 Park are expected to be reimbursed to the Developer with proceeds of the IA #1 Bonds. In addition to Heritage Park and the Improvement Area #1 Park, the City also owns an approximately 2-acre parcel located in the southeast corner of the District, which contains a water tower (the “Water Tower Parcel,” and, together with Heritage Park, the “City Land”). See “MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT” on page vi and “THE DEVELOPMENT.”

In addition to the above-described improvements, certain additional improvements, including, among other things, private parking lot subgrade and concrete, streetlights, building pad excavation, water and sewer service lines, erosion control, internal retaining walls, private drainage infrastructure, internal landscaping and irrigation, and internal fire lanes, necessary to serve structures within certain Blocks within Improvement Areas #2-5 (collectively, the “Additional Improvements”) have been or will be will be constructed by the Developer, or an affiliate of the Developer, in conjunction with vertical construction for those projects with a finalized site plan within each Improvement Area.

Financing Plan

Reimbursement Agreement. Pursuant to the Agreement for the Construction of PID Projects and Reimbursement of Advances, effective as of July 20, 2020 (the “Reimbursement Agreement”) between the Developer and the City, the Developer agreed to construct the Authorized Improvements and the City agreed to pay the Developer for a portion of the costs to complete such improvements. Although certain other landowners within the District are or were responsible for the construction of a portion of the Authorized Improvements, as described herein, the Developer retained the right to reimbursement for the costs to construct such Authorized Improvements, as set forth in the applicable purchase and sale agreement between the Developer and the applicable landowner.

Major Improvement Area. To finance a portion of the costs of the Major Improvements allocable to the Major Improvement Area (the “Major Improvement Area Projects”), the City issued its \$8,540,000 “City of Sachse, Texas Special Assessment Revenue Bonds, Series 2020 (Sachse Public Improvement District No. 1 Major Improvement Area Project)” (the “MIA Bonds”). The MIA Bonds are secured by assessments levied against assessable property within the Major Improvement Area, including Improvement Areas #2-5 (the “MIA Assessments”), on October 26, 2020. **The MIA Assessments are not security for the 2022 Bonds.**

Improvement Area #1. The total costs of the Improvement Area #1 Authorized Improvements (as defined herein) are expected to be approximately \$12,929,821*. The City has previously issued its “City of Sachse, Texas Special Assessment Revenue Bonds, Series 2020 (Sachse Public Improvement District No. 1 Improvement Area #1 Project)” in an original principal amount of \$6,875,000, of which approximately \$6,700,000 in principal amount remains outstanding. Pursuant to the Reimbursement Agreement, the City agreed to pay the Developer for a portion of the remaining costs of the Improvement Area #1 Authorized Improvements (the “Reimbursement Obligation”) from the proceeds of the Assessments or additional bonds to be issued on parity with the 2020 Bonds (the “Additional Bonds”). The City has collected approximately \$588,502 in Assessments related to the Reimbursement Obligation, which have been or will be reimbursed to the Developer, pursuant to the terms of the Reimbursement Agreement and the Indenture. The City intends to use the proceeds of the 2022 Bonds, in the approximate amount of \$4,628,000*, to pay its remaining Reimbursement Obligation, and, upon issuance of the 2022 Bonds and payment of the net proceeds to the Developer, the Reimbursement Obligation will be terminated. The Developer has financed or will finance the balance of the costs of the Improvement Area #1 Projects, in the approximate amount of \$1,013,319*, which will not be reimbursed by the City. See “PLAN OF FINANCE — The Bonds” and “APPENDIX F — Reimbursement Agreement.”

Improvement Areas #2-5 Improvements. Concurrently with the issuance of the 2022 Bonds, the City expects to issue its \$9,009,000* “City of Sachse, Texas Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project)” (the “IA #2-5 Bonds”) to finance a portion of the costs of the Improvement Areas #2-5 Improvements. The IA #2-5 Bonds will be secured by assessments expected to be

* Preliminary; subject to change.

levied against assessable property within Improvement Area (the “IA #2-5 Assessments”) on October 17, 2022. **The IA #2-5 Assessments are not security for the 2022 Bonds.**

The 2020 Bonds, the IA #2-5 Bonds and the MIA Bonds issued by the City are separate and distinct issues of securities and the IA #2-5 Bonds and the MIA Bonds are secured by separate assessments. The IA #2-5 Bonds, the 2020 Bonds and the MIA Bonds issued by the City are not offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other City obligations should refer to the offering documents related thereto, when and if available.

Improvement Areas #6-7. SL6 Sachse LP (“SL6 Sachse”) and Evolve Biologics (USA) LLC (“Evolve”), the landowners of Improvement Area #6 and Improvement Area #7, respectively, are responsible for financing and constructing the Improvement Area #6 Improvements and the Improvement Area #7 Improvements, respectively. No assessments will be levied through the District in Improvement Areas #6-7 for financing the costs of the Improvement Areas #6-7 Improvements.

TIRZ. On December 3, 2018, the City adopted an ordinance (the “TIRZ No. 2 Ordinance”), creating the Reinvestment Zone Number Two, City of Sachse, Texas (“TIRZ No. 2”), pursuant to Chapter 311 of the Texas Tax Code (the “TIRZ Act”), covering Improvement Area #1 and a majority of the Major Improvement Area, including Improvement Areas #2-5, and authorizing the use of TIRZ No. 2 Revenues (as defined herein) for project costs under the TIRZ Act, relating to the Authorized Improvements, including the Improvement Area #1 Improvements, as provided for in the Reinvestment Zone Number Two, City of Sachse, Texas, Final Project and Financing Plan (including amendments or supplements thereto, the “TIRZ No. 2 Project Plan”) and the Development Agreement, as described in more detail under “SECURITY FOR THE BONDS SIMILARLY SECURED — Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount.” On September 21, 2020, the City adopted an ordinance amending the boundaries of TIRZ No. 2 to add the remaining approximately 14.993 acres of the Major Improvement Area to TIRZ No. 2. See also “BONDHOLDERS’ RISKS — TIRZ No. 2 Annual Credit Amount and Marketing of the Development.” **[P3Works to provide updated TIRZ documents]**

Status of Lot Development

The Developer began construction of the Improvement Area #1 Improvements and the Major Improvements in July of 2019. The Developer completed construction of the Improvement Area #1 Park in June 2020. The Developer completed construction of the remaining Improvement Area #1 Improvements in August of 2021.

As of August 15, 2022, the Developer has completed construction of the Major Improvements, with the exception of the regional detention improvements (the “Regional Detention Improvements”) and Heritage Park Improvements. The Developer began construction of the Regional Detention Improvements in the second quarter of 2022 and the Heritage Park Improvements in the third quarter of 2022. The Developer expects to complete the Regional Detention Improvements and Heritage Park Improvements by the third quarter of 2023.

The Developer began construction of the Improvement Area #2 Improvements to serve Block K2(A) in the second quarter of 2022 and expects to complete such construction by the first quarter of 2023. As of August 15, 2022, the Developer has spent approximately \$130,000 on constructing the Improvement Area #2 Improvements. The Developer expects that construction of all Improvement Area #2 Improvements will be complete by the fourth quarter of 2024.

PMB Advisors LLC, an affiliate of the Developer (“PMB Advisors”), acting as a fee developer on behalf of K. Hovnanian DFW Villas at the Station, LLC (“Hovnanian Homes”), began construction of the Improvement Area #3 Improvement in the first quarter of 2022. As of August 15, 2022, Hovnanian Homes has spent approximately \$900,000 on constructing the Improvement Area #3 Improvements. The Developer expects that the Improvement Area #3 Improvements will be complete by the first quarter of 2023. The Developer has retained all rights under the Reimbursement Agreement to receive reimbursement for the costs to construct the Improvement Area #3 Improvements.

The Developer began construction of the Improvement Area #4 Improvements to serve the approximately 8.1 acres of multifamily land within Block D in the first quarter of 2022 and expects to complete such construction by

the third quarter of 2023. As of August 15, 2022, the Developer has spent approximately \$650,000 on constructing such Improvement Area #4 Improvements. The Developer expects that construction of all Improvement Area #4 Improvements will be complete by the second quarter of 2024.

The Developer began construction of the Improvement Area #5 Improvements to serve Block F and Block L2 in the first quarter of 2021 and has completed such construction for an approximate amount of \$550,000. The Developer expects that construction of all Improvement Area #5 Improvements to serve the remaining Blocks within Improvement Area #5 will be complete by the first quarter of 2025.

SL6 Sachse expects to begin construction of the Improvement Area #6 Improvements in the second quarter of 2023 and complete such construction by the first quarter of 2024.

Evolve began construction of the Improvement Area #7 Improvements in the second quarter of 2022 and expects to complete such construction by the third quarter of 2023.

See “THE DEVELOPMENT — Development Plan – Status of Construction.”

Status of Vertical Construction

Improvement Area #1. Improvement Area #1 includes 224 single-family lots in Block A, consisting of 165 single-family detached homes on 40’ x 95’ lots and 59 attached townhomes on 22’ x 80’ lots, 300 conventional multifamily units in Block B (the “IA #1 Multifamily”) and an approximately 15,688 square foot inline and food retail building on Block K1 (the “IA #1 Retail Building”).

The Developer has executed lot purchase and sale agreements (the “IA#1 Lot Purchase Agreements”) for all 224 single-family lots located in Block A of Improvement Area #1 with merchant homebuilders, Hovnanian Homes and Ashton Dallas Residential L.L.C. (“Ashton” and, together with Hovnanian Homes, the “IA #1 Homebuilders”). As of August 15, 2022, the IA #1 Homebuilders purchased 224 completed lots, have finished construction of 144 homes and have sold 196 homes to individual homeowners (including 54 homes under contract with homeowners). See “THE DEVELOPMENT — Improvement Area #1 – Single-Family Residential.”

In August of 2019, the Developer sold approximately 10.14 acres of land comprising Block B of Improvement Area #1 to DD Bunker Hill, LLC (“Bunker Hill”). Bunker Hill completed construction of the 300-unit IA #1 Multifamily, known as “The Linz at The Station,” in September of 2021. As of August 15, 2022, over 90% of the building was leased. In the first quarter of 2022, Bunker Hill sold the IA #1 Multifamily to 5300 The Station (TX) Owner LP, a subsidiary of Blackstone (“5300 The Station”). See “THE DEVELOPMENT — Improvement Area #1 – Multifamily Residential.”

PMB Station Retail 1, LLC, an affiliate of the Developer (“PMB Retail 1”) began construction of the IA #1 Retail Building in November of 2020 and completed such construction in August of 2021. The IA #1 Retail Building is 100% leased to the following tenants: Pho Station, Floral Design & Décor, Manny’s Tex-Mex Restaurante, The Brass Tap, The Station Welcome Center, Polaris Dentistry and Cold Stone Creamery. PMB Retail 1 sold the IA #1 Retail Building to Dockside Threading Inc. (“Dockside Threading”) in the second quarter of 2022. As of July of 2022, all tenants have opened for business. See “THE DEVELOPMENT — Improvement Area #1 – Commercial.”

Improvement Areas #2-5.

Improvement Areas #2-5 are expected to include 49 single-family lots, consisting of single-family detached homes on 40’ x 95’ lots, 490 multifamily units and approximately 230,597 square feet of commercial space.

The Developer has entered into a purchase contract (the “IA #3 Purchase Agreement”) with Hovnanian Homes for all 49 of the planned single-family lots within Block C of Improvement Area #3. Hovnanian Homes has purchased all 49 lots from the Developer and expects to begin home construction in the first quarter of 2023. See “THE DEVELOPMENT — Improvement Areas #2-5 – Single-Family Residential.”

Improvement Areas #2-5 are expected to include two multifamily sites, consisting of approximately 297 multifamily units on Block D of Improvement Area #4 (the “Block D Multifamily”) and approximately 193 multifamily units on Block F of Improvement Area #5 (the “Block F Multifamily”). The Developer conveyed approximately 8.1 acres comprising the in-tract multifamily portion of Block D to PMB Station MF 1 LP, an affiliate of the Developer (“PMB MF”), in February of 2022. PMB MF expects to begin construction of the Block D Multifamily by the first quarter of 2023 and complete such construction by the second quarter of 2024. Sachse Station Boulevard Owner LLC (“Sachse Station Owner”) purchased the approximately 6.4 acres comprising Block F and began construction of the Block F Multifamily in the first quarter of 2022. The 193 units will be age-restricted and are expected to be available for lease by the fourth quarter of 2022. See “THE DEVELOPMENT — Improvement Areas #2-5 – Multifamily Residential.”

Improvement Areas #2-5 are expected to include approximately 230,597 square feet of commercial space, consisting of: approximately 18,172 square feet in Block K2(A); approximately 3,500 square feet in Block K2(B); approximately 6,050 in Block K2(C); approximately 2,500 square feet in Block K3; approximately 3,300 square feet in Block D; approximately 58,500 square feet in Block E; approximately 12,800 square feet in Block G; approximately 9,000 square feet in Block H1; approximately 30,175 square feet in Block L1; and approximately 86,600 square feet in Block L2.

The Developer owns approximately 5.2 acres within Block D, which is expected to include approximately 3,300 square feet of pad retail and public right of way. The Developer does not yet have plans for the vertical construction of the 3,300 square foot retail pad. The Developer conveyed the approximately 3.2 acres comprising Block K2(A) to PMB Station Retail 2, LLC, an affiliate of the Developer (“PMB Retail 2”), in February of 2022. PMB Retail 2 expects to begin vertical construction of approximately 18,172 square feet of inline/food and retail space in the first quarter of 2023 and have tenants moving in the third quarter of 2023. To date, one lease is signed with Castle Nails.

Vaquero Ventures Management, LLC (“Vaquero”), LLC, purchased approximately 2.1 acres of land comprising K2(C) for the construction of a 7-Eleven on the corner of Merritt Rd. The site work for the 6,050 square foot pad retail building is expected to begin in the second quarter of 2023 and the building is expected to be delivered in the fourth quarter of 2024. TRHS MOB ONE, LP (“TRHS”) purchased approximately 5.9 acres comprising Block L2 for the construction of multiple medical office buildings adjacent to the Trinity Regional Hospital. The site work for the initial 66,600 square foot medical office building is complete and TRHS has started on vertical construction of such building. The delivery of an additional approximately 20,000 square foot medical office building is planned for the coming years.

The Developer sold approximately 0.75 acres of land within Block G to Gala Development Partners, LLC (“Gala Development”) for the construction of a Dillas Restaurant.

No other commercial Blocks within Improvement Areas #2-5 have been purchased or are under contract. See “THE DEVELOPMENT — Improvement Areas #2-5 – Commercial.”

Improvement Areas #6-7. Improvement Area #6 is expected to include approximately 103,680 square feet of commercial space in Block I. SL6 Sachse closed on the approximately 8.7 acres comprising Block I to be used for flex industrial/office. SL6 Sachse expects to commence vertical construction in the first quarter of 2024.

Improvement Area #7 is expected to include approximately 218,792 square feet of commercial space in Block J. Evolve closed on the purchase of approximately 11.3 acres comprising Block J to be used for a new manufacturing facility. The current plan is for the site to consist of office/office flex uses for its back-office users, executives and space for its researchers and laboratory work. Evolve expects to commence vertical construction in the third quarter of 2023. See “THE DEVELOPMENT — Improvement Areas #6-7.”

The 2022 Bonds

Proceeds of the 2022 Bonds will be used to provide funds for the (i) paying a portion of the Actual Costs (as defined in the Indenture) of the Improvement Area #1 Projects, which consists of the pro rata portion of the Major

Improvements allocable to Improvement Area #1 of the District and the Improvement Area #1 Improvements (collectively, the “Improvement Area #1 Project Costs”), and (ii) paying certain Bond Issuance Costs (as defined herein) for the 2022 Bonds, which include (a) funding the Reserve Account of the Reserve Fund (both defined herein) and (b) paying certain other costs of issuance of the 2022 Bonds. See “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

Payment of the 2022 Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the Assessments, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “ASSESSMENT PROCEDURES.”

The 2022 Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the “State”) or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the 2022 Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the full 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 2022 Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the 2022 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 2022 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 2022 Bonds and to execute the investment letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the 2022 Bonds.

2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the 2022 Bonds.

3. The 2022 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 2022 Bonds, and the Investor intends to hold the 2022 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 2022 Bonds. However, the Investor may sell the 2022 Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the 2022 Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the 2022 Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #1 Authorized Improvements, the 2022 Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the 2022 Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the 2022 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 2022 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 2022 Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City 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 2022 Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the 2022 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 2022 Bonds; and that the liability of the City and the State with respect to the 2022 Bonds is subject to further limitations as set forth in the 2022 Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the 2022 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 2022 Bonds.

8. The Investor acknowledges that the sale of the 2022 Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE 2022 BONDS

General Description

The 2022 Bonds will mature on the dates and in the amounts set forth on page i of this Limited Offering Memorandum. Interest on the 2022 Bonds will accrue from their date of delivery (the "Delivery Date") to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the 2022 Bonds will be payable on each March 15 and September 15, commencing March 15, 2023* (each an "Interest Payment Date"), until maturity or prior redemption. Wilmington Trust, National Association, Dallas, Texas is the initial Trustee, Paying Agent and Registrar for the 2022 Bonds.

The 2022 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (or such smaller amounts of not less than \$1,000 as authorized under the Indenture as a result of partial redemption) ("Authorized Denominations"). Upon initial issuance, the ownership of the 2022 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 2022 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 the 2022 Bonds before their scheduled maturity dates, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at a redemption price equal to the principal amount to be redeemed plus the applicable premium if any, plus accrued and unpaid interest to the date fixed for redemption (the "Redemption Price").

Extraordinary Optional Redemption. The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of

* Preliminary; subject to change.

the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The 2022 Bonds maturing on September 15 in the years ____ and ____ (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 pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

\$ _____ Term Bonds due September 15, 20 _____

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20__	\$
September 15, 20__	
September 15, 20__	
September 15, 20__†	

† Stated Maturity.

\$ _____ Term Bonds due September 15, 20 _____

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20__	\$
September 15, 20__	
September 15, 20__	
September 15, 20__†	

† Stated Maturity.

At least 30 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee will select for redemption by lot a principal amount of 2022 Bonds of such maturity equal to the Sinking Fund Installment amount of such 2022 Bonds to be redeemed, will call such 2022 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and will give notice of such redemption, as provided in the Indenture.

The principal amount of 2022 Bonds required to be redeemed on any mandatory sinking fund redemption date will be reduced, at the option of the City, by the principal amount of any 2022 Bonds of such maturity which, at least 30 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such 2022 Bonds plus accrued unpaid interest to the date of purchase thereof and delivered to the Trustee for cancellation.

The principal amount of 2022 Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any 2022 Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions or the extraordinary optional redemption provisions and not previously credited to a mandatory sinking fund redemption.

Partial Redemption. The following defined terms apply to partial redemptions:

“Minor Amount Redemption” means a redemption of 2022 Bonds pursuant to an extraordinary optional redemption of a principal amount of 2022 Bonds redeemed that is less than 10% of the Outstanding principal amount of the 2022 Bonds.

“Substantial Amount Redemption” means a redemption of 2022 Bonds pursuant to an extraordinary optional redemption of a principal amount of 2022 Bonds redeemed that is greater than or equal to 10% of the Outstanding principal amount of the 2022 Bonds.

If less than all of the 2022 Bonds are to be redeemed pursuant to the Indenture, 2022 Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each 2022 Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such 2022 Bond by \$1,000. No redemption shall result in a 2022 Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding 2022 Bond is less than an Authorized Denomination after giving effect to such partial redemption, a 2022 Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all 2022 Bonds are called for optional redemption, the Trustee shall rely on the directions provided in a City Order in selecting the 2022 Bonds to be redeemed.

If less than all of the 2022 Bonds are called for extraordinary optional redemption, the 2022 Bonds or portion of a 2022 Bond, as applicable, 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 2022 Bonds; and
- (ii) with respect to a Minor Amount Redemption, the Outstanding 2022 Bonds shall be redeemed in inverse order of maturity.

Upon surrender of any 2022 Bond for redemption in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a 2022 Bond or 2022 Bonds in an aggregate principal amount equal to the unredeemed portion of the 2022 Bond so surrendered, such exchange being without charge.

Notice of Redemption. Upon receipt of a City Order of redemption from the City, the Trustee will give notice of any redemption of 2022 Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each 2022 Bond or portion thereof to be redeemed, at the address shown in the Register. The notice will state the redemption date, the Redemption Price, the place at which the 2022 Bonds are to be surrendered for payment, and, if less than all the Outstanding 2022 Bonds are to be redeemed, an identification of the 2022 Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such 2022 Bonds shall become due and payable. 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 2022 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 2022 Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such 2022 Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such 2022 Bonds are presented and surrendered for payment on such date.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee 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 2022 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. Upon receipt of a City Order of such rescission from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the 2022 Bonds is to be transferred and how the principal of, premium, if any, and interest on the 2022 Bonds are to be paid to and credited by DTC while the 2022 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 2022 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 2022 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 2022 Bonds. The 2022 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 2022 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 an S&P Global Ratings' 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 2022 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 2022 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 2022 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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.

SECURITY FOR THE BONDS SIMILARLY SECURED

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds Similarly Secured (as defined below). Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See “APPENDIX B — Form of Indenture.”

General

THE BONDS SIMILARLY SECURED ARE SPECIAL, LIMITED 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 SIMILARLY SECURED 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 SIMILARLY SECURED 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 AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “APPENDIX B — FORM OF INDENTURE.”

The principal of, premium, if any, and interest on the Bonds Similarly Secured are secured by a pledge of and a lien upon the pledged revenues (the “Pledged Revenues”), consisting primarily of Assessments levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, on October 26, 2020, the City Council approved and adopted a Service and Assessment Plan (the “Original Service and Assessment Plan”). On October 17, 2022, the City Council expects to approve and adopt an amended and restated service and assessment plan (as may be updated and amended from time to time, the “Service and Assessment Plan”), which will amend and restate the Original Service and Assessment Plan in its entirety, describe the special benefit received by the property within the District, provide the basis and justification for the determination of special benefit on such property, establish the methodology for the levy of the Assessments and provide for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the 2022 Bonds. The Service and Assessment Plan is reviewed and updated at least annually (each, an “Annual Service Plan Update”) for the purpose of determining the annual budget for the Authorized 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 C — Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Improvement Area #1 Authorized Improvements by levying Assessments upon the Assessed Property benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in Improvement Area #1, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Indenture, the following terms are assigned the following meanings:

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

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

“Annual Installment” means, with respect to each Assessed Property, each annual payment of an Assessment as calculated by the PID Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs (as defined herein); and (4) Additional Interest related to the Bonds Similarly Secured.

“Assessment Revenues” means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

“Bonds Similarly Secured” means, collectively, any Outstanding 2020 Bonds, any Outstanding 2022 Bonds and any Refunding Bonds (as defined herein) issued hereafter.

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds Similarly Secured, levied against property within Improvement Area #1 in accordance with the Act.

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

“Pledged Revenues” means, collectively, the (i) Assessment Revenues (excluding the portion of Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan); (ii) the moneys held in any of the Pledged Funds; and (iii) any additional revenues that the City may pledge to the payment of the Bonds Similarly Secured.

“Subordinate Lien Obligations” means bonds, notes or other obligations secured in whole or in part by liens on the Pledged Revenues that are junior and subordinate to the lien on the Pledged Revenues securing payment of the Bonds Similarly Secured.

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

Collection and Deposit of Assessments

The Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds Similarly Secured are shown on the Assessment Roll (as defined herein). The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of, premium, if any, and interest on the Bonds Similarly Secured, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund.”

The Assessments assessed to pay debt service on the Bonds Similarly Secured 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 Similarly Secured. An Annual Installment of an Assessment has been made payable in the Assessment Ordinance in each City fiscal year preceding the date of final maturity of the Bonds Similarly Secured which, if collected, will be sufficient to pay the portion of the debt service requirements attributable to the Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Assessments on each Parcel, tract or lot which are to be collected in each year during the term of the Bonds Similarly Secured is shown on the Assessment Roll. Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan) 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 shall be deposited to such Account.

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

Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount

The City adopted the TIRZ No. 2 Ordinance authorizing the use of TIRZ No. 2 Revenues for costs of the Authorized Improvements, including the Improvement Area #1 Improvements, as provided for in the TIRZ No. 2 Project Plan. **[P3Works to provided updated TIRZ documents]**

“TIRZ No. 2 Revenues” means, for each year during the term of TIRZ No. 2, the amounts which are deposited in the tax increment fund (the “TIRZ No. 2 Fund”) pursuant to the TIRZ No. 2 Ordinance, TIRZ No. 2 Project Plan, and Development Agreement. See “APPENDIX C — Form of Service and Assessment Plan.”

In the Development Agreement, the City has agreed to transfer TIRZ No. 2 Revenues generated from each Lot within Improvement Area #1 (the “TIRZ No. 2 Annual Credit Amount”) from the TIRZ No. 2 Fund to the Bond Pledged Revenue Account of the Pledged Revenue Fund to offset a portion of such lot’s Annual Installment of Assessment due each year, as calculated by the PID Administrator in collaboration with the City, in accordance with the Service and Assessment Plan. The TIRZ No. 2 Revenues will be an amount equal to the captured appraised value of TIRZ No. 2 times 50% of the City’s tax rate levied and collected on the applicable lot.

The Annual Installment will be calculated by taking into consideration any TIRZ No. 2 Annual Credit Amount applicable to such lot, but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount. “TIRZ No. 2 Maximum Annual Credit Amount” means the amount of TIRZ No. 2 Revenues that, when applied to Assessed Property on a lot type basis to reduce the Annual Installment next due for such Assessed Property, results in an aggregate equivalent tax rate credit of Annual Installments of Assessments plus all other overlapping taxing entities (**[using the 2021 tax rates]** for such taxing entities) of \$3.15 per \$100 of assessed value for Assessed Property, based on the Estimated Buildout Value (as defined in the Service and Assessment Plan) of such Assessed Property at the time the City Council approved the Assessment Ordinance. See “APPENDIX C — Form of Service and Assessment Plan.”

Under the TIRZ No. 2 Ordinance and TIRZ No. 2 Project Plan, the TIRZ No. 2 Revenues generated by each applicable lot in any given year shall be used to calculate such lot’s TIRZ No. 2 Annual Credit Amount in the following year (i.e., TIRZ No. 2 Revenues collected in 2023 shall be used to calculate the TIRZ No. 2 Annual Credit Amount applicable to Annual Installments to be collected in 2024). The TIRZ No. 2 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value on the applicable lot in any year. Consequently, the TIRZ No. 2 Revenues are generated only if the appraised value of real property on such lot in any year is greater than the base value. Any delay or failure of the homebuilders within Improvement Area #1 to construct the remaining homes within Improvement Area #1 may result in a reduced amount of the TIRZ No. 2 Revenues being available to credit the Assessments. See “ASSESSMENT PROCEDURES — Assessment Amounts — TIRZ No. 2 Annual Credit Amount” and “APPENDIX C — Form of Service and Assessment Plan.”

TIRZ No.2 will terminate, unless the City elects to extend the term, upon the earlier of (i) the date the City has contributed the maximum amount (\$41,921,137), as set forth in the TIRZ No. 2 Project Plan, or (ii) on December 31, 2049, unless terminated by the City earlier. The City expects to collect TIRZ No. 2 Revenues for the last year in calendar year 2049 and apply them to the TIRZ No. 2 Annual Credit Amount in 2050.

THE TIRZ NO. 2 REVENUES WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS SIMILARLY SECURED, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT TIRZ NO. 2 REVENUES TO GENERATE THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF ASSESSMENTS COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS SIMILARLY SECURED AND ANNUAL COLLECTION COSTS AND THE FUNDING OF THE DELINQUENCY AND PREPAYMENT RESERVE REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. TIRZ NO. 2 REVENUES GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN

IMPROVEMENT AREA #1 DURING THE DEVELOPMENT OF SUCH PARCEL WILL NOT RESULT IN A TIRZ NO. 2 ANNUAL CREDIT AMOUNT WHICH IS SUFFICIENT TO ACHIEVE THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT MAY NOT PROVIDE FOR THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME OR COMMERCIAL BUILDING ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN IMPROVEMENT AREA #1 IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN IMPROVEMENT AREA #1 MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE “OVERLAPPING TAXES AND DEBT,” “BONDHOLDERS’ RISKS — TIRZ NO. 2 ANNUAL CREDIT AMOUNT AND MARKETING OF THE DEVELOPMENT” AND “APPENDIX C — FORM OF SERVICE AND ASSESSMENT PLAN.”

Unconditional Levy of Assessments

The City has imposed Assessments on the Assessed Property sufficient to pay the principal of and interest on the Bonds Similarly Secured 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 became 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 Similarly Secured, 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 Similarly Secured plus the Additional Interest Rate 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 an Assessment, will be calculated annually during the Annual Service Plan Update and will be due on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.003(b)(14) of the PID Act, the City will calculate and collect each year while the Bonds Similarly Secured are Outstanding and unpaid, an assessment to pay the annual costs incurred by the City in the administration and operation of the District (the “Annual Collection Costs”). The portion of each Annual Installment of an Assessment used to pay Annual Collection Costs will 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 372.015(d) of the PID Act. The amount collected to pay Annual Collection Costs will be due in the manner set forth in the Assessment Ordinance on or about October 1 of each year and will be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs are not part of the Trust Estate and will not secure repayment of the Bonds Similarly Secured.**

There will be no discount for the early payment of Assessments.

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 Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of 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. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS’ RISKS — Assessment Limitations.”

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) will continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Trust Estate will be valid and binding and fully perfected from and after the Delivery Date, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds Similarly Secured are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve the perfection of the security interest in said pledge to the registered owners of the Bonds Similarly Secured, the City has agreed to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Pledged Revenue Fund

Pursuant to the Indenture, upon receipt thereof, and no later than February 15 of each year, beginning February 15, 2023, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account, an amount sufficient to pay all debt service on the Bonds Similarly Secured coming due in the Bond Year, and (ii) second, if necessary, to the Reserve Account, the amount required to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest will 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 described in (i) and (ii) above, the Additional Interest will be transferred to either the Reserve Account or the Delinquency and Prepayment Reserve Account, to the extent such transfer is necessary to replenish either the Reserve Account Requirement or the Delinquency and Prepayment Reserve Requirement. In the event such Accounts are fully funded, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds Similarly Secured for an extraordinary optional redemption pursuant to the Indenture, as directed by the City pursuant to a City Order. In addition, in the event the City owes Rebtable Arbitrage to the United States Government pursuant to the Indenture, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer described above, the full amount of Rebtable Arbitrage owed by the City. If Assessments and Annual Installments 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 Assessments and Annual Installments for any one or more of the following purposes: (i) pay Improvement Area #1 Project Costs, (ii) pay other costs permitted by the PID Act or (iii) 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 Similarly Secured, but no later than five Business Days before each Interest Payment Date, the Trustee will withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account, an amount, taking into account any amounts then on deposit in such 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 Similarly Secured on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund as provided in the Indenture, there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee will 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 Similarly Secured.

Notwithstanding the above, as directed by the City pursuant to a City Order, the Trustee shall deposit, within two Business Days after receipt thereof, Prepayments to the Pledged Revenue Fund and after such deposit shall transfer such Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.

Notwithstanding the above, as directed by the City pursuant to a City Order, the Trustee shall deposit, within two Business Days after receipt thereof, the Foreclosure Proceeds into the Pledged Revenue Fund and after such deposit 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 final payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the accounts within the Reserve Fund, the Trustee will transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in the Indenture.

Bond Fund

On each Interest Payment Date, the Trustee will 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 Similarly Secured.

If, after the foregoing transfers and any transfer from any account of the Reserve Fund (as described under the subcaption “Reserve Fund” below), there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee will 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 Similarly Secured.

Project Fund

Pursuant to the Indenture, a Project Fund has been created to be used for the purposes described in “PLAN OF FINANCE — The 2022 Bonds.” Except as provided below, money on deposit in the Improvement Area #1 Bond Improvement Account shall only be used to pay Improvement Area #1 Project Costs.

Disbursements from the Costs of Issuance Account 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 #1 Bond Improvement Account shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment as described in the Reimbursement Agreement. Each such City Order and/or Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Order and/or Certificate for Payment and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #1 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #1 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #1 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #1 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund. Upon such transfers, the Improvement Area #1 Bond Improvement Account shall be closed.

In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #1 Projects have been completed and that all Improvement Area #1 Project Costs have been paid, or that any Improvement Area #1 Project Costs are not required to be paid from the Improvement Area #1 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #1 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this paragraph if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #1 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment. Upon such transfers, the Improvement Area #1 Bond Improvement Account shall be closed.

Upon a determination by the City Representative that all Bond Issuance Costs for all Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #1 Bond Improvement Account and used to pay Improvement Area #1 Project Costs or, if no Improvement Area #1 Project Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds Similarly Secured, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

Reserve Fund

General Provisions. Pursuant to the Indenture, a Reserve Account and Delinquency and Prepayment Reserve Account have been created within the Reserve Fund for the benefit of the Bonds Similarly Secured and held by the Trustee.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer *first* from the Delinquency and Prepayment Reserve Account and *second* from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary herein or in the Indenture, the Additional Interest shall be used to replenish *first*, the Reserve Account and *second*, the Delinquency and Prepayment Reserve Account.

Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

At the final maturity of the Bonds Similarly Secured, 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 Similarly Secured.

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 interest due on all Outstanding Bonds Similarly Secured on the next Interest Payment Date or date on which the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such 2022 Bonds as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Reserve Account Provisions. Pursuant to the Indenture, the Reserve Account will be funded with proceeds of the Bonds Similarly Secured in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds Similarly Secured will be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of each such series of Bonds Similarly Secured, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of each such series of Bonds Similarly Secured, and (iii) 10% of the lesser of the par amount of the Outstanding Bonds Similarly Secured or the proceeds of the Bonds Similarly Secured; provided, however, that, at the option of the City, such amount may be recalculated on any Interest Payment Date or any date of redemption, and the City shall provide a City Order to the Trustee with the applicable Reserve Account Requirement. As of the Delivery Date, the Reserve Account Requirement is \$____.

In the event of an extraordinary optional redemption of Bonds resulting from funds being deposited into the Redemption Fund pursuant to any provision of the Indenture, the Trustee, pursuant to a City Order, shall transfer from the Reserve Account 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 divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the funds on deposit in the Redemption Fund toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed pursuant to the Indenture, the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

If on any Interest Payment Date, or on any other date as directed by a City Order, 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 and shall transfer such excess to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with the Indenture, unless within 30 days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured, (iii) to the Improvement Area #1 Bond Improvement Account to pay Improvement Area #1 Project Costs if such application and the expenditure of funds is expected to occur within three years of the Delivery Date of the 2022 Bonds, or (iv) to the Redemption Fund to be applied to the redemption of Bonds Similarly Secured.

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.

Delinquency and Prepayment Reserve Account Provisions. Pursuant to the Indenture, as directed by a City Order, on or before March 15 of each year, the Trustee shall transfer the Additional Interest from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At the time the Delinquency and Prepayment Reserve Requirement is fully accumulated in the Delinquency and Prepayment Reserve Account, the Trustee shall provide written notice thereof to the City, and thereafter, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds pursuant to the Indenture, as directed by the City pursuant to a City Order. In the event the Trustee does not receive a City Order directing the transfer of the Additional Interest to the Administrative Fund within 45 days of providing the foregoing notice to the City, the Trustee shall transfer the Additional Interest to the Redemption Fund to redeem Bonds pursuant to the Indenture and provide the City with written notification of such transfer. Notwithstanding the foregoing, if at any time the amount on deposit in the Delinquency and Prepayment Reserve Account falls below 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 been accumulated therein. In transferring the amounts pursuant to this paragraph, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to the Indenture until the Bonds Similarly Secured are no longer Outstanding.

Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, 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 Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture. In the event the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within

45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to the Indenture and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with the Indenture.

Administrative Fund

The City has created under the Indenture an Administrative Fund to be held by the Trustee. Upon receipt thereof, the City will deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, and any other funds directed by the Indenture to be deposited therein.

Moneys in the Administrative Fund will be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs.

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS SIMILARLY SECURED.

Developer Reimbursement Fund

[Following all other deposits required to be made under the Indenture, the City shall deposit or cause to be deposited to the Developer Reimbursement Fund the portion of the Assessments and Annual Installments remaining after such deposits have been made, up to the maximum amount in each year as set forth in the Service and Assessment Plan. UPON SUCH DEPOSIT INTO THE DEVELOPER REIMBURSEMENT FUND, SUCH FUNDS SHALL NOT BE A PART OF THE TRUST ESTATE AND SHALL NOT BE SECURITY FOR THE BONDS.] **[TO BE UPDATED UPON RECEIPT OF REVISED INDENTURE]**

Moneys in the Developer Reimbursement Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and shall be used to reimburse the Developer for funds expended by the Developer to pay Improvement Area #1 Project Costs pursuant to, and as provided in, the Reimbursement Agreement. Disbursements from the Developer Reimbursement Fund to pay Improvement Area #1 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment; provided, however, that the Trustee shall not disburse any funds to the Developer from the Developer Reimbursement Fund until the Improvement Area #1 Bond Improvement Account of the Project Fund has been fully depleted. When all amounts due to the Developer to reimburse it under the terms of the Reimbursement Agreement have been paid to the Developer, no further deposits shall be made to the Developer Reimbursement Fund and the Developer Reimbursement Fund shall be closed. Any excess funds that remain on deposit in the Developer Reimbursement Fund at the time such Fund is closed shall be transferred to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.]

Defeasance

Any Outstanding Bonds Similarly Secured will, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of the Indenture (a "Defeased 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, redemption, or otherwise), either (1) will have been made in accordance with the terms thereof, or (2) will 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 that 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 Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the

payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, will 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 Similarly Secured 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 will be made only against delivery of such Defeasance Securities.

“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 determined by the City and described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (“PFIA”); and, provided further, investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, which is subject to change, 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, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds Similarly Secured. 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, in accordance with the Indenture;
- (iii) default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture other than a default under (iv) below, and the continuation thereof for a period of 90 days after written notice specifying such default and requiring same to be remedied will have been given to the City by the Trustee, which may give such notice in its discretion and will give such notice at the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds Similarly Secured 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 180 days after such notice; and
- (iv) the failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within 30 days thereafter.

Remedies in Event of Default

Upon the happening and continuance of any of the Events 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 Similarly Secured then Outstanding 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 SIMILARLY SECURED WILL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

Whenever moneys are to be applied pursuant to an Event of Default, irrespective of and whether other remedies authorized under the Indenture will 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 will 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 will 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 will 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 reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner will 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 Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers granted under the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right thereunder except in the manner provided therein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee as advised by counsel, 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 will affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured 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 Similarly Secured.

In case the Trustee or any Owners of Bonds Similarly Secured have proceeded to enforce any right under the Indenture and such proceedings will have been discontinued or abandoned for any reason or will have been determined adversely to the Trustee or any Owners of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Owners of Bonds Similarly Secured will be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee will continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds, Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default will, after payment of the cost, liabilities, advances 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 Similarly Secured, as follows:

(i) 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 will 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 registered owners entitled thereto, without any discrimination or preference; and

(ii) SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured which will have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available will not be sufficient to pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due or Redemption Price and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners pursuant to the above provisions within 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

In the event funds are not adequate to cure an Event of Default, the available funds will be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured 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, will 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 established pursuant to the Indenture, other than the Reserve Account, will 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 will 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 Fund 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.

Obligations purchased as an investment of moneys in any Fund or Account established pursuant to the Indenture will 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 shall be accomplished by transferring a like amount of Investment Securities as determined and directed pursuant to a City Order.

Against Encumbrances

Other than bonds issued to refund all or any portion of the Outstanding Bonds Similarly Secured (the “Refunding Bonds”) or Subordinate Lien Obligations, for so long as any Bonds Similarly Secured remain Outstanding under the Indenture, the City shall not create any lien, encumbrance or charge upon the Trust Estate or issue any bonds, notes or other evidences of indebtedness secured by a pledge of or lien on the Trust Estate, except for the lien and pledge created for the security of the Bonds Similarly Secured.

Other Obligations or Other Liens; Subordinate Lien Obligations; Refunding Bonds

The City reserves the right to issue Other Obligations under other indentures, assessment ordinances, or other agreements which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues. The City shall not have the right to issue any bonds, notes or other obligations secured in whole or in part by liens on the Trust Estate that are senior to the lien on the Trust Estate securing payment of the Bonds Similarly Secured.

The City reserves the right to issue Refunding Bonds and Subordinate Lien Obligations, and other than Refunding Bonds and Subordinate Lien Obligations, the City shall not (i) issue additional bonds, notes or other obligations secured by any pledge of or other lien or charge on the Trust Estate, (ii) create or voluntarily permit to be created any debt, lien or charge on the Trust Estate or (iii) do or omit to do or suffer to be done or omit to be done any matter or thing whatsoever whereby the lien of the Indenture or the priority hereof might or could be lost or impaired.

Notwithstanding anything in the Indenture to the contrary, no Refunding Bonds or Subordinate Lien Obligations may be issued by the City unless (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds or Subordinate Lien Obligations are scheduled to mature or be subject to mandatory sinking fund redemption on September 15 in each of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds or Subordinate Lien Obligations must be scheduled to be paid on March 15 and September 15 in each of the years in which interest is scheduled to be paid; provided, however, that the foregoing restrictions shall not apply to Refunding Bonds issued to redeem all of the then-Outstanding Bonds Similarly Secured, provided that there are no Subordinate Lien Obligations outstanding on the date such Refunding Bonds are issued.

SOURCES AND USES OF FUNDS

The table that follows summarizes the expected sources and uses of proceeds of the 2022 Bonds:⁽¹⁾

Sources of Funds:

Principal Amount	\$
TOTAL SOURCES	\$

Use of Funds:

Deposit to Improvement Area #1 Bond Improvement Account of the Project Fund	\$
Deposit to Costs of Issuance Account of Project Fund	
Deposit to Reserve Account of the Reserve Fund	
Underwriter’s Discount ⁽²⁾	
TOTAL USES	\$

⁽¹⁾ To be updated and completed upon pricing.

⁽²⁾ 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 2022 Bonds:⁽¹⁾

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$	\$	\$
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
Total	\$	\$	\$

⁽¹⁾ To be updated and completed upon pricing.

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes

The land within Improvement Area #1 has been, and is expected to continue to be, subject to taxes imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments.

In addition to the Assessments, the City annually levies a separate maintenance and operations assessment (the “O&M Assessment”) pursuant to a separate service and assessment plan (as updated from time to time, the “O&M Service and Assessment Plan”), which is updated annually, to provide for the maintenance and operation of the Authorized Improvements, including the Improvement Area #1 Projects (the “O&M Services”). The O&M Assessment will be calculated, levied and collected each year in an amount sufficient to pay the estimated costs of the O&M Services, plus administrative expenses relating thereto. See “ASSESSMENT PROCEDURES — O&M Assessment.”

The City, Dallas County, Texas (the “County”), Dallas County Hospital District, Dallas County Community College District, Dallas County Schools and the Garland Independent School District (“Garland ISD”) may each levy ad valorem taxes upon land in 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 levied by such other taxing authorities.

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The following table reflects the overlapping ad valorem taxes currently levied on property located in Improvement Area #1.

Overlapping Taxes in Improvement Area #1

<u>Taxing Entity</u>	<i>Without application of TIRZ No. 2 Maximum Annual Credit Amount Tax Year 2021 Ad Valorem Tax Rate⁽¹⁾</i>	<i>With application of TIRZ No. 2 Maximum Annual Credit Amount Tax Year 2021 Ad Valorem Tax Rate⁽¹⁾</i>
The City	\$0.700734	\$0.700734
Dallas County	0.227946	0.227946
Dallas County Hospital District	0.255000	0.255000
Dallas County Community College District	0.123510	0.123510
Dallas County Schools ⁽²⁾	0.010000	0.010000
Garland ISD	<u>1.256300</u>	<u>1.256300</u>
Total Current Tax Rate	<u>\$2.573490</u>	<u>\$2.573490</u>
 Estimated Average Annual Installment of Assessment as an Equivalent Tax Rate ⁽³⁾	 <u>\$0.668816</u>	 <u>\$0.668816</u>
 TIRZ No. 2 Maximum Annual Credit Amount applicable to Annual Installment of Assessment as an Equivalent Tax Rate ⁽⁴⁾	 <u>\$0.000000</u>	 <u>\$(0.152153)</u>
Estimated Net Average Annual Installments in Improvement Area #1 as an Equivalent Tax Rate	<u>\$0.668816</u>	<u>\$0.516664</u>
 2022 O&M Annual Installment as an Equivalent Tax Rate ⁽⁵⁾	 <u>\$0.0598465</u>	 <u>\$0.0598465</u>
Estimated Total Net Tax Rate and Average Annual Installments in Improvement Area #1 and O&M Assessment as an Equivalent Tax Rate⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	<u>\$3.302153</u>	<u>\$3.150000</u>
⁽¹⁾ As reported by the taxing entities. Per \$100 in value.		
⁽²⁾ Dallas County Schools was a bus transportation agency, which was dissolved by the Dallas County voters in November 2017. The agency continues to levy an ad valorem tax until its debt is paid off.		
⁽³⁾ Derived from information in the Service and Assessment Plan, and from lot counts and estimated buildout values provided by the Developer. Shown as an equivalent tax rate for illustration purposes only. Includes Assessments levied for payment of the Bonds Similarly Secured. See "APPENDIX C — Form of Service and Assessment Plan." Preliminary; subject to change.		
⁽⁴⁾ Pursuant to the Development Agreement, the maximum equivalent tax rate, including the Assessments and the O&M Assessments and all overlapping taxing jurisdictions, cannot exceed \$3.15 per \$100 taxable assessed valuation. In the Development Agreement, the City has agreed to use TIRZ No. 2 Revenues generated from each lot within Improvement Area #1, in an amount not to exceed the TIRZ No. 2 Maximum Annual Credit Amount, to offset a portion of such lot's Annual Installment of Assessment due each year. Derived from information in the Service and Assessment Plan. See "ASSESSMENT PROCEDURES — Assessment Amounts – TIRZ No.2 Annual Credit Amount" herein.		
⁽⁵⁾ Derived from information obtained from the O&M Service and Assessment Plan. Concurrently with the levy of the IA #2-5 Assessments, the City expects to levy the O&M Assessment for 2022 on the lots within Improvement Area #1. The O&M Assessments will be calculated and levied annually based on the actual costs of operating and maintaining the Authorized Improvements allocable to such lot, plus administrative expenses relating thereto. Shown as a tax rate equivalent for illustration purposes only. See "ASSESSMENT PROCEDURES — O&M Assessment." Preliminary; subject to change.		
⁽⁶⁾ Totals may not add due to rounding.		
<i>Sources: Dallas Central Appraisal District, Service and Assessment Plan and O&M Service and Assessment Plan.</i>		

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Overlapping Debt

As noted above, 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 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 #1, as of September 1, 2022, and City debt to be secured by the Assessments: **[FA to complete]**

Overlapping Debt in Improvement Area #1

Taxing or Assessing Entity	Gross Outstanding Debt as of September 1, 2022	Estimated % Applicable ⁽¹⁾	Estimated Overlapping Debt ⁽¹⁾
The City (Assessments – 2022 Bonds)	\$ 4,628,000 ⁽²⁾	100.00%	\$4,628,000 ⁽²⁾
The City (Assessments – 2020 Bonds)	6,700,000	100.00%	6,700,000
The City (Ad Valorem Taxes)	63,320,000	%	
Dallas County	236,605,000	%	
Dallas County Hospital District	559,905,000	%	
Dallas County Community College District	110,835,000	%	
Garland ISD	424,040,000	%	
Total⁽³⁾	\$1,406,033,000		\$

⁽¹⁾ Based on \$[redacted] for Improvement Area #1 and on certified valuations for the Tax Year 2021 for the taxing entities.

⁽²⁾ Preliminary; subject to change. Assumes the 2022 Bonds are issued.

⁽³⁾ As of September 1, 2022, Dallas County Schools had no outstanding general obligation debt.

Sources: Appraisal, Dallas Central Appraisal District and Municipal Advisory Council of Texas.

Owners' Association

In addition to the Assessments and O&M Assessments, the Developer anticipates that each property owner of a single-family residential lot within Improvement Area #1 will pay an annual maintenance and operation fee and/or a property owners' association fee (the "POA Fee") to The Station Residential Property Owner's Association, Inc. (the "POA"), a homeowners' association formed by the Developer. The Developer also anticipates that each owner of property in Improvement Area #1, other than the owners of single-family residential lots, will pay an annual maintenance and operation fee and/or a property owners' association fee (the "COA Fee" and together with the POA Fee, the "OA Fee") to The Station Commercial Property Owner's Association Inc., (the "COA" and together with the POA, the "OA"), an owners' association formed by the Developer. All OA Fees will be calculated annually based on the estimated expenses to be incurred by the applicable OA in performing its functions to, among other things, maintain, repair and manage the improvements or amenities covered by the respective OA Fee. In 2022, the annual POA Fee was \$1,200 for single-family detached homes and \$600 for townhomes. The COA Fee varies based on use, square footage and timing of the assessment.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meaning given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #1 Authorized Improvements through Assessments, it must adopt a resolution generally describing the Improvement Area #1 Authorized Improvements and the land within the District to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared for Improvement Area #1 (the "Assessment Roll"), which Assessment Roll shows the Assessed Property within Improvement Area #1, 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 set forth in the Service and Assessment Plan will be filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the Assessed Property and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1 Authorized Improvements and funding the same with Assessments. The City levied the Assessments and adopt the Assessment Ordinance on October 26, 2020, after which the Assessments became legal, valid and binding liens upon the Assessed Property.

Under the PID Act, the costs of Improvement Area #1 Authorized Improvements to be defrayed through Assessments may be assessed by the City against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Improvement Area #1 Authorized Improvements equals or exceeds the Assessments. The costs of the Improvement Area #1 Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District is presented in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C — 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 #1 Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #1 Authorized Improvements to Parcels in a manner that results in equal shares of costs being apportioned to Parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1 Authorized Improvements are being funded with proceeds of the 2022 Bonds, which are payable from and secured by Pledged Revenues, including the Assessments.

As set forth in the Service and Assessment Plan, the City Council determined that the Actual Costs associated with the Improvement Area #1 Authorized Improvements was to be allocated to the Assessed Property by spreading the entire Assessment across all Parcels and Lots within the Improvement Area #1 based on the ratio of Estimated Buildout Value of each Parcel or Lot to the Estimated Buildout Value for all Parcels or Lots within the Improvement Area #1. See “APPENDIX C — Form of Service and Assessment Plan.”

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefitted within Improvement Area #1. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within the District. For further explanation of the assessment methodology, see “APPENDIX C — Form of Service and Assessment Plan.”

For purposes of the Service and Assessment Plan, Improvement Area #1 consists of the following Lot Types: (1) Single-Family Lot Type, (2) Townhome Lot Type, (3) Multifamily Lot Type, and (4) Commercial Lot Type 1, which includes Assessed Property intended for inline retail and food retail. The table below provides the value to lien analysis based on Lot Type in Improvement Area #1.

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Value to Lien Analysis in Improvement Area #1⁽¹⁾

<u>Lot Type</u>	<u>Planned Number of Units/ Sq. Ft.</u>	<u>Estimated Lot Value per Lot Type⁽²⁾</u>	<u>Estimated Buildout Value per Unit/Sq. Ft.</u>	<u>Estimated Buildout Value per Lot Type</u>	<u>Total Outstanding Assessments per Lot Type</u>	<u>Estimated Ratio of Lot Value per Lot Type to Outstanding Assessment</u>	<u>Estimated Ratio of Estimated Buildout Value per Lot Type to Outstanding Assessment</u>
Block A							
Single-Family	165	\$13,991,505	\$383,126.00	\$ 63,215,850	\$5,345,142	2.62 : 1	11.83 : 1
Townhomes	59	3,138,682	255,964.00	15,101,900	1,276,923	2.46 : 1	11.83 : 1
Block B							
Multi-family	300	24,491,040	170,000.00	4,312,245	4,312,245	5.68 : 1	11.83 : 1
Block K1							
Commercial 1	15,688	2,144,346	191.25	<u>3,000,330</u>	<u>253,689</u>	<u>8.45 : 1</u>	<u>11.83 : 1</u>
Total/Average				<u>\$132,318,080</u>	<u>\$11,188,000</u>	<u>3.91 : 1</u>	<u>11.83 : 1</u>

⁽¹⁾ Based on the concept plan for the District. Derived from information in the Service and Assessment Plan. The actual unit counts and estimated buildout value may vary from that shown above.

⁽²⁾ Estimated lot values provided by the PID Administrator.

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney's fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See "BONDHOLDERS' RISKS — Assessment Limitations" herein.

In the Indenture, the City covenants 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. Annual Collection Costs shall be allocated among all Parcels in Improvement Area #1 in proportion to the amount of the Annual Installments for such Parcels.

In the Indenture, the City covenants, agrees and warrants that, for so long as any Bonds Similarly Secured are Outstanding, 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. Notwithstanding the foregoing, the City shall be permitted to reduce the Assessments on a Parcel within Improvement Area #1 by the TIRZ No. 2 Annual Credit Amount pursuant to the Development Agreement and the Service and Assessment Plan; provided, however, that no such reduction shall operate to reduce the amounts levied for the payment of the Annual Collection Costs.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the

currently delinquent Annual Installment. Notwithstanding the foregoing, the City will not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding property.

The City expects to implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E 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 will 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 when billed on or about October 1 each year and become delinquent on February 1.

In the event Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Payment</u> <u>Received</u>	<u>Cumulative</u> <u>Penalty</u>	<u>Cumulative</u> <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 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 Assessments for each Parcel within Improvement Area #1. The Assessments may not exceed the amounts shown on the applicable Assessment Roll. The Assessments have been levied against the Parcels comprising the Assessed Property, as indicated on the Assessment Roll. See "APPENDIX C — Form of Service and Assessment Plan."

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

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments initially be allocated to each Assessed Property within Improvement Area #1 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Assessed Property to the Estimated Buildout Value of all Assessed Property.

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

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

Where the terms have the following meaning:

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 the newly divided Assessed Properties

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the PID Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

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

The calculation of the assessment for a Lot shall be performed by the PID Administrator and confirmed by the City Council based on Estimated Buildout Value information shown in Exhibit M-1 to the Service and Assessment Plan. The Estimated Buildout Value for Single Family Lot Types, Multi-family Lot Types, Townhome Lot Types and Commercial Lot Type 1 are shown on Exhibit M-1 to the Service and Assessment Plan and will not change in future Annual Service Plan Updates.

The sum of the Assessment 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 State 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. See “APPENDIX C — Form of Service and Assessment Plan.”

The Assessment for any resulting Lot may not exceed the “Improvement Area #1 Maximum Assessment” for such Lot Type, as shown in Exhibit M-1 to the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.”

TIRZ No.2 Annual Credit Amount. Pursuant to the Development Agreement, the Service and Assessment Plan and the TIRZ No. 2 Ordinance, the City agreed to use TIRZ No. 2 Revenues generated from each Assessed Property to offset a portion of such Parcel’s Assessment related to the Improvement Area #1 Improvements. The Annual Installment of the Assessments for each Parcel within Improvement Area #1 will be calculated by taking into consideration any TIRZ No. 2 Annual Credit Amount applicable to such Parcel, as described under “SECURITY FOR THE BONDS SIMILARLY SECURED — Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount” and in “APPENDIX C — Form of Service and Assessment Plan,” but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount. The TIRZ No. 2 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value on the applicable Parcel in any year. Consequently, the TIRZ No. 2 Revenues are generated only if the appraised value of real property on such Parcel in any year is greater than the base value. See “APPENDIX C — Form of Service and Assessment Plan.”

TIRZ NO. 2 REVENUES GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN IMPROVEMENT AREA #1 DURING THE DEVELOPMENT OF SUCH PARCEL WILL NOT RESULT IN A TIRZ NO. 2 ANNUAL CREDIT AMOUNT WHICH IS SUFFICIENT TO ACHIEVE THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT MAY NOT PROVIDE FOR THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME OR COMMERCIAL BUILDING ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN IMPROVEMENT AREA #1 IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN IMPROVEMENT AREA #1 MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE “OVERLAPPING TAXES AND DEBT” AND “APPENDIX C — FORM OF SERVICE AND ASSESSMENT PLAN.” SUCH TIRZ NO. 2 REVENUES ARE NOT PLEDGED AS SECURITY FOR THE BONDS SIMILARLY SECURED.

The following table provides the expected allocation of Assessments based on Lot Type.

Assessment Allocation by Lot Type in Improvement Area #1⁽¹⁾

Lot Type	Planned Number of Units/SF	Outstanding Assessment Per Lot/ Unit/SF	Average	Equivalent Tax Rate Per \$100 AV ⁽²⁾	Total Overlapping Equivalent Tax Rate Per \$100 AV ⁽³⁾	Maximum	Net Annual Installment Per Lot/ Unit/SF	Net	Net Total
			Outstanding			Annual		Annual	Net
			Annual			Annual		Annual	Annual
			Installments			Credit		Assessment	Overlapping
Unit/SF	Unit/SF	Unit/SF	Per Lot/ Unit/SF	Per Lot/ Unit/SF	Per Lot/ Unit/SF	Per Lot/ Unit/SF	Tax Rate Per \$100 AV ⁽²⁾	Tax Rate Per \$100 AV	
Block A									
Single-family	165	\$32,395.00	\$2,562.41	\$0.6688	\$3.3022	\$(0.1522)	\$1,979.47	\$0.5167	\$3.1500
Townhomes	59	21,643.00	1,711.93	0.6688	3.3022	(0.1522)	1,322.47	0.5167	3.1500
Block B									
Multi-family	300	14,374.00	1,136.99	0.6688	3.3022	(0.1522)	878.33	0.5167	3.1500
Block K-1									
Commercial 1	15,688	16.17	1.28	0.6688	3.3022	(0.1522)	0.99	0.5167	3.1500

⁽¹⁾ Based on the concept plan for the District. Derived from information in the Service and Assessment Plan. The actual unit counts and estimated buildout value may vary from that shown above.

⁽²⁾ Only includes the Assessments. See “OVERLAPPING TAXES AND DEBT — Overlapping Taxes.”

⁽³⁾ Includes the Assessments, the O&M Assessment allocable to Improvement Area #1 and the ad valorem tax rate for the City, the County, Garland ISD, Dallas County Hospital District, Dallas County Community College District and Dallas County Schools.

⁽⁴⁾ For illustration purposes only. The Annual Installment of Assessments for each Parcel within Improvement Area #1 will be calculated by taking into consideration any TIRZ No. 2 Annual Credit Amount applicable to such Parcel, as described under “SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount,” but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount. The ability of the TIRZ No. 2 Annual Credit Amount to provide the TIRZ No. 2 Maximum Annual Credit Amount is dependent on the actual buildout value in Improvement Area #1 meeting the projections for the estimated buildout value per unit/square foot. There is no guarantee that there will be sufficient TIRZ No. 2 Revenues to provide for the TIRZ No. 2 Maximum Annual Credit Amount. See “OVERLAPPING TAXES AND DEBT — Overlapping Taxes” and “APPENDIX C — Form of Service and Assessment Plan.”

The Bonds Similarly Secured are secured by a first lien on and pledge of Pledged Revenues, including the Assessments. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any Assessed Property 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 Similarly Secured. 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.

Mandatory Prepayments. If title to Assessed Property or a portion thereof is conveyed to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City the full amount of the Assessment, plus all Prepayment Costs, and Delinquent Collection Costs, for such Lot, Parcel or portion thereof prior to any such conveyance or act. Such Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City for use as internal roads, utilities, and other similar public improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel, provided the requirements of Section 14 of PG&T Zoning District of the City's codified ordinances are followed. See Section VI.E of "APPENDIX C — Form of Service and Assessment Plan."

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Upon submission of a preliminary plat and/or site plan by the Developer to the City, the Developer shall provide the City the gross building square footage and use type for land included in the preliminary plat and/or site plan for each Lot anticipated to be created by the preliminary plat and/or site plan considering factors that may impact value. The PID Administrator will review the preliminary plat and/or site plan to determine if such plat and/or site plan will or will not result in the Assessment per Lot for any Lot Type within the preliminary plat and/or site plan exceeding the Improvement Area #1 Maximum Assessment. If the PID Administrator determines the preliminary plat and/or site plan results in an Assessment per Lot for any Lot Type exceeding the Improvement Area #1 Maximum Assessment, prior to the City issuing any building permit for any such Lot described in the reviewed preliminary plat or site plan, the Developer will make a Prepayment in an amount sufficient to reduce the Assessment for each Lot within such preliminary plat and/or site plan to the Improvement Area #1 Maximum Assessment. The City's approval of an Annual Service Plan Update, a preliminary plat or a site plan without payment of such amounts does not eliminate the obligation of the Developer to pay such amounts. See Section VI.C of "APPENDIX C — Form of Service and Assessment Plan."

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 the Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment to 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 Improvement Area #1 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 Improvement Area #1 Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property. In all instances the Assessment remaining on the Remaining Property shall not exceed the Improvement Area #1 Maximum Assessment.

Notwithstanding the preceding paragraphs under this subcaption, if the owner of the Assessed Property notifies the City and the PID 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 Improvement Area #1 Maximum Assessment on the Remaining Property to support

the Estimated Buildout Value requirement. The owner will remain liable to pay the Assessment on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the preceding paragraphs under this subcaption, the Assessment shall not, however, be reduced to an amount less than the outstanding Bonds Similarly Secured. See Section VI.H of “APPENDIX C — Form of Service and Assessment Plan.”

Reduction of Assessments. If the Actual Costs of completed Improvement Area #1 Authorized Improvements are less than the Assessments, upon receipt of a City Order, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem outstanding Bonds Similarly Secured. Excess Bond Similarly Secured proceeds shall be applied to redeem outstanding Bonds Similarly Secured. See Section VI.E of “APPENDIX C — Form of Service and Assessment Plan.”

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 Assessment Lien is on parity with the O&M Assessment Lien (as defined herein). 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 Assessed Property may pay the entire Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time. See “ASSESSMENT PROCEDURES — Prepayment of Assessments.”

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 Similarly Secured pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale (“Foreclosure Proceeds”). 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 Similarly Secured 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.

In the Indenture, the City covenants to take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX B — Form of Indenture.” See also “APPENDIX E — Form of Disclosure Agreement of the Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

The City will not be obligated to fund foreclosure proceedings out of any funds other than from funds in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds Similarly Secured may be required to pay amounts necessary to continue foreclosure proceedings. See “APPENDIX B — Form of Indenture” and “APPENDIX C — Form of Service and Assessment Plan.”

O&M Assessment

In addition to the Assessments, the City expects to impose the O&M Assessment pursuant to the O&M Service and Assessment Plan to provide the O&M Services to the District. Pursuant to the O&M Service and Assessment Plan, the City will prepare and provide to the PID Administrator a budget for the costs of the O&M Services. The O&M Assessment will be calculated and levied annually on all Parcels of the Assessed Property in an amount sufficient to provide the O&M Services, plus administrative expenses relating thereto (collectively, the “O&M Annual Installment”). The 2022 O&M Annual Installment for lots within Improvement Area #1 will be equal to \$0.05985 per \$100 of assessed value for each Parcel, but in no event will the O&M Annual Installment be greater than the actual costs to operate and maintain the applicable Authorized Improvements, plus administrative expenses relating thereto. The O&M Assessment is in addition to the Assessments, and will be calculated, levied and collected annually, pursuant to the O&M Service and Assessment Plan. The O&M Assessments are a first and prior lien against the property assessed (the “O&M Assessment Lien”), superior to all other liens or claims, except liens or claims for State, county, school district or municipality ad valorem taxes and the O&M Assessment Lien is on parity with the Assessment Lien. Pursuant to the PID Act, the O&M Assessment Lien 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. **The O&M Assessments are not security for the Bonds Similarly Secured.** See “OVERLAPPING TAXES AND DEBT.”

THE CITY

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City was incorporated in 1956, and first adopted its Home Rule Charter in 1986. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers, who serve staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. The 2020 Census population for the City was 27,103, while the estimated 2022 population is 28,450. The City covers approximately 9.9 square miles.

The current members of the City Council and their respective expiration of terms of office and the principal administrators of the City are shown on page ii hereof. General information regarding the City and the surrounding area can be found in “APPENDIX A — General Information Regarding the City and Surrounding Area.”

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 City created the District in accordance with the PID Act by a resolution adopted by the City Council on January 22, 2019 in accordance with the PID Act and, on December 2, 2019, the City Council approved a resolution adding land to the District (together, 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 #1 Authorized Improvements, 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. Maps of the property within the District are included on pages v and vi hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a property owner 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 special 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 property owner for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #1 Projects. See "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain street, water, sewer, drainage, landscaping and hardscaping improvements comprising the Improvement Area #1 Projects and to finance a portion of the costs thereof through the issuance of the Bonds Similarly Secured. The City has further determined to provide for the payment of debt service on the Bonds Similarly Secured through Pledged Revenues. See "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

District Collection and Delinquency of Assessments

Improvement Area #1. On October 26, 2020, the City levied the Assessments on assessable property in Improvement Area #1, through the City Council's adoption of the Assessment Ordinance and approval of the Original Service and Assessment Plan. The initial annual installments of Assessments were billed in October of 2020 and became due and payable on or before January 31, 2021. The following table shows the collection and delinquency history of the Assessments.

<u>Collection and Delinquency History of Assessments</u>							
Assessments Due 1/31 ⁽¹⁾	Total Annual Installments Levied	Parcels Levied	Delinquent Amount as of 2/1	Delinquent Percentage as of 2/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Annual Installments Collected ⁽²⁾
2021	\$ 741,845.67	3	-	0.00%	-	0.00%	\$741,845.67
2022	\$ 818,352.19	226	\$63,562.04	7.77%	\$46,610.23	5.696%	\$774,571.33 ⁽³⁾

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ Excludes penalties and interest and any prepayments of IA #1 Assessments.

⁽³⁾ Collections as of September 1, 2022. Includes \$2,829.37 collected in overpayments.

THE COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE FUTURE COLLECTION OF THE ASSESSMENTS WILL MIRROR SUCH COLLECTION HISTORY.

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Major Improvement Area. On October 26, 2020, the City levied the MIA Assessments on assessable property in the Major Improvement Area, through the City Council's adoption of the Original Service and Assessment Plan. The initial annual installments of MIA Assessments were billed in October of 2020 and became due and payable on or before January 31, 2021. The following table shows the collection and delinquency history of the MIA Assessments.

<u>Collection and Delinquency History of MIA Assessments</u>							
Assessments	Total Annual Installments	Parcels	Delinquent Amount	Delinquent Percentage	Delinquent Amount	Delinquent Percentage	Total Annual Installments
<u>Due 1/31⁽¹⁾</u>	<u>Levied</u>	<u>Levied</u>	<u>as of 2/1</u>	<u>as of 2/1</u>	<u>as of 9/1</u>	<u>as of 9/1</u>	<u>Collected⁽²⁾</u>
2021	\$ 62,700.00	12	-	0.00%	-	0.00%	\$ 62,700.00
2022	\$ 686,825.30	11	\$93,832.69	13.66%	\$0.00	0.00%	\$686,825.30 ⁽³⁾

(1) Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

(2) Excludes penalties and interest and any prepayments of MIA Assessments.

(3) Collections as of September 1, 2022.

THE COLLECTION AND DELINQUENCY HISTORY OF THE MIA ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE FUTURE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE MIA ASSESSMENTS. THE MIA ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE 2022 BONDS.

Assessment Payer Concentration

The following table shows the largest assessment payers in Improvement Area #1 responsible for the payment of the Assessments, as of August 15, 2022.

<u>Largest Assessment Payers in Improvement Area #1</u>			
<u>Property Owner</u>	<u>Number of Planned Lots/Units/Sq. Ft.</u>	<u>Outstanding Assessments⁽¹⁾</u>	<u>Percentage of Total Assessments⁽¹⁾</u>
Hovnanian Homes	6 lots	\$194,368.80	1.74%
Ashton	76 lots	2,042,675.64	18.26%
5300 The Station	300 units	4,312,245.16	38.54%
Dockside Threading	15,688 sq. ft.	253,689.38	2.27%
Homeowners ⁽¹⁾	142 lots	<u>4,385,021.02</u>	39.19%
Total Assessments Levied in Improvement Area #1⁽²⁾		\$11,188,000.00	100.00%

(1) Represents the aggregate number of lots owned by individual homeowners and the aggregate amount of Assessments for which such homeowners are responsible.

(2) Totals may not add due to rounding.

THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS

General

The Improvement Area #1 Authorized Improvements consist of the (i) the Improvement Area #1 Projects, (ii) the first year's Annual Collection Costs allocable to Improvement Area #1, and (iii) the Bond Issuance Costs, as described below. A portion of the costs of the Improvement Area #1 Authorized Improvements will be funded with proceeds of the Bonds Similarly Secured. The balance of the costs of the Improvement Area #1 Authorized Improvements have been or will be paid by the Developer without reimbursement by the City. See "APPENDIX C — Form of Service and Assessment Plan."

Improvement Area #1 Authorized Improvements

Major Improvements. The Improvement Area #1 Projects consist of Improvement Area #1's allocable share of the following Major Improvements:

Station Blvd/Bunker Hill Road. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, signage, dry utility infrastructure, drainage infrastructure, screen walls, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way.

Hudson Road. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, signage, drainage infrastructure, screen walls, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way.

Merritt Road. Improvements include landscaping enhancements, screening walls, and retaining walls for the right-of-way of Merritt Road.

Commons Parkway/Street A. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, signage, dry utility infrastructure, drainage infrastructure, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way. The street improvements will provide a benefit to all property within the District.

Heritage Park Improvements. Improvements include earthwork, excavation, erosion control, retaining wall, signage, playground equipment, shade structures, park furniture fixtures, fountains, splash pad, parking, sidewalks, trails, drainage infrastructure, landscaping, water and sewer utility improvements, concrete paving, irrigation, and re-vegetation of all disturbed areas.

Regional Detention. Improvements include clearing, pond excavation, soil testing, retaining walls, erosion control, piping of inbound and outbound drainage lines, and construction of outlet structures. Hardscape and landscape improvements including a boardwalk, pedestrian bridge, trails, re-vegetation, and fountains are also included.

Master Water Line Extension. Improvements including trench excavation and embedment, trench safety, piping, fire hydrant assemblies, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide water service to the District.

Master Sewer Main Extension – Line A. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to the District.

Master Sewer Main Extension – Line B. Improvements including trench excavation and embedment, trench safety, piping, boring, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to the District.

Master Entry Monumentation/Artwork. Improvements include public entry signage components such as monument signs, lighting, brick wall footings, and landscaping. Public art features such as statues and monuments are also included.

Public Collector Road B/Street B. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps and sidewalks located within the right of way. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, irrigation, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within the District.

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, legal fees, consultant fees, contingency, costs associated with forming the District, including but not limited to attorney fees, and any other costs or expense incurred by the City directly associated with the establishment of the District, and other costs incurred and paid by the Developer.

Improvement Area #1 Improvements. The Improvement Area #1 Projects also include the following Improvement Area #1 Improvements:

Public Parking Access and In-Tract Improvements/Public Parking Area.

Street. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel, testing, ADA ramps, striping, drainage infrastructure, TxDOT Improvements, and curb cut driveways. All related earthwork, excavation, erosion control, retaining walls, street signs and traffic safety signs, landscaping, and irrigation and re-vegetation of all disturbed areas within the right of way are also included.

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

Sewer. Improvements including trench excavation and embedment, trench safety, piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

Storm Drainage. Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and necessary appurtenances to provide storm drainage for all Lots within Improvement Area #1.

Phase 1 SF/East Tract.

Public Open Space (Improvement Area #1 Park). Improvements include earthwork, excavation, erosion control, retaining walls, signage, playground equipment, shade structures, park furniture fixtures, lighting, fountains, parking, sidewalks, trails, drainage infrastructure, landscaping, screen wall, water and sewer utility improvements, concrete paving, irrigation, and re-vegetation of all disturbed areas within public open space.

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

Water. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion

control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

Sewer. Improvements including trench excavation and embedment, trench safety, piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

Storm Drainage. Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #1.

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, legal fees, consultant fees, contingency, and other costs incurred and paid by the Developer.

Initial Administrative Fund Deposit. The Improvement Area #1 Authorized Improvements include the amount necessary to fund the first year's Annual Collection Costs for the 2020 Bonds, which were deposited into the Administrative Fund in connection with the issuance of the 2020 Bonds.

Bond Issuance Costs. The Improvement Area #1 Authorized Improvements include the costs associated with issuing the 2020 Bonds and the 2022 Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, Trustee and paying agent/registrar fees, and any other cost or expense incurred by the City directly associated with the issuance of the 2020 Bonds and the 2022 Bonds (collectively, the "Bond Issuance Costs").

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Costs of Improvement Area #1 Authorized Improvements

The following table reflects the expected total costs of the Improvement Area #1 Authorized Improvements, a portion of which are expected to be financed with proceeds of the 2022 Bonds.

<u>Estimated Costs of the Improvement Area #1 Authorized Improvements⁽¹⁾</u>		
<u>Type of Improvement Area #1 Authorized Improvements</u>	<u>%⁽²⁾</u>	<u>Total Cost</u>
<i>Major Improvements⁽³⁾</i>		
Station Blvd/Bunker Hill Road	41%	\$ 1,951,801
Hudson Road	41%	227,354
Merritt Road	41%	108,302
Commons Parkway/Street A	41%	229,082
Heritage Park Improvements	41%	929,864
Regional Detention	41%	362,758
Master Water Line Extension	41%	74,590
Master Sewer Main Extension – Line A	41%	86,384
Master Sewer Main Extension – Line B	41%	3,374
Master Entry Monumentation/Artwork	41%	121,083
Public Collector Road B/Street B	41%	174,208
Soft Costs	41%	403,500
<u>Total Major Improvements</u>		<u>\$ 4,672,299</u>
<i>Improvement Area #1 Improvements⁽⁴⁾</i>		
Public Parking and In-Tract Improvements	100%	\$496,770
Phase 1 SF/East Tract	100%	5,146,352
Soft Costs	100%	800,721
<u>Total Improvement Area #1 Improvements</u>		<u>\$6,443,843</u>
<i>Initial Administrative Fund Deposit</i>	100%	\$ 30,000
<i>Bond Issuance Costs – 2020 Bonds</i>		
Rounding Amount	100%	430
Deposit to Reserve Account	100%	\$ 436,650
Underwriter Discount	100%	206,250
Costs of Issuance	100%	446,875
<u>Total Bond Issuance Costs – 2020 Bonds</u>		<u>1,090,205</u>
<i>Bond Issuance Costs – 2022 Bonds</i>		
Deposit to Reserve Account	100%	\$ 337,020
Underwriter Discount	100%	138,840
Costs of Issuance	100%	300,820
<u>Total Bond Issuance Costs – 2022 Bonds</u>		<u>776,680</u>
<u>Total</u>		<u>\$12,929,821</u>

⁽¹⁾ Derived from information in the Service and Assessment Plan. Preliminary; subject to change.

⁽²⁾ Represents the percentage of each improvement allocable to Improvement Area #1.

⁽³⁾ The total expected cost of the Major Improvements is \$17,996,305. The amounts shown are net of \$6,446,001 attributable to the City Land, which the City is funding in cash (the “City Contribution”), and \$154,453 attributable to a Developer contribution.

The costs of the Improvement Area #1 Authorized Improvements are based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City and were approved by the City Council. See “APPENDIX C — Form of Service and Assessment Plan.”

The total costs of all of the Improvement Area #1 Authorized Improvements are expected to be approximately \$12,929,821*. A portion of such costs, in the approximate amount of \$11,916,502*, are expected to be paid with proceeds of the 2020 Bonds, the 2022 Bonds and Assessment Revenues pursuant to the Reimbursement Agreement and the Indenture. The balance of the costs of the Improvement Area #1 Authorized Improvements, in the total approximate amount of \$1,013,319*, were or will be financed by the Developer without reimbursement by the City.

Ownership and Maintenance of Improvement Area #1 Projects

The Improvement Area #1 Projects have been or 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 maintenance and repair of the Improvement Area #1 Projects constructed and conveyed, as outlined in the Service and Assessment Plan and O&M Service and Assessment Plan. See "ASSESSMENT PROCEDURES — O&M Assessment."

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

Overview

The Development is an approximately 170.686-acre master-planned mixed-use community expected to consist of single-family residential, multifamily, commercial, office, and retail components, as further described below. The Development is located within the City's corporate limits, in northeast Dallas County, less than 20 miles from downtown Dallas. The Development sits directly on President George Bush Turnpike ("PGBT"), the primary access arterial, between the exits of Miles Road and Merritt Road.

Development Plan

The Development. The Developer acquired approximately 133 of the 170 acres comprising the District for a long-term development project in five separate transactions from various families, the Sachse Medical Center and the Children's Medical Center Foundation. When the Developer acquired such property, the City owned approximately 37 acres of the District, which consisted of Heritage Park and the Water Tower Parcel.

The Development is divided into seven Improvement Areas. Improvement Areas #2-7 make up the Major Improvement Area. Each Improvement Area is further divided into "Blocks" based on expected use. Improvement Area #1 consists of Blocks A, B and K1. Improvement Area #2 consists of Blocks K2(A), K2(B), K2(C) and K3. Improvement Area #3 consists of Block C. Improvement Area #4 consists of Blocks D and E. Improvement Area #5 consists of Blocks F, G, H1, H2, L1 and L2. Improvement Area #6 consists of Block I, and Improvement Area #7 consists of Block J. See "MAP SHOWING BLOCKS WITHIN THE DISTRICT" and "MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT" on pages v and vi.

The District is being developed in Improvement Areas, which began with the construction of the Major Improvements and the Improvement Area #1 Improvements and is being followed by the Improvement Area #2 Improvements, the Improvement Area #3 Improvements, the Improvement Area #4 Improvements and the Improvement Area #5 Improvements. Finally, such development will be followed by construction of the Improvement Area #6 Improvements and the Improvement Area #7 Improvements.

The Development is expected to include approximately 214 single-family residential lots, 59 townhomes, approximately 790 units of multifamily housing (conventional and age-restricted), and approximately 568,757 square feet of commercial space. The Development includes Heritage Park, an approximately 35-acre public park owned by the City. The Developer is enhancing the current amenities available at Heritage Park by constructing the Heritage Park Improvements. The Developer also constructed the Improvement Area #1 Park, which was dedicated to the City.

* Preliminary; subject to change.

The Heritage Park Improvements are part of the Major Improvements and a portion of the costs of the Heritage Park Improvements are expected to be reimbursed to the Developer with proceeds of the MIA Bonds and the IA #1 Bonds. The Improvement Area #1 Park is part of the Improvement Area #1 Improvements and a portion of the costs of the Improvement Area #1 Park are expected to be reimbursed to the Developer with proceeds of the IA #1 Bonds. In addition to Heritage Park and the Improvement Area #1 Park, the City also owns the Water Tower Parcel. See “MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT” on page vi and “THE DEVELOPMENT.”

While **not included** in the District, the property located between Blocks D/E and F/L consists of the Trinity Regional Hospital Sachse, a full-service, acute care hospital, which was completed in the first quarter of 2021. The two-story facility includes 32 inpatient beds, a 12-bed emergency department, four operating rooms, a lab and pharmacy. An Imaging Department will be able to provide CT, MRI, ultrasounds, x-ray, and nuclear medicine. The 80,000 square-foot hospital anchors a 33-acre, multi-facility medical campus and provides a range of acute, post-acute, primary care, and specialty services from pediatric to geriatric patients.

Status of Construction. The Developer began construction of the Improvement Area #1 Improvements and the Major Improvements in July of 2019. The Developer completed construction of the Improvement Area #1 Park in June 2020. The Developer completed construction of the remaining Improvement Area #1 Improvements in August of 2021.

As of August 15, 2022, the Developer has completed construction of the Major Improvements, with the exception of the Regional Detention Improvements and Heritage Park Improvements. The Developer began construction of the Regional Detention Improvements in the second quarter of 2022 and the Heritage Park Improvements in the third quarter of 2022. The Developer expects to complete the Regional Detention Improvements and Heritage Park Improvements by the third quarter of 2023.

The Developer began construction of the Improvement Area #2 Improvements to serve Block K2(A) in the second quarter of 2022 and expects to complete such construction by the first quarter of 2023. As of August 15, 2022, the Developer has spent approximately \$130,000 on constructing the Improvement Area #2 Improvements. The Developer expects that construction of all Improvement Area #2 Improvements will be complete by the fourth quarter of 2024.

PMB Advisors, on behalf of Hovnanian Homes, began construction of the Improvement Area #3 Improvement in the first quarter of 2022. As of August 15, 2022, Hovnanian Homes has spent approximately \$900,000 on constructing the Improvement Area #3 Improvements. The Developer expects that the Improvement Area #3 Improvements will be complete by the first quarter of 2023. The Developer has retained all rights under the Reimbursement Agreement to receive reimbursement for the costs to construct the Improvement Area #3 Improvements.

The Developer began construction of the Improvement Area #4 Improvements to serve the approximately 8.1 acres of multifamily land within Block D in the first quarter of 2022 and expects to complete such construction by the third quarter of 2023. As of August 15, 2022, the Developer has spent approximately \$650,000 on constructing such Improvement Area #4 Improvements. The Developer expects that construction of all Improvement Area #4 Improvements will be complete by the second quarter of 2024.

The Developer began construction of the Improvement Area #5 Improvements to serve Block F and Block L2 in the first quarter of 2021 and has completed such construction for an approximate amount of \$550,000. The Developer expects that construction of all Improvement Area #5 Improvements within the remaining Blocks of Improvement Area #5 will be complete by the first quarter of 2025.

SL6 Sachse expects to begin construction of the Improvement Area #6 Improvements in the second quarter of 2023 and complete such construction by the first quarter of 2024. Evolve began construction of the Improvement Area #7 Improvements in the second quarter of 2022 and expects to complete such construction by the third quarter of 2023. SL6 Sachse and Evolve will finance the costs of such improvements without reimbursement through the District.

Additional Improvements within Improvement Areas #2-5. In addition to the above-described improvements, certain Additional Improvements have been or will be constructed by the Developer or the applicable landowner within each such Improvement Area. The total costs to construct the Additional Improvements necessary to serve lots within Improvement Areas #2-5 are expected to be approximately \$5,411,983.

PMB Retail 2 is responsible for the construction of the Additional Improvements necessary to serve Block K(2)(A) within Improvement Area #2 in the approximate amount of \$1,249,646. PMB Retail 2 expects to fund such costs through the PMB Retail Loan (as defined herein). See “THE DEVELOPER — History and Financing of the District – Improvement Areas #2-5 – Block K(2)(A) Retail Loan.”

PMB Advisors, acting as a fee developer on behalf of Hovnanian Homes, the homebuilder and landowner within Improvement Area #3, is responsible for the construction of the Additional Improvements necessary to serve Improvement Area #3. The estimated costs of the Additional Improvements in Improvement Area #3 are \$326,656. Hovnanian Homes is responsible for paying the costs of such construction and expects to finance such costs through a loan with BancorpSouth Bank. See “— Improvement Areas #2-5 – Single-Family Residential.”

PMB MF is responsible for the construction of the Additional Improvements necessary to serve the multifamily site within Block D in the approximate amount of \$3,730,681. PMB MF expects to fund such costs through the Block D Loan (as defined herein). See “THE DEVELOPER — History and Financing of the District – Improvement Areas #2-5 – Block D Loan.”

The Additional Improvements necessary to Blocks G, H1 and L1 within Improvement Area #5, in the approximate amount of \$60,000, will be financed by the Developer or a subsequent owner if the Developer sells such land prior to construction of such improvements.

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The Developer's current expectations regarding the proposed use and estimated buildout schedule of the Blocks within the District, which are subject to change, are as follows:

Expected Build-Out of the District

<u>Block</u>	<u>Acreage⁽¹⁾</u>	<u>Proposed Land Use⁽²⁾</u>	<u>Current Owner</u>	<u>Expected Lots/Units/ Sq. Ft. ⁽²⁾</u>	<u>Actual/Expected Date of Commencement of Improvement Area</u>	<u>Actual/Expected Date of Completion of Lot</u>	<u>Actual/Expected Date of Vertical Completion⁽²⁾</u>
<u>IA #1</u>							
A	35.8	Single-Family Townhomes	Homebuilders/ Homeowners	165 59	8/2020	8/2021	12/2022
B	10.1	Multifamily	5300 The Station	300	7/2020	11/2020	9/2021
K1	<u>2.5</u>	Inline/Food Retail	Dockside Threading	15,688	10/2020	1/2021	8/2021
<i>Subtotal</i>	<i>48.4</i>						
<u>IA #2</u>							
K2(A)	3.2	Inline/Food Retail	PMB Retail 2	18,172	6/2022	3/2023	9/2023
K2(B)	0.9	Pad Retail	Developer	3,500	6/2023	3/2024	3/2025
K2(C)	2.1	7-Eleven	Vaquero	6,050	6/2023	12/2023	12/2024
K3	<u>1.2</u>	Inline/Pad Retail	Developer	2,500	12/2023	9/2024	6/2025
<i>Subtotal</i>	<i>7.4</i>						
<u>IA #3</u>							
C	7.8	Single-Family	Homebuilder	49	3/2022	3/2023	4/2024
<u>IA #4</u>							
D	8.1	Multifamily	PMB MF	297	3/2022	3/2023	6/2024
	5.2	Pad Retail	Developer	3,300	12/2023	6/2024	3/2025
E	9.0	Office	Developer	34,500	9/2023	6/2024	6/2025
		Jr. Anchor Retail		24,000			
<i>Subtotal</i>	<i>22.3</i>						
<u>IA #5</u>							
F	6.4	Multifamily	Sachse Station Owner	193	3/2021	3/2022	12/2022
G	4.5	Pad/Inline Retail	Developer/Gala Development	12,800	3/2023 – 3/2024 ⁽⁴⁾	12/2023 – 3/2025 ⁽⁴⁾	6/2024 – 3/2026 ⁽⁴⁾
H1	3.6	Food Retail	Developer	9,000	3/2023 – 3/2024 ⁽⁴⁾	12/2023 – 3/2025 ⁽⁴⁾	6/2024 – 3/2026 ⁽⁴⁾
H2 ⁽³⁾	0.1	N/A	Developer	N/A	N/A	NA	N/A
L1	6.9	Inline/Pad Retail	Developer	30,175	6/2023	6/2024	6/2025
L2	<u>5.9</u>	Office	TRHS	86,600	3/2021	3/2022	12/2022
<i>Subtotal</i>	<i>27.4</i>						
<u>IA #6</u>							
I	8.75	Office Flex	SL6 Sachse	103,680	6/2023	3/2024	3/2025
<u>IA #7</u>							
J	<u>11.27</u>	Office Flex	Evolve	218,792	6/2022	9/2023	12/2024
Total	133.62						

⁽¹⁾ See "MAP SHOWING BLOCKS WITHIN THE DISTRICT" on page v.

⁽²⁾ Provided by the Developer. Estimated and subject to change.

⁽³⁾ The land within Block H2 is undevelopable.

⁽⁴⁾ The Block will be developed in phases over time.

Improvement Area #1

Improvement Area #1 includes 224 single-family lots, consisting of 165 single-family detached homes on 40' x 95' lots and 59 attached townhomes on 22' x 80' lots, 300 conventional multifamily units making up the IA #1 Multifamily and approximately 15,688 square feet of inline and food retail comprising the IA #1 Retail Building.

Single-Family Residential. Pursuant to the IA#1 Lot Purchase Agreements, the Developer has sold all 224 single-family lots located in Block A of Improvement Area #1 to Hovnanian Homes and Ashton. All of the homes within Improvement Area #1 are expected to be Home Energy Rating System (HERS) index certified homes and include Guardian smart home solutions and increased insulation values.

The following table provides the number of lots on which the foregoing IA #1 Homebuilders have constructed or plan to construct homes within Improvement Area #1, pursuant to the IA #1 Lot Purchase Agreements.

Improvement Area #1 Homebuilders			
<u>Homebuilder</u>	<u>22' Lot⁽¹⁾</u>	<u>40' Lot⁽¹⁾</u>	<u>Total⁽¹⁾</u>
Hovnanian Homes	-	83	83
Ashton	<u>59</u>	<u>82</u>	<u>141</u>
Total	59	165	224

⁽¹⁾ Numbers include model homes.

As of August 15, 2022, the IA #1 Homebuilders have finished construction of 144 homes and have sold 196 homes to individual homeowners (including 54 homes under contract with homeowners). The following table shows the status of lot and home construction within Improvement Area #1, as of August 15, 2022.

Status of Single-family Lot and Home Construction in Improvement Area #1⁽¹⁾

<u>Lot Size</u>	<u>Total No of Lots</u>	<u>Completed Lots</u>	<u>Total Builder Contracted Lots⁽²⁾</u>	<u>Builder Contracted Lots Taken-down⁽²⁾</u>	<u>Homes Under Construction Not Under Contract with Residents</u>	<u>Homes Under Construction and Under Contract with Residents</u>	<u>Completed Homes Not Closed to Residents</u>	<u>Completed Homes Closed to Residents</u>	<u>Expected final Sale Date to Residents</u>
22'	59	59	59	59	8	14	0	22	12/2022
40'	<u>165</u>	<u>165</u>	<u>165</u>	<u>165</u>	<u>4</u>	<u>39</u>	<u>2</u>	<u>120</u>	12/2022
Total	224	224	224	224	12	53	2	142	12/2022

⁽¹⁾ As of August 15, 2022.

⁽²⁾ Lot totals include model homes.

The average base lot and base home prices in Improvement Area #1, as of August 15, 2022, are shown in the following table.

Single-Family Lot and Home Prices in Improvement Area #1

<u>Lot Size</u>	<u>Quantity</u>	<u>Base Lot Price⁽¹⁾</u>	<u>Base Home Price⁽²⁾</u>
22'	59	\$80,000	\$370,738
40'	<u>165</u>	<u>\$48,000</u>	<u>\$431,892</u>
Total	224		

⁽¹⁾ Average base lot price of all lots sold within Improvement Area #1, as of August 15, 2022.

⁽²⁾ Average base home price of all homes sold within Improvement Area #1, as of August 15, 2022, as reported by the IA #1 Homebuilders.

Multifamily Residential. In August of 2019, the Developer sold approximately 10.14 acres of land comprising Block B of Improvement Area #1 to Bunker Hill. Bunker Hill completed construction of the 300-unit IA #1 Multifamily, known as "The Linz at The Station," in September of 2021. The IA #1 Multifamily development consists of four garden-style four-story apartment buildings and includes a resort style pool, a gym, and surface parking. As of August 15, 2022, over 90% of the building was leased. In the first quarter of 2022, Bunker Hill sold the IA #1 Multifamily to 5300 The Station.

Commercial. The Developer began construction of the approximately 15,688 square foot inline and food retail building on Block K1 comprising IA #1 Retail Building in November of 2020 and completed such construction in August of 2021. The IA #1 Retail Building is 100% leased to the following tenants: Pho Station, Floral Design & Décor, Manny's Tex-Mex Restaurante, The Brass Tap, The Station Welcome Center, Polaris Dentistry and Cold Stone Creamery. PMB Retail 1 sold the IA #1 Retail Building to Dockside Threading in the second quarter of 2022 for a purchase price of \$9,700,000. As of July of 2022, all tenants have opened for business.

Improvement Areas #2-5

Improvement Areas #2-5 are expected to include 49 single-family lots in Block C, consisting of single-family detached homes on 40' x 95' lots, 490 multifamily units and approximately 230,597 square feet of commercial space in Blocks D, E, F, G, H1, K2(A), K2(B), K2(C), K3, L1 and L2.

Single-Family Residential. The Developer has completed the sale of the Improvement Area #3 land to Hovnanian Homes, for all 49 of the planned single-family lots within Block C. Hovnanian Homes purchased the land from the Developer for the purchase price of (i) \$5,684,000.00 (\$2,900.00 x 49 x 40) minus (ii) \$1,489,362, the estimated Development Costs (as defined below) (the "Purchase Price"). In the IA #3 Purchase Agreement, Hovnanian Homes and the Developer agree and acknowledge that the Total Development Costs (as defined below) for each of the planned 49 lots shall be equal to \$2,900.00 per linear front foot (the "Maximum FF Lot Cost"). The "Total Development Costs" for the lots shall equal the sum of (i) the Development Costs with respect to all of the lots, including any revisions or updates thereto, plus (ii) the Purchase Price for the Lots. Upon Hovnanian Homes' substantial completion of the development of Improvement Area #3, if the Total Development Costs for all of the lots exceeds the Maximum FF Lot Cost for the Lots (the "Excess Costs"), such Excess Costs shall be paid by the Developer to Hovnanian Homes promptly following the Developer's receipt of the Bond proceeds allocable to the Improvement Area #3 Improvements (the "IA #3 Bond Proceeds"), and (ii) if the Total Development Costs for all of the lots are less than the Maximum FF Lot Cost for the Lots (the "Cost Savings"), such Cost Savings shall promptly be paid by Hovnanian Homes to the Developer. The term "Development Costs" shall mean all costs and expenses incurred by or on behalf of Hovnanian Homes in connection with attaining final completion of the 49 lots as reflected on the development budget attached to the IA #3 Purchase Agreement, and, also including (i) a 10% contingency (which, if unused, shall become Cost Savings) and (ii) PMB Advisors' development management fee under the Lot Development Agreement (described and defined below).

In accordance with the IA #3 Purchase Agreement, the Developer and Hovnanian Homes entered into the Partial Assignment of Sachse Public Improvement District #1 PID Proceeds, as of December 15, 2021, pursuant to which, until the date of determination (and ultimate payment) of the amount of any Excess Costs, the Developer's obligation for any potential Excess Costs is secured by an assignment by the Developer to Hovnanian Homes of 20% of the IA #3 Bond Proceeds. For so long as there is an outstanding obligation for Excess Costs, then upon issuance of the IA #2-5 Bonds, Hovnanian Homes is entitled to receive 20% of the IA #3 Bonds Proceeds until such time that Hovnanian Homes has recouped the amount of the Excess Costs. Subject to the above, the Developer has retained all rights under the Reimbursement Agreement to receive reimbursement for the costs to construct the Improvement Area #3 Improvements.

In accordance with the IA #3 Purchase Agreement, Hovnanian Homes and PMB Advisors entered into the Lot Development Agreement as of December 15, 2021 (the "Lot Development Agreement"), pursuant to which Hovnanian Homes engaged PMB Advisors as an exclusive independent contractor to cause the completion of the Improvement Area #3 Improvements and the Additional Improvements necessary to serve Improvement Area #3 by April 9, 2023 and to pay PMB Advisors 5% of hard development and construction costs incurred in connection with such development.

Hovnanian Homes expects to begin home construction of the single-family homes in the first quarter of 2023. All of the homes within Improvement Area #3 are expected to be Home Energy Rating System (HERS) index certified homes and include Guardian smart home solutions and increased insulation values.

The expected schedule for sale of single-family homes to homeowners within Improvement Area #3 is shown in the following table.

<u>Expected Sale of Single-Family Homes to Homeowners in Improvement Area #3⁽¹⁾</u>	
<u>Expected Sale Date</u>	<u>40' Lot</u>
2023	29
2024	<u>20</u>
Total	49

⁽¹⁾ These projections regarding expected absorption were provided by the Developer. Numbers include model homes.

The Developer's current expectations regarding lot and home prices in Improvement Area #3 are as follows:

<u>Single-Family Lot and Home Prices in Improvement Area #3</u>			
<u>Lot Size</u>	<u>Quantity</u>	<u>Base Lot Price⁽¹⁾</u>	<u>Estimated Base Home Price⁽¹⁾</u>
40'	49	\$116,000	\$500,000

⁽¹⁾ Estimated base lot and home prices have been provided by the Developer. Base lot price is the assumed based lot price in the calculation of Purchase Price under the IA#3 Purchase Agreement.

Multifamily Residential. Improvement Areas #2-5 are expected to include two multifamily sites, consisting of approximately 297 multifamily units on Block D of Improvement Area #4 and approximately 193 multifamily units on Block F of Improvement Area #5. The Developer conveyed the approximately 8.1 acres comprising the in-tract multifamily portion of Block D to PMB MF, an affiliate of the Developer, in February of 2022. PMB MF expects to begin construction of the Block D Multifamily by the first quarter of 2023 and complete such construction by the second quarter of 2024. The Developer expects the Block D Multifamily to include five garden-style four-story apartment buildings and includes a resort style pool, a gym, and surface parking.

Sachse Station Owner purchased the approximately 6.2 acres comprising Block F for a purchase price of \$3,184,500 and began construction of the Block F Multifamily in the first quarter of 2022. The Block F Multifamily is expected to consist of one u-shaped four-story building and include, among other things, a resort style pool and community center, event lawn, gym and pickleball court. The 193 units will be age-restricted and are expected to be available for lease by the fourth quarter of 2022.

Commercial. Improvement Areas #2-5 are expected to include a total of approximately 230,597 square feet of commercial space.

Improvement Area #2 is expected to include approximately 30,222 square feet of commercial space, consisting of approximately 18,172 square feet in Block K2(A), approximately 3,500 square feet in Block K2(B), approximately 6,050 in Block K2(C) and approximately 2,500 square feet in Block K3. The Developer conveyed the approximately 3.2 acres comprising Block K2(A) to PMB Retail 2, an affiliate of the Developer, in February of 2022. PMB Retail 2 commenced horizontal construction in the second quarter of 2022, expects to begin vertical construction of approximately 18,172 square feet of inline/food and retail space in the first quarter of 2023, and have tenants moving in the third quarter of 2023. To date, one lease is signed with Castle Nails. The Developer expects that there will be five-to-seven tenants in total.

Vaquero purchased approximately 2.1 acres of land comprising K2(C) for the construction of a 7-Eleven on the corner of Merritt Rd for a purchase price of \$2,500,000. The site work for the 6,050 square foot retail center is expected to begin in the second quarter of 2023 and be delivered in the fourth quarter of 2024.

Improvement Area #4 is expected to include approximately 61,800 square feet of commercial space, consisting of approximately 3,300 square feet in Block D and approximately 58,500 square feet in Block E. The Developer owns approximately 5.2 acres within Block D, which is expected to include approximately 3,300 square feet of pad retail. The Developer expects to begin vertical construction of such retail buildings by the second quarter of 2024 and complete such construction by the first quarter of 2025.

Improvement Area #5 is expected to include approximately 138,575 square feet of commercial space, consisting of approximately 12,800 square feet in Block G, approximately 9,000 square feet in Block H1, approximately 30,175 square feet in Block L1 and approximately 86,600 square feet in Block L2. TRHS purchased the land within Block L2 for the construction of multiple medical office buildings adjacent to the Trinity Regional Hospital for a purchase price of \$1,999,404. The site work for the initial 66,000 square foot medical office building is complete and TRHS has started on vertical construction of such building. The delivery of an additional approximately 22,000 square foot medical office building is planned for the coming years.

The Developer sold approximately 0.75 acres of land within Block G to Gala Development for a purchase price of \$816,750. Gala Development expects to construct a Dillas Restaurant on such land.

The Developer does not have any purchase contracts or letters of intent for the remaining 113,153 square feet of commercial space in Blocks K2(B), K3, E, G, H1 and L1 of Improvement Areas #2-5.

Improvement Areas #6-7

Improvement Area #6 is expected to include approximately 103,680 square feet of commercial space in Block I. SL6 Sachse purchased the approximately 8.7 acres comprising Block I for a purchase price of \$5,336,000 to be used for flex industrial/office. SL6 Sachse expects to commence vertical construction in the first quarter of 2024.

Improvement Area #7 is expected to include approximately 218,792 square feet of commercial space in Block J. Evolve closed on the purchase of approximately 11.3 acres comprising Block J to be used for a new manufacturing facility. The current plan is for the site to consist of office/office flex uses for its back-office users, executives and space for its researchers and laboratory work. Evolve commenced construction on the horizontal improvements in the second quarter of 2022 and expects to commence vertical construction in the third quarter of 2023.

Public Amenities

The Development's central public amenity will be the revamped City-owned Heritage Park. The existing 35-acre public park currently has three lighted baseball fields, walking/jogging trails, a covered pavilion, playground, and a picnic area. While most of these amenities will remain, the Developer plans to enhance the experience with a splashpad, amphitheater, additional walking/jogging trails, new playground, and a boardwalk/restaurant area that will surround a series of ponds (collectively, the Heritage Park Improvements"). The Developer expects the Heritage Park Improvements to cost \$4,000,000. The Heritage Park Improvements allocable to the District are part of the Major Improvements and a portion of the costs of such improvements are expected to be reimbursed to the Developer with IA #1 Bond proceeds and MIA Bond proceeds. In accordance with the Development Agreement, the City agreed to finance a portion of certain Major Improvements, including the Heritage Park Improvements, as part of the City Contribution, in the approximate amount of \$66,446,001. As part of the City Contribution, the City is providing cash in the amount of \$1,974,526, including both hard and soft costs, to fund its allocable share of the Heritage Park Improvements, as shown in Exhibit C-1 to the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan." The City has financed such costs with proceeds from its Limited Tax Notes, 2019 and Limited Tax Notes 2020, parkland dedicated fees and water and sewer impact fees. The Developer began construction of the Heritage Park Improvements in the third quarter of 2022 and expects to complete such construction by the third quarter of 2023.

In addition to the Heritage Park Improvements, the Developer constructed the 1.7-acre Improvement Area #1 Park, which has been dedicated to the City. The Improvement Area #1 Park features an open-air pavilion with picnic tables, event lawn, adventure playground with natural wood equipment and a lighted outdoor dining and game area for adults. The Developer began construction of the Improvement Area #1 Park in June of 2020 and completed such construction in November of 2020. The Improvement Area #1 Park is part of the Improvement Area #1 Improvements and a portion of the costs of the Improvement Area #1 Park are expected to be reimbursed to the Developer with proceeds of the IA #1 Bonds.

While the parks within the District will be open to the general public, they will also serve as a congregation space for the surrounding single-family and multifamily dwellings. Both resident specific events and public events, in conjunction with the City, will be organized in the parks.

Photographs of the Development

The photographs under this subheading were taken in the first quarter of 2022. The photograph below shows the completed single-family residential lots in Block A, the IA #1 Multifamily in Block B and the IA #1 Retail Building in Block K1, all of which is within Improvement Area #1.



The photograph below shows the IA #1 Multifamily, known as “The Linz at the Station.”



The photograph below shows the IA #1 Retail Building in Block K1.



The photograph below shows Heritage Park.



The photograph below shows the Block C single-family, Regional Detention Improvements, and Heritage Park site work.



The photograph below shows the Improvement Area #1 Park.



The photograph below shows the Block K2(A) inline retail site work.



The photograph below shows the Block D Multifamily site work and Union Street Right-of-Way.



The photograph below shows the Trinity Regional Hospital between Blocks D/E and F/L, and the completion of Station Boulevard.



The photograph below shows the completed medical building shell on Block L2 behind the Trinity Regional Hospital and the ongoing construction of the Block F Multifamily.



The photograph below shows Block D and E of Improvement Area #4, and Block J of Improvement Area #7.



Development Agreement

Pursuant to the Development Agreement dated October 3, 2018, by and between the City and PMB Station Land, LP, as predecessor-in-interest to the Developer (as amended, the “Development Agreement”), the Developer has the right to construct public improvements for the District, including the Improvement Area #1 Projects, according to certain rules and regulations of the City, and to be reimbursed for a portion of the costs of such construction through the proceeds of assessments (“PID Assessments”) and/or bonds. The Development Agreement provides certain requirements to be met for the issuance of the 2022 Bonds and any additional bonds issued for the payment of the Authorized Improvements (collectively, “PID Bonds”), including (i) the total amount of PID Bonds may not exceed \$30,000,000, not including refunding bonds; (ii) the final maturity of each series of PID Bonds may not occur later than 30 years from the date of issuance of such PID Bonds; (iii) the maximum equivalent tax rate, including the PID Assessments associated with the PID Bonds and all overlapping taxing jurisdictions, cannot exceed \$3.15 per \$100 taxable assessed valuation; and (iv) the minimum appraised value to lien ratio at the issuance date of each series of PID Bonds is 3:1.

In the Development Agreement, the City agreed to create the TIRZ No. 2 and dedicate TIRZ No. 2 Revenues generated from each lot within the District in an amount equal to the captured appraised value of TIRZ No. 2 times 50% of the City’s tax rate levied and collected on each lot with TIRZ No. 2. The City agreed to dedicate such TIRZ No. 2 Revenues for a [period of up to 30 years from the date of the levy of the initial PID Assessments or until the amount of TIRZ No. 2 Revenues deposited into the TIRZ No. 2 Fund equals \$41,921,137, whichever comes first,] to reduce or pay a portion of any PID Assessments levied on property within TIRZ No. 2 (i) to achieve an equivalent tax rate of \$3.15, including PID Assessments, or (ii) after (i) is met, to pay the costs of public improvements allowable under the TIRZ Act. **[Will Development Agreement be amended to extend the agreement to dedicate TIRZ Revenues to cover the full debt service on these Bonds?]**

According to the Development Agreement:

(i) before the 31st single-family detached home building permit is issued by the City, the Developer must complete, and the City must have accepted, all of the Improvement Area #1 Improvements

and the Major Improvements necessary to serve Improvement Area #1, except for the Regional Detention Improvements, the Master Entry Monumentation/Artwork improvements and the Public Collector Road B/Street B improvements;

(ii) the Developer is required to commence construction of the Regional Detention Improvements not later than 30 days after receipt of all necessary permits and approvals from the U.S. Army Corp of Engineers or any other governing body;

(iii) the Developer must commence construction of the Heritage Park Improvements no later than 90 days after commencement of the Regional Detention Improvements and complete such construction no later than one year after commencement;

(iv) prior to (a) the issuance of a certificate of occupancy for the 129th single-family detached home and (b) commencement of construction of the Block D Multifamily and/or Block F Multifamily, not less than 15,000 square feet of gross floor area for retail, restaurant or commercial building must be complete and have undergone final inspection by the City; and

(v) in addition to the square footage of retail and restaurant buildings to be constructed pursuant to paragraph (iv) above, the Block F Multifamily development may only commence simultaneously with or after commencement of construction of an additional 25,000 square feet of requirement commercial development, including at least two full-service restaurants.

As outlined below, the Developer is currently on schedule and anticipates meeting all of the above-mentioned requirements of the Development Agreement in a timely manner.

(i) As of December of 2020, the City had accepted all of the Improvement Area #1 Improvements and the Major Improvements necessary to serve Improvement Area #1.

(ii) The Regional Detention Improvements were pulled off-channel. Therefore, it did not need to be permitted by the Corp of Engineers. The City issued a grading permit in February of 2022 and construction commenced the following week.

(iii) The Developer commenced construction of the Heritage Park Improvements in the third quarter of 2022 and expects to complete such construction by the third quarter of 2023.

(iv) The Developer completed the approximately 15,688 square feet IA #1 Retail Building in August 2021.

(v) THRS commenced construction on 66,600 square feet of medical office building in the second quarter of 2021, satisfying the additional 25,000 square feet of commercial development requirement. Additionally, the Developer's 15,688 square foot IA #1 Retail Building contained three restaurants, satisfying the two full-service restaurant requirement.

Zoning/Permitting

The development of the property within the District will be governed by all Governmental Rules, as defined in the Development Agreement, applicable to the use and development of the District, including provisions of the City's Code of Ordinances, the PGBT Area Zoning District Regulations (Chapter 11, Article 3, Section 14 of the City's Code of Ordinances), Approved Plats, other ordinances enacted by the City Council, the Building Codes, other construction and design standards, and other policies duly adopted by the City, as amended from time to time.

Education

The District is located within Garland ISD. Garland ISD operates 50 elementary schools, 13 middle schools and 7 high schools. Robert B Sewell Elementary School, which is approximately 1 mile from the District, B G Hudson

Middle School, which is approximately 1 mile from the District and Sachse High School, which is approximately 1 mile from the District, are expected to serve residents within the District.

Robert B Sewell Elementary School and B G Hudson Middle School are rated “above average” by GreatSchools.org and Sachse High School is rated “average.” According to the Texas Education Agency annual school report cards for 2021-2022, Robert B Sewell Elementary School was rated as “A” and Garland ISD, B G Hudson Middle School and Sachse High School were all rated as “B.” (The categories for public school districts and public schools are A, B, C, D or F).

Environmental

Site Evaluation. Two Phase One Environmental Site Assessments (the “Phase One ESAs”) of the property within the District were completed on September 27, 2018 and February 7, 2019. Based on the information presented in the Phase One ESAs, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site; however, the Phase One ESAs noted that (i) based on a review of historical aerial photographs, the District was formerly improved with two apparent single-family residences from at least 1942 through 2008. Based on the District being in a rural area during such time period, water wells or septic systems may have been associated with the former on-site residences. The Phase One ESAs recommended that (i) if an on-site septic tank system is encountered during District development, and is not intended for future use, the septic tank system be closed and abandoned in accordance with local, state and federal regulations, and (ii) if the on-site water well is not intended for future use, the water well should be plugged and abandoned in accordance with 16 Texas Administrative Code, Chapter 76. The Developer has followed all such recommendations.

Endangered Species. According to the website for the Texas Parks & Wildlife, the following endangered species are known or believed to occur in Dallas County: black rail, golden-cheeked warbler, piping plover, rufa red knot and the whooping crane. The Developer is not aware of any endangered species located on District property.

Mineral Rights

There are certain mineral rights reservations of prior owners of real property within the District, including Improvement Area #1, (the “Mineral Owners”) pursuant to one or more deeds in the chain of title for the property in the District. The reservations of mineral rights include a waiver by the Mineral Owners of their right to enter onto the surface of the property to explore, develop, drill, produce or extract minerals within the District.

While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. The Developer is not aware of any real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the exercise of such rights or any other mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS — Exercise of Mineral Rights.”

Utilities

Water and Wastewater. The District is located within the service area of the City’s utility systems. The City will be the retail provider of both water and wastewater service to the District in compliance with the City’s design standards, uniform development code and zoning ordinance requirements. The City requires all development within the City service area to verify the ability and capacity to serve the residents with water and sewer utilities in accordance with the approved “Water and Sewer Master Plans.” The City contracts with the North Texas Municipal Water District (“NTMWD”) to meet the City’s water supply needs and with the City of Garland, Texas to meet the City’s wastewater treatment needs.

Other Utilities. The Developer anticipates additional utilities to be provided by the following entities:

Gas	Atmos Energy
Phone/Data/Cable	Spectrum
Electric	Farmers Electric Cooperative

THE DEVELOPER

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.

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 2022 Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of Developer

The Developer is an affiliate of PMB Capital Investments, LP ("PMB") and was created by PMB for the purpose of managing and developing the property in the District, as described under "THE DEVELOPMENT." The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Developer will 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 or funds advanced to the Developer by an affiliated party, as described under the caption "DEVELOPER — History and Financing of the District."

PMB is a privately held real estate investment and development company based in Dallas, Texas. The principals, Peter Pincoffs, Matt Mildren, and Taylor Baird have over 40 years of combined real estate and capital markets experience including the development of over 7,000 residential lots and over \$800 million in direct real estate acquisitions. Currently, PMB controls and manages development projects entitled for more than 15,000 residential lots in the DFW area. In addition, PMB Lending, an affiliate of PMB and the Developer, has committed almost \$80 million in non-recourse construction financing to third-party residential lot developers in major Texas markets.

PMB's expertise and experience is wide-ranging and includes land entitlement, construction management, development financing, district formation, district management, project accounting and fee development. Of the total lots currently controlled by PMB, over 90% are within the boundaries of a Municipal Utility District, Water Control and Improvement District, Freshwater Supply District, or Public Improvement District.

A snapshot of some of the communities PMB has developed or is currently developing is presented below.

<u>Project Name</u>	<u>Project Type</u>	<u>Number of Units/ Sq. Ft./Acres⁽¹⁾</u>	<u>County</u>	<u>Status</u>
Bluestem & Reunion (fka Rolling V Ranch)	Master Planned Community	12,500 Lots	Wise	Delivered/ Under Construction
Ventana	Master Planned Community	1,500 Lots	Tarrant	Delivered/ Under Construction
Woodcreek	Master Planned Community	4,466 Lots	Rockwall	Delivered/ Under Construction
Wildcat Ranch	Master Planned Community	3,200 Lots	Kaufman	Delivered/ Under Construction
River Ridge	Master Planned Community	1,000 Lots	Kaufman	Under Construction
Edgewater	Master Planned Community	601 Lots	Rockwall	Delivered/ Under Construction
The Scenic Bluffs at River East	Subdivision	52 Lots	Tarrant	Complete

⁽¹⁾ Total lots at buildout.

Executive Biography of Principals of PMB

Taylor Baird, Founder and Managing Partner. As a Managing Partner, Taylor is responsible for strategic leadership, business planning, investor relations and accounting/finance oversight. Since its inception in 2013, Taylor has taken an active role in project management, government approvals, acquisitions, dispositions, and managing banking relationships. Prior to founding PMB, Taylor spent six years at J.P. Morgan in the Corporate & Investment Bank. While at J.P. Morgan, Taylor worked in the firm's Consumer & Retail coverage group in Dallas. During his tenure at J.P. Morgan, Taylor worked on over 50 M&A, debt and equity capital transactions representing \$30+ billion.

Matt Mildren, Founder and Managing Partner. As a Managing Partner, Matt is responsible for strategic leadership, business planning and business development. During his tenure at PMB, Matt has taken an active role project management, district formation and operations, government approvals, acquisitions, and managing builder relationships. Prior to joining PMB, Matt was a development partner at Provident Realty. Matt has developed over 5,000 residential lots throughout the United States and has created or managed numerous Municipal Utility Districts, Fresh Water Supply Districts and Public Improvement Districts. Matt was responsible for the acquisition and development of over \$250 million in real estate projects which included several large retail centers in California and Colorado that were purchased in partnership with The Kroenke Group.

Peter Pincoffs, Founder and Managing Partner. As a Managing Partner, Peter is responsible for strategic leadership, investor relations, business development and business planning. Since inception, Peter has taken an active role in project management, acquisitions, capital raising, and managing builder relationships. Prior to founding PMB, Peter was a Director in the Southwest Region at Hines. Peter has developed over 3,000 residential lots in Texas, created and managed multiple Public Improvement Districts, and has actively participated in over \$750 million of commercial real estate acquisitions and development projects.

Brian Motsenbocker, Project Manager. As a Project Manager, Brian is responsible for project level financial analysis, construction coordination, and third-party relationship management. Prior to joining PMB, Brian spent four years at Bank of Texas in both Fixed Income Sales & Trading and Investment Management. As a member of a team with over \$500 million in AUM, Brian provided investment solutions for financial institutions and ultra-high net worth families.

History and Financing of the District

Summary of At-Risk Entities and Investments in the District Subordinate to the Assessment Lien. The total costs of all of the Improvement Area #1 Projects (net of the approximately \$2,642,860 in City Contribution allocable

to Improvement Area #1) are expected to be approximately \$11,116,142*. A portion of such costs, in the approximate amount of \$10,102,821*, are expected to be paid with proceeds of the 2020 Bonds, the 2022 Bonds and Assessment Revenues pursuant to the Reimbursement Agreement and the Indenture. The balance of the costs of the Improvement Area #1 Authorized Improvements, in the total approximate amount of \$1,013,319*, were or will be financed by the Developer without reimbursement by the City. As of August 15, 2022, the Developer has spent approximately \$10,998,052 on the Actual Costs of the Improvement Area #1 Projects and approximately \$6,839,091 on the Actual Costs of the Major Improvement Area Projects, a portion of which has been reimbursed to the Developer as part of the City Contribution. The Developer has completed construction of all of the Improvement Area #1 Improvements and the Major Improvement Area Projects, other than Regional Detention Improvements and Heritage Park Improvements (which are currently under construction). The Regional Detention Improvements and Heritage Park Improvements are expected to be completed by the fourth quarter of 2023.

In order to finance the development of the District, the Developer and certain third parties have expended equity or extended promissory notes that are secured by a lien on some or all of the real property within the District, including Improvement Area #1, that are subordinate to the lien associated with the Assessments securing the Bonds Similarly Secured. A list of the entities with at-risk capital whose position or lien is subordinate to that of the Assessments is listed in the following table and more fully described in the subheadings below.

Summary of Entities with At-Risk Capital Subordinate to the Lien Securing the Bonds Similarly Secured

<u>At Risk Entity</u>	<u>Funding Type</u>	<u>Funding Purpose</u>	<u>Security</u>	<u>Position to Applicable Assessment Lien</u>	<u>Initial Amount</u>	<u>Outstanding Balance⁽¹⁾</u>
Developer	Developer Equity	Land Purchase	N/A ⁽²⁾	N/A ⁽²⁾	\$2,602,346 ⁽³⁾	\$ 2,602,346 ⁽³⁾
5300 The Station	5300 The Station Equity	Land Purchase	N/A ⁽²⁾	N/A ⁽²⁾	\$[]	\$[]
Dockside Threading	Dockside Threading Equity	Land Purchase	N/A ⁽²⁾	N/A ⁽²⁾	\$9,700,000	\$ 9,700,000
Total Outstanding Balance of Equity Secured by a Subordinate Lien Against Real Property within Improvement Area #1 as of August 15, 2022:						\$[]

⁽¹⁾ As of August 15, 2022.

⁽²⁾ While the Developer's, 5300 The Station's, and Dockside Threading's equity is not considered a loan or note, the Developer's, 5300 The Station's, and Dockside Threading's equity investment within Improvement Area #1 is subordinate to the lien securing the Bonds Similarly Secured.

⁽³⁾ Represents the Developer's total purchase price for the land within the District (\$25,539,000) less Bunker Hill's purchase price of Block B paid to the Developer (\$4,350,000), Sachse Station Owner's purchase price of Block F paid to the Developer (\$3,184,500), TRHS's purchase price of Block L2 paid to the Developer (\$1,999,404), Vaquero's purchase price of Block K2(C) paid to the Developer (\$2,500,000), Gala Development's purchase price of a portion of Block G paid to the Developer (\$816,750), Evolve's purchase price of Block J paid to the Developer (\$4,750,000) and SL6 Sachse's purchase price of Block I paid to the Developer (\$5,336,000).

Acquisition of Land Within the District. The Developer purchased the property between October 2018 and September 2019 from multiple sellers, including Children's Medical Center Foundation, Sachse Medical Center LLC, private individuals, and estates for an aggregate purchase price of \$25,539,000. The Developer's acquisition was made on a cash basis and no third-party financing was used to acquire the property within the District.

Development Loan for the District. The Developer financed the first phase of development activities within the District through a loan agreement (the "Development Loan") with Vantage Bank Texas ("Vantage") for \$16,185,115. The Development Loan was paid off in December 2021.

* Preliminary; subject to change.

Improvement Area #1.

Developer Loan. The Developer financed additional development within Improvement Area #1 through a loan agreement (the “IA #1 Loan”) with Vantage for \$4,600,000. The IA #1 Loan was paid off in June of 2022.

Multifamily Block B Loan. Bunker Hill financed development of the IA #1 Multifamily on Block A of Improvement Area #1 through a loan agreement (the “Block B Loan”) with Great Southern Bank (“Great Southern”) for \$33,000,000. The Block B Loan was repaid and the related deed of trust was released in accordance with Bunker Hill’s sale of the property to 5300 The Station.

Improvement Areas #2-5.

Block K2(A) Retail Loan. PMB Retail 2, an affiliate of the Developer, is financing the horizontal and vertical development of Block K2(A) (the “K2(A) Improvements”) through a loan agreement (the “PMB Retail Loan”) with Vantage for \$7,500,000. The PMB Retail Loan, which is dated May 27, 2022, is a commercial real estate and development promissory note secured by a first lien deed of trust against the real property and improvements owned by PMB Retail 2 in Block K2(A) and an assignment of any land sale contracts, rents, or lease receivables relating to Block K2(A). Upon meeting certain conditions thereunder, Vantage will make advances to PMB Retail 2 up to and not exceeding \$7,500,000. The loan carries a floor interest rate of 4.25% and matures on May 27, 2027. In connection with the PMB Retail Loan, Peter Pincoffs, Taylor Baird and Matt Mildren have provided a completion guaranty guaranteeing the completion of the K2(A) Improvements. As of August 15, 2022, the PMB Retail Loan has an outstanding balance of \$654,208.

Block D Loan. PMB MF, an affiliate of the Developer, is financing the horizontal and vertical development of Block D through a loan agreement (the “Block D Loan”) with Veritex Community Bank (“Veritex”) for \$36,841,000. The Block D Loan, which is dated February 2, 2022, is a commercial real estate and development promissory note secured by a first lien deed of trust against the real property and improvements owned by PMB MF in Block D and an assignment of any land sale contracts, rents, or lease receivables relating to Block D. PMB MF is required to contribute \$23,004,609 (the “Borrower’s Equity”) as an equity contribution in the form of cash or property contributed by PMB MF, which property constitutes or will constitute collateral for the Block D Loan. As of the date of the Block D Loan, PMB MF had applied a total amount of Borrower’s Equity equal to \$5,835,875.19 related to construction costs and the value of the land within Block D. PMB MF deposited the remaining balance of the Borrower’s Equity, in the amount of \$17,168,733.81, with Veritex (the “Equity Funds”) at the time of loan closing. As of August 15, 2022, PMB MF has spent approximately \$7,800,000 of the Equity Funds on development costs. Upon meeting certain conditions thereunder, Veritex will make advances to PMB MF up to and not exceeding \$36,841,000; provided, however, that all Equity Funds held by Veritex must have been fully disbursed before PMB MF may receive any advances. The loan carries a floor interest rate of 2.70% and matures on August 2, 2026. In connection with the Block D Loan, Peter Pincoffs, Taylor Baird and Matt Mildren have provided a completion guaranty, guaranteeing completion of construction. As of August 15, 2022, Veritex has not made any advances under the Block D Loan.

Hovnanian Escrow Agreement. The Developer, Hovnanian Homes and Eastern National Title Agency, Inc., as escrow agent (the “Escrow Agent”), entered into the Development and Escrow Agreement as of December 15, 2021 (the “Escrow Agreement”), pursuant to which the Developer agreed to construct certain improvements, consisting of road, utility and drainage improvements that benefit Improvement Area #3 and Improvement Area #4 (the “Site Improvements”). The Site Improvements are considered Improvement Areas #2-5 Improvements the costs of which the Developer expects to be reimbursed with Bond proceeds. In accordance with the Escrow Agreement, the Developer has deposited \$519,345, which represents 110% of the estimated costs to complete the Site Improvements, with the Escrow Agent to secure the completion of such improvements. In the event that the actual costs of the Site Improvements are greater than the estimated amount, the Developer is required to deposit additional funds with the Escrow Agent, such that there is always 110% of the estimated costs to complete the Site Improvements on deposit with the Escrow Agent. The Developer may submit draw requests to the Escrow Agent to request disbursement of funds spent to complete the Site Improvements. The Developer agreed to complete construction of the Site Improvements by the earlier of (i) April 9, 2023 and (ii) the date that the 49 lots within Improvement Area #3 are completed by PMB Advisors.

THE PID ADMINISTRATOR

The following information has been provided by the PID Administrator. Certain of the following information is beyond the direct knowledge of the City, 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 City has selected P3Works, LLC as the initial PID Administrator. The City has entered into an agreement with the PID Administrator to provide specialized services related to the administration of the District needed to support the issuance of the 2022 Bonds. The PID Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The PID Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and has offices in Austin, Houston and North Richland Hills, Texas.

The PID Administrators duties will include:

- Preparation of the annual update to the Service and Assessment Plan;
- Preparation of assessment rolls for county billing and collection;
- Establishing and maintaining a database of all County Parcel 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; and
- Review of developer draw requests for reimbursement of authorized improvement costs.

BONDHOLDERS' RISKS

Before purchasing any of the 2022 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 2022 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 2022 Bonds) should be carefully considered prior to purchasing any of the 2022 Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE BONDS SIMILARLY SECURED ARE SPECIAL, LIMITED 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 SIMILARLY SECURED 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 SIMILARLY SECURED 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 AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the 2022 Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #1 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 #1, (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 property 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 property.

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, including Improvement Area #1 should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the Assessed Property, with improvements, will be available for payment of the debt service on the 2022 Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #1. 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 2022 Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the 2022 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 2022 Bonds.

Infectious Disease Outbreak

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 [____], 2022. **[Orrick will update before posting]** 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, mitigation and phased reopening of the State. On March 2, 2021, the Governor issued Executive Order GA-34, which, among other things, removed any COVID-19-related operating limits for any business or other establishment and ended the State-wide mask mandate. Executive Order GA-38, issued on July 29, 2021, and Executive Order GA-39, issued on August 25, 2021, further provide governmental entities cannot require mask mandates, vaccine passports, or mandatory vaccinations. On October 11, 2021, the Governor issued Executive Order GA-40, prohibiting any entity from requiring COVID vaccinations. Various lawsuits were filed throughout the State related to the foregoing and further litigation is expected. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference either expressly or by implication, into this Limited Offering Memorandum.

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. The State 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 2022 Bonds are secured primarily by Assessments levied on benefitted property within Improvement Area #1.

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. 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 2022 Bonds.

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as 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 and the Annual Collection Costs 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 2022 Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #1, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the 2022 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 2022 Bonds. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy” herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1, 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, Section 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code Section 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. **However, an Assessment Lien may not be foreclosed upon if any 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 State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the

Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Developer, Hovnanian Homes, Ashton and Bunker Hill, the owners of the Assessed Property at the time the Assessment Ordinance was adopted, are not eligible to claim homestead rights. 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 2022 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 THE DISTRICT.

Recent Changes in State Law Regarding Public Improvement Districts

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the homebuilders within Improvement Area #1 do not provide the required notice and prospective purchasers of property within Improvement Area #1 terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property should be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the homebuilders within Improvement Area #1 do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers within Improvement Area #1 are attached as Appendices C-1 through C-4 to the Service and Assessment Plan. See "Appendix C — Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments, including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 87th Legislative Session of the State ended on May 31, 2021, without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. The Governor called three special legislative sessions, which all concluded without any legislation being introduced or passed related to the oversight of bonds secured by assessments. It is impossible to predict what bills may be introduced during upcoming legislative sessions and, if passed, the impact that any future legislation will or may have on the security for the Bonds Similarly Secured.

Successor Trustee

In the event that at some point subsequent to the date of the Indenture, the Trustee reasonably expects that the value of the Indenture would otherwise exceed the value limitation established under the terms of the Indenture but for such contractual limitation, the Trustee may seek to (i) amend the Indenture to increase such value if such

amendment may be made in accordance with applicable Texas law and the Indenture or (ii) resign as trustee and paying agent pursuant to the terms of the Indenture. Any such amendment to the Indenture (including a supplement appointing a successor trustee) would have to be made in accordance with the terms of the Indenture. Any successor trustee would have to satisfy the qualifications set forth in, and be appointed in accordance with the terms of, the Indenture. Under certain facts and circumstances, a delay in identifying or appointing a qualified successor trustee to assume the duties and responsibilities of trustee under the Indenture and in accordance with applicable Texas law could result in the delay of certain remedies being available to the Owners of the Bonds Similarly Secured. See “APPENDIX B — Form of Indenture” for more information regarding the process of amending or supplementing the Indenture and the appointment of a successor trustee.

The Indenture provides that, if the position of Trustee shall become vacant for any reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least a majority in aggregate Outstanding principal of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City. Unless such successor Trustee shall have been appointed by the Owners the Bonds Similarly Secured, the City shall forthwith (and in no event in excess of 30 days after such vacancy occurs) appoint a Trustee to act under the Indenture. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds Similarly Secured. See “APPENDIX B — Form of Indenture” for more information regarding the process of amending or supplementing the Indenture and the appointment of a successor trustee.

General Risks of Real Estate Investment and Development

The Developer has the right to modify or change its plan for development of the District, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed. No defined “true-up” agreement has been entered into between the City and Developer, nor is there a requirement that future developers or Developers enter into such an agreement. There can be no assurance, in the event the Developer or a subsequent developer modifies or changes its plan for development that the necessary revisions to the Service and Assessment Plan will be made, or, if made, will provide the necessary assessment revenues required to service debt on Bonds Similarly Secured. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the builders to sell or lease retail space, commercial space and apartment units to maximum occupancy levels within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the retail space, commercial space, or multifamily apartments. In the event that a large number of rental, commercial or multifamily projects are constructed outside of the District, and compete with the Development, the demand for residential housing and commercial properties within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, including the schedule for and/or the costs of the remaining Improvement Area #1 Projects, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions;

contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

The Development cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to 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.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the 2022 Bonds depends on the willingness and ability of the current and subsequent owners of property within Improvement Area #1 to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within Improvement Area #1 in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable-rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of Hovnanian Homes and Ashton, including general economic conditions, may impact the timing of parcel, lot and home sales within Improvement Area #1. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials

As a result of the Pandemic, and low supply and high demand, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. The Developer is responsible for the construction of the remaining Improvement Area #1 Projects. The Developer expects to finance the costs of the remaining Improvement Area #1 Projects from proceeds of the Bonds Similarly Secured. If the Actual Costs of the Improvement Area #1 Projects are substantially greater than the estimated costs, it may affect the ability of the Developer to complete the Improvement Area #1 Projects or pay the Assessments when due. If the costs of material continue to increase, it may affect the ability of the homebuilders to construct within Improvement Area #1. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District. See “THE DEVELOPER — History and Financing of the District.”

Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2022 Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Area #1 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 Improvement Area #1 currently impose ad valorem taxes on the property within Improvement Area #1 and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #1. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the property owners to pay the Assessments.

Pursuant to the Development Agreement, the maximum equivalent tax rate, including the Assessments, the O&M Assessments and all overlapping taxing jurisdictions, cannot exceed \$3.15 per \$100 taxable assessed valuation. In the Development Agreement, the City has agreed to use TIRZ No. 2 Revenues generated from each lot within Improvement Area #1, in an amount not to exceed the TIRZ No. 2 Maximum Annual Credit Amount, to offset a portion of such lot's Annual Installment of Assessment due each year. See "ASSESSMENT PROCEDURES — Assessment Amounts – TIRZ No.2 Annual Credit Amount." If the total overlapping tax rate in Improvement Area #1 are higher than the overlapping tax rate in competitive projects, it may be more difficult to sell or lease property within Improvement Area #1.

TIRZ No. 2 Annual Credit Amount and Marketing of the Development

The TIRZ No. 2 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraisal value in TIRZ No. 2 in any year. Any delay or failure by the homebuilders to construct the remaining homes within Improvement Area #1 may result in a reduced amount of the TIRZ No. 2 Revenue being available to credit the Assessments. TIRZ No. 2 Revenues generated from the captured appraised value for each Parcel in Improvement Area #1 during the development of such Parcel will not result in a TIRZ No. 2 Annual Credit Amount which is sufficient to achieve the TIRZ No. 2 Maximum Annual Credit Amount. The TIRZ No. 2 Annual Credit Amount may not provide for the TIRZ No. 2 Maximum Annual Credit Amount until the second year that a home or commercial building on such Parcel is assessed. The ability of the TIRZ No. 2 Annual Credit Amount to provide for the TIRZ No. 2 Maximum Annual Credit Amount for Parcels within Improvement Area #1 is dependent on the actual buildout values in Improvement Area #1 meeting the projections for the estimated buildout value described in the Service and Assessment Plan. If the buildout values in Improvement Area #1 do not reach the expected values, the TIRZ No. 2 Revenue will not be sufficient to produce the TIRZ No. 2 Maximum Annual Credit Amount. See "OVERLAPPING TAXES AND DEBT" and "APPENDIX C — Service and Assessment Plan."

If the City contributes the TIRZ No. 2 Revenues to the payment of the Improvement Area #1 Improvements, the City will deposit less tax revenue into its general fund for use on public services, such as police and fire protection. Application of the TIRZ No. 2 Annual Credit Amount may affect the City's ability to provide for such basic services.

It is uncertain what impact, if any, the TIRZ No. 2 Annual Credit Amount application to the Annual Installments will have on the underwriting of residential mortgages. If the underwriter of residential mortgages does not recognize the TIRZ No. 2 Annual Credit Amount, it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

Depletion of Reserve Account

Failure of the owners of property within Improvement Area #1 to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account 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 2022 Bonds if sufficient amounts are not available in the Reserve Account. The Indenture provides that if, after a withdrawal from the Reserve Account, the amount in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS SIMILARLY SECURED — Reserve Fund – Reserve Account Provisions" 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 consider 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 the Phase One ESAs performed on the 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.

100-Year Flood Plain

Approximately 1 acre within Improvement Area #1 is located within an official FEMA 100-year flood plain as shown on the current Federal Emergency Management Agency’s Flood Insurance Rate Map Community Panel No. 0230K (the “Flood Plain”). The Developer plans to convert such space to a regional detention pond.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may exceed the Flood Plain.

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 strong winds, hurricanes, tropical storms, flooding, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City, including land within the District.

Exercise of Mineral Rights

As described herein under “THE DEVELOPMENT — Mineral Rights,” there are certain mineral rights reservations located within the District, including Improvement Area #1, that are not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Dallas County.

The Developer does not expect the existence or exercise of any mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within Improvement Area #1 to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

Bondholders’ Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the 2022 Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of the owners of not less than a majority in aggregate principal amount of the 2022 Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the 2022 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 City’s obligations under the 2022 Bonds or the Indenture and such 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 2022 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 2022 Bonds cannot themselves foreclose on property within Improvement Area #1 or sell property within Improvement Area #1 in order to pay the principal of and interest on the 2022 Bonds. The enforceability of the rights and remedies of the owners of the 2022 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.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“Wasson”), the Texas Supreme Court (the “Court”) addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that “a city’s proprietary functions are not done pursuant to the ‘will of the people’” and protecting such municipalities “via the [S]tate’s immunity is not an efficient way to ensure efficient allocation of [S]tate resources.” While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion

on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the 2022 Bonds may not be able to bring such a suit against the City for breach of the 2022 Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the 2022 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 State courts. In general, State 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. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted 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 2022 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 2022 Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #1 available to pay debt service on the 2022 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 Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the 2022 Bonds in any event, including in the event of a payment default or other default under the terms of the 2022 Bonds or the Indenture.

Limited Secondary Market for the 2022 Bonds

The 2022 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the 2022 Bonds in the event an Owner thereof determines to solicit purchasers for the 2022 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the 2022 Bonds may be sold. Such price may be lower than that paid by the current Owners of the 2022 Bonds, depending on the

progress of development of Improvement Area #1 subject to the Assessments, existing real estate and financial market conditions and other factors.

No Credit Rating

The City has not applied for or received a rating on the 2022 Bonds. Even if a credit rating had been sought for the 2022 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 2022 Bonds. There is no assurance that a secondary market for the 2022 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.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the 2022 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 State 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 State 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 2022 Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Tax-Exempt Status of the 2022 Bonds

Indentures contain covenants by the City intended to preserve the exclusion from gross income of interest on the 2022 Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS," interest on the 2022 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2022 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 2022 Bonds under federal or State law and could affect the market price or marketability of the 2022 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 2022 Bonds should consult their own tax advisors regarding the foregoing matters.

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the 2022 Bonds to be included in the gross income of owners of the 2022 Bonds for federal income tax purposes, possibly from the date of original issuance of the 2022 Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the 2022 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program

of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. In the past, the IRS has announced audit efforts focused in part on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to an audit of the 2022 Bonds or what the result would be of any such audit. If an audit of the 2022 Bonds is commenced, under current procedures, parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the 2022 Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the 2022 Bonds. Finally, if the IRS ultimately determines that the interest on the 2022 Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the 2022 Bonds are not required to be redeemed, and the interest rate on the 2022 Bonds will not increase.

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the 2022 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.

Availability of Utilities

The progress of development within the District is also dependent upon NTMWD and the City of Garland providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater, respectively. If NTMWD or the City of Garland fail to supply water and wastewater services to the property in the District, the development of the land in the District, including Improvement Area #1, could be adversely affected. See “THE DEVELOPMENT — Utilities.”

Dependence Upon Developer and Other Landowners

As of August 15, 2022, the Hovnanian Homes, Ashton, Dockside Threading and 5300 The Station had the obligation for payment of approximately 1.74%, 18.26%, 2.27% and 38.54% of the total Assessments, respectively. The ability of the applicable landowner 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 2022 Bonds. The sole assets of the Developer are land within the District, related permits and development rights and minor operating accounts. 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. See “THE DEVELOPER — Description of the Developer.”

TAX MATTERS

Opinion

On the date of initial delivery of the 2022 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 2022 Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the 2022 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 2022 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 2022 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 2022 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 2022 Bonds in order for interest on the 2022 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 2022 Bonds to be included in gross income retroactively to the date of issuance of the 2022 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 2022 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 2022 Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the 2022 Bonds or the property financed or refinanced with proceeds of the 2022 Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the 2022 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 2022 Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the 2022 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 2022 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 2022 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 2022 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 THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE 2022 BONDS.

Interest on the 2022 Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the 2022 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 2022 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 2022 Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the 2022 Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 2022 Bonds under Federal or state law and could affect the market price or marketability of the 2022 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 2022 Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal Proceedings

Delivery of the 2022 Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the 2022 Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the 2022 Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P., serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the 2022 Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the 2022 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 2022 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 2022 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 2022 Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the 2022 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," including the alternative minimum tax on certain corporations. A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds Similarly Secured in the Limited Offering Memorandum under the captions or subcaptions “PLAN OF FINANCE — The 2022 Bonds,” “DESCRIPTION OF THE 2022 BONDS,” “SECURITY FOR THE BONDS SIMILARLY SECURED” (except for the subcaption “Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount”), “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology,” “Assessment Amounts” and “O&M Assessments”), “THE DISTRICT” (except for the subcaptions “District Collection and Delinquency of Assessments” and “Assessment Payer Concentration”), “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings” (except for the final paragraph thereof), “LEGAL MATTERS — Legal Opinions” (except for the final paragraph thereof), “CONTINUING DISCLOSURE — The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” and “APPENDIX B” and such firm is of the opinion that the information relating to the Bonds Similarly Secured, 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 Similarly Secured, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the 2022 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 2022 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, to its knowledge, overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the 2022 Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of the Assessments securing the 2022 Bonds, or in any way contesting or affecting the validity or enforceability of the 2022 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 2022 Bonds or any action of the City contemplated by any documents relating to the 2022 Bonds.

Litigation — The Developer

At the time of delivery and payment for the 2022 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 2022 Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Reimbursement Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the 2022 Bonds (individually or in the aggregate, a “Material Adverse Effect”).

SUITABILITY FOR INVESTMENT

Investment in the 2022 Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The 2022 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 2022 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the 2022 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the 2022 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2022 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 2022 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 2022 Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Issuer”) for the benefit of the Owners of the 2022 Bonds (including owners of beneficial interests in the 2022 Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E — Form of Disclosure Agreement of the Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of the Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Issuer would allow the Owners of the 2022 Bonds (including owners of beneficial interests in the 2022 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 Disclosure Agreement of the Issuer. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Issuer. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the 2022 Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Issuer or from any statement made pursuant to the Disclosure Agreement of the Issuer.

The City Compliance with Prior Undertakings

During the last five years, the City has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule.

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the 2022 Bonds from the City at a purchase price of \$_____ (the par amount of the 2022 Bonds, less an underwriting discount of \$_____). The Underwriter’s obligations are subject to certain conditions precedent and, if obligated to purchase any of the 2022 Bonds, the

Underwriter will be obligated to purchase all of the 2022 Bonds. The 2022 Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on page i hereof, and such initial offering prices may be changed from time to time by the Underwriter.

Additionally, there are no assurances that if a secondary market for the 2022 Bonds were to develop, that it will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus. Consequently, investors may not be able to resell the 2022 Bonds purchased should they need or wish to do so for emergency or other purposes. See “BONDHOLDERS’ RISKS — Infectious Disease Outbreak” herein.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the 2022 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 2022 Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the 2022 Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the 2022 Bonds under the securities laws of any jurisdiction in which the 2022 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the 2022 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 2022 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 2022 Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the 2022 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 2022 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 2022 Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those 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 2022 Bonds are legal investments for various institutions in those states. No representation is made that the 2022 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 2022 Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the 2022 Bonds for such purposes.

INVESTMENTS

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking

deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above, clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage

obligations that have a stated final maturity of greater than ten (10) years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than “A” or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City’s name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the City’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived.” At least quarterly the City’s investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest City funds without express written authority from the City Council.

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity’s entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City’s investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more

than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed Wilmington 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 2022 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 2022 Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such 2022 Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the 2022 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 Similarly Secured, the technical or financial feasibility of the project, or the investment quality of the 2022 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

In the Indenture, the City has agreed to compensate the Trustee from the amount collected each year for Annual Collection Costs and in the manner set forth in the Indenture for the Trustee's services as Trustee and as Paying Agent/Registrar; provided, however, notwithstanding anything in the Indenture to the contrary, the aggregate value of the Indenture and the compensation paid to the Trustee under the Indenture does not and shall not exceed the dollar limitation set forth in Section 2274.002(a)(2) of the Texas Government Code. The Trustee hereby agrees that the fees it is to be paid for any fiscal year will not cause the aggregate compensation received by the Trustee pursuant to the terms of the Indenture to exceed the limitation set forth in Section 2274.002(a)(2). See "BONDHOLDERS' RISKS — Successor Trustee" and "APPENDIX B — Form of Indenture."

In the Indenture, the Trustee agrees to submit to the City and/or the PID Administrator an annual report, no later than six months after each Bond Year (as defined in the Indenture), beginning with the Bond Year ending September 15, 2023, setting forth (i) the amount of fees the Trustee has received pursuant to the terms of the Indenture for the preceding Bond Year and (ii) the cumulative amount of fees paid to the Trustee pursuant to the terms of the Indenture to the date of such annual report. The cumulative amount of fees paid to the Trustee as of the date of each annual report will be included in the City Reports, as required under the Disclosure Agreement of the Issuer. See "APPENDIX B — Form of Indenture" and "APPENDIX E — Form of Disclosure Agreement of the Issuer."

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 2022 Bonds.

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 nor 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.

Developer

The information contained in this Limited Offering Memorandum relating to the description of the Major Improvements generally and, in particular, the information included in the maps in the Limited Offering Memorandum and in the sections captioned “PLAN OF FINANCE — Development Plan,” “— Financing Plan,” “— Status of Lot Development” and “— Status of Vertical Construction,” “OVERLAPPING TAXES AND DEBT — Owners’ Association,” “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” and “THE DEVELOPER,” and, to the best of its knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1 Projects and the Development), “LEGAL MATTERS — Litigation — The Developer,” “CONTINUING DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings,” and “APPENDIX F” has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the 2022 Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration.

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 2022 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 2022 Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the 2022 Bonds have been sold to ultimate customers; in which case the City’s obligations hereunder will extend for an additional period of time (but not more than ninety (90) days after the date the City delivers the 2022 Bonds) until all of the 2022 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 Bond Ordinance authorizing the issuance of the 2022 Bonds will approve the form and content of this Preliminary Limited Offering Memorandum, and any addenda, supplement or amendment hereto, and authorize its further use in the offering of the 2022 Bonds by the Underwriter.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

The following information has been provided for informational purposes only.

General Information

The City is located in Dallas County and Collin County, Texas, 20 miles northeast of downtown Dallas, on State Highway 78 and currently comprises approximately 9 square miles. The 2020 Census population for the City was 27,103, while the estimated 2022 population is 28,450.

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1956, and first adopted its Home Rule Charter in 1986. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers, who serve staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

Ten Largest Employers in the City (2021)

The ten largest employers in the City are set forth in the table below.

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Garland ISD	Education	478
Wal-Mart Supercenter	Retail	335
City of Sachse	Government	173
Wylie ISD	Education	145
Kroger	Grocery Store	105
FedEx Office Print & Ship	Retail	71
WalMart	Retail	65
Golden Chick	Fast Food	60
Assembly of God	Church	50
Whataburger	Fast Food	45

Source: City's audited financial statements.

Historical Employment in Dallas County

	<u>Average Annual</u>				
	<u>2022⁽¹⁾⁽²⁾</u>	<u>2021⁽²⁾</u>	<u>2020⁽²⁾</u>	<u>2019</u>	<u>2018</u>
Civilian Labor Force		1,372,277	1,322,606	1,364,652	1,336,810
Total Employed		1,295,698	1,219,627	1,317,507	1,286,399
Total Unemployed		76,579	102,979	47,145	50,411
Unemployment Rate		5.6%	7.8%	3.5%	3.8%

⁽¹⁾ Data through [] of 2022. **[Orrick to update closer to posting]**

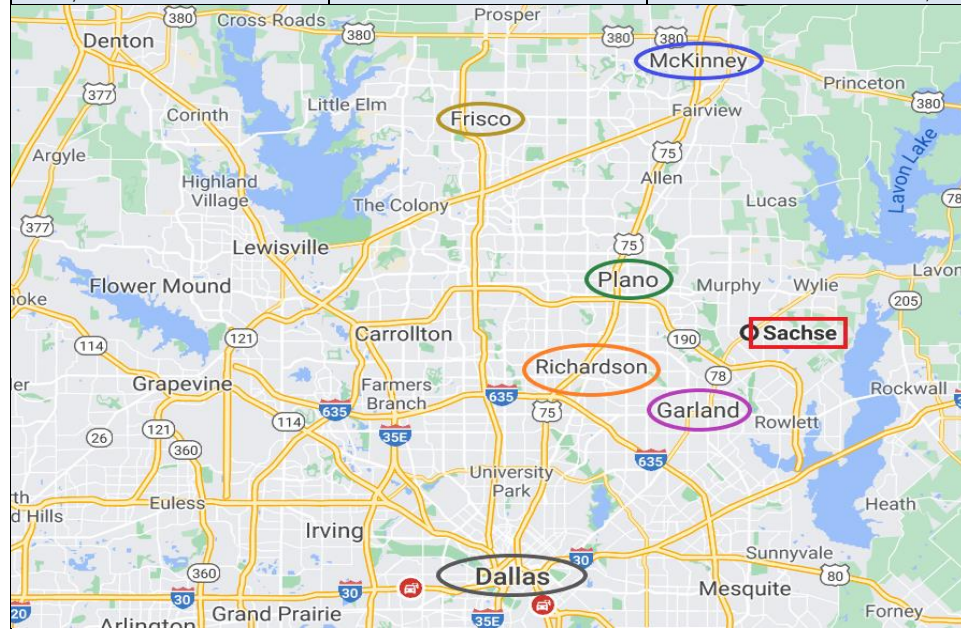
⁽²⁾ The COVID-19 Pandemic has negatively affected travel, commerce, employment rates and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak."

Source: Texas Workforce Commission.

Dallas-Fort Worth-Arlington MSA – Regional Employment

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

City of Garland, TX Approximately 6 Miles from Sachse		City of Plano, TX Approximately 10 Miles from Sachse		City of Richardson, TX Approximately 14 Miles from Sachse		City of McKinney, TX Approximately 24 Miles from Sachse	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
Kraft Foods	796	Capital One Finance	5,023	State Farm Insurance	9,000	Raytheon Intelligence & Space	3,658
US Food Service	520	JP Morgan Chase	4,988	RISD	5,961	McKinney ISD	2,814
Atlas Copco	460	Toyota Motor North America, Inc.	3,815	University of Texas at Dallas	3,911	Collin County	1,915
SilverLine Window	425	Liberty Mutual Insurance Company	2,652	Blue Cross Blue Shield of Texas	3,100	Globe Life	1,600
Hatco (Resistol)	390	Ericsson	2,545	Genpact	2,500	City of McKinney	1,377
L3 Communications	350	AT&T Foundry	2,500	Geico	2,400	Encore Wire Corporation	1,325
Arrow Fabricated Tubing	340	PepsiCo	1,881	Raytheon	2,200	Independent Financial	866
Valspar	300	NTT Data, Inc.	1,794	RealPage	2,100	Collin College	748
KARLEE, Inc.	290	Frito-Lay	1,712	Cisco Systems	2,000	Baylor	700
General Dynamics	275	FedEx Office	1,186	Texas Instruments	1,800	Medical City McKinney	670



City of Frisco, TX Approximately 26 Miles from Sachse	
Employer	Employees
Frisco ISD	7,048
City of Frisco	1,630
Conifer	903
T-Mobile USA	900
Baylor Medical Center	663
Mario Sinacola & Sons Excavating	603
Oracle	500
IKEA Frisco	423
Baylor Scott White/Centennial Hospital	400
UT Southwestern/Texas Health Hospital	300

City of Dallas, TX Approximately 27 Miles from Sachse	
Employer	Employees
Dallas ISD	22,621
City of Dallas	13,000
AT&T Inc.	10,990
Medical City Dallas	10,800
Parkland Health & Hosp System	10,577
Texas Instruments Inc.	9,800
Dallas County Community College	8,230
Methodist Dallas Med Ctr	7,114
Dallas County	6,500
Childrens Health	6,355

Source: The individual City's 2021 audited financial statements.

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APPENDIX B
FORM OF INDENTURE

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

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APPENDIX E

FORM OF DISCLOSURE AGREEMENT OF THE ISSUER

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APPENDIX F
REIMBURSEMENT AGREEMENT

NEW ISSUE

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [REDACTED], 2022

THE BONDS ARE INITIALLY OFFERED 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 UNDER THE SECURITIES ACT OF 1933). SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

In the opinion of Bond Counsel to the City, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions on the date thereof, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.

\$9,009,000***CITY OF SACHSE, TEXAS****(a municipal corporation of the State of Texas located in Collin and Dallas Counties)****SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022****(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREAS #2-5 PROJECT)****Dated Date: Delivery Date (defined below)****Interest to Accrue from Delivery Date****Due: September 15, as shown on page i**

The City of Sachse, Texas, Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project) (the “Bonds”), are being issued by the City of Sachse, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on page i hereof, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 15 and September 15, commencing March 15, 2023 until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry-only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by Wilmington Trust, National Association, Dallas, Texas, 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 October 17, 2022, and an Indenture of Trust, dated as of October 15, 2022 (the “Indenture”), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture. See “APPENDIX B — Form of Indenture.”

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Improvement Areas #2-5 Improvement Costs, which consist of the costs of the local infrastructure benefitting only Improvement Areas #2-5 of the Sachse Public Improvement District No. 1 (the “District”), (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs and (iii) paying certain “Bond Issuance Costs” (as defined herein) which include (a) funding the Reserve Account of the Reserve Fund (both defined herein) and (b) paying certain other costs of issuance of the Bonds. See “THE IMPROVEMENT AREAS #2-5 AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of the Assessments expected to be levied against assessable properties in Improvement Areas #2-5 of the District in accordance with the Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS.” The Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

In addition to the Bonds, a portion of the MIA Bonds (as defined herein) are allocable to Improvement Areas #2-5 and are payable from the MIA Assessments (as defined herein) levied against assessable properties in Improvement Areas #2-5. The lien securing the MIA Assessments is on parity with the lien securing the Assessments. See “PLAN OF FINANCE — Financing Plan – Major Improvement Area.” **The MIA Assessments are not security for the Bonds.**

The Bonds involve a significant 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, LIMITED 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. 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 (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its counsel, Nichols, Jackson, Dillard, Hager & Smith, LLP, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer (as defined herein) by its counsel, Winstead PC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about [November 1, 2022] (the “Delivery Date”).

FMSbonds, Inc.

* Preliminary; subject to change.

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

CUSIP Prefix: ^(a)

\$9,009,000*

CITY OF SACHSE, TEXAS

(a municipal corporation of the State of Texas located in Collin and Dallas Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREAS #2-5 PROJECT)

\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield _____%; CUSIP No. _____ ^{(a) (b) (c)}

\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield _____%; CUSIP No. _____ ^{(a) (b) (c)}

^(a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. 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.

^(b) 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 price set forth herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

^(c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as set forth herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

* Preliminary; subject to change.

CITY OF SACHSE, TEXAS

Elected Officials

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>
Jeff Bickerstaff	< 1 Year - Mayor	May 2025
Mayor	9 Years - Councilmember	
Brett Franks Mayor Pro Tem	10 Years	May 2024
Michelle Howarth Councilmember	4 Years	May 2024
Frank Millsap Councilmember	2 Years	May 2023
Chance Lindsey Councilmember	3 Years	May 2023
Lindsay Buhler Councilmember	< 1 Year	May 2025
Matt Prestenberg Councilmember	< 1 Year	May 2025

Selected Administrative Staff

CITY MANAGER	ASSISTANT CITY MANAGER	CITY SECRETARY	FINANCE DIRECTOR	CITY ATTORNEY
Gina Nash	Lauren Rose	Leah Granger	David Baldwin	Nichols, Jackson, Dillard, Hager & Smith, LLP

Consultants and Advisors

BOND COUNSEL
McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

FINANCIAL ADVISOR
Hilltop Securities Inc.
Dallas, Texas

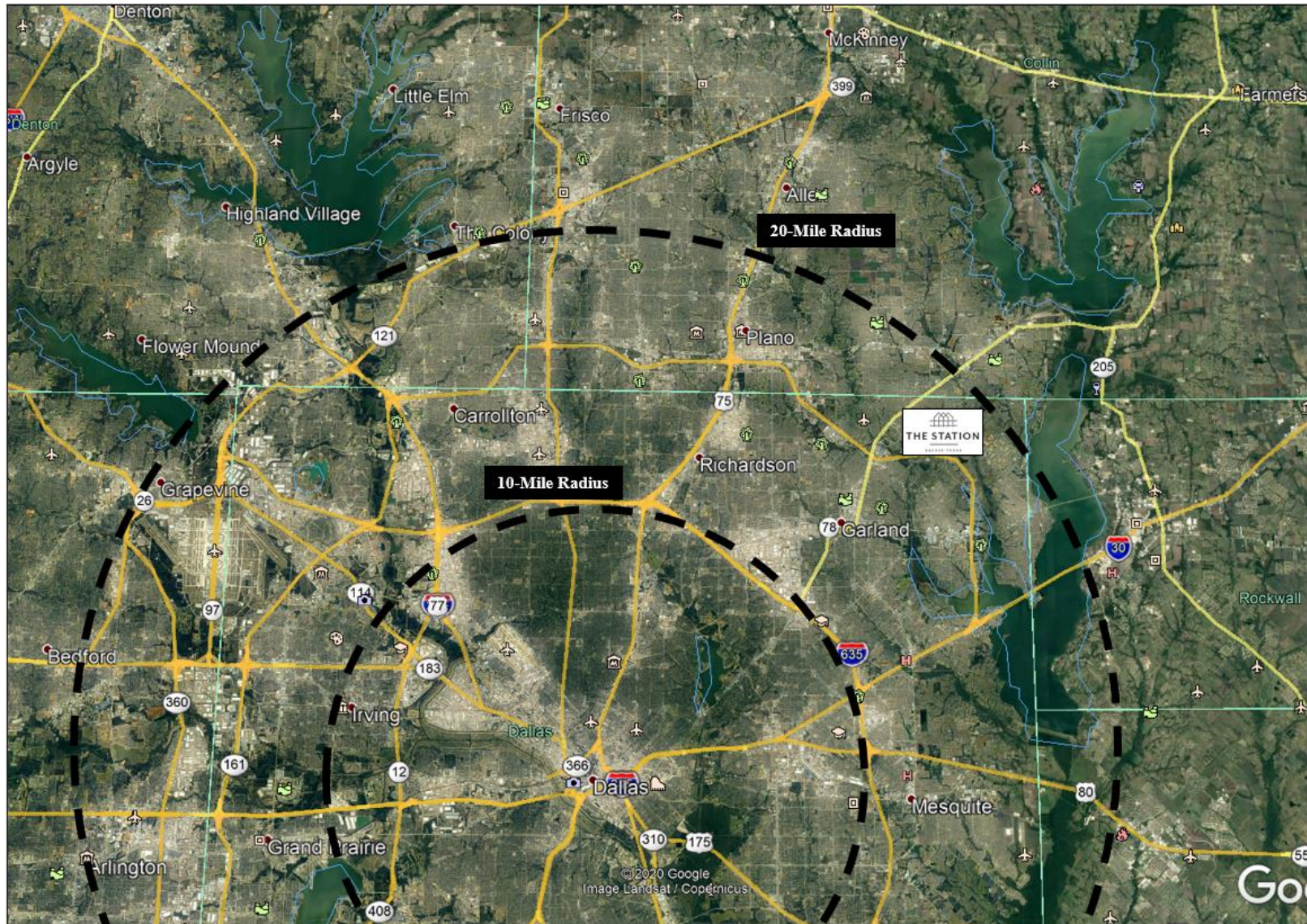
PID ADMINISTRATOR
P3Works, LLC
Austin, Houston and North Richland Hills, Texas

For additional information regarding the City, please contact:

Mr. David Baldwin
Director of Finance
City of Sachse, Texas
3815-B Sachse Road
Sachse, Texas 75048
(469) 429-4775
dbaldwin@cityofsachse.com

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

AREA LOCATION MAP OF THE DISTRICT



The map displays the proposed Trinity Regional Hospital and The Station in Spring Creek, Texas. Key locations and distances are highlighted:

- Firewheel Town Center:** 4.1 miles
- The Domain Multi-Family Units:** 2.3 miles
- The Station:** 0.5 miles
- Spring Creek Elementary:** 684 Students
- Naamant Forest High School:** 1,991 Students
- Liberty Grove Elementary:** 528 Students
- Spring Creek High School:** 2,747 Students
- Cooper Elementary:** 992 Students
- Golden Meadow Elementary:** 800 Students
- Bussey Middle School:** 984 Students
- Freeman Elementary:** 228 Students
- Garland High School:** 2,580 Students
- Northlake Elementary:** 582 Students
- Norma Dorsey Elementary:** 643 Students
- Rowlett High School:** 1,057 Students
- Coyle Middle School:** 1,096 Students
- Back Elementary:** 437 Students
- Marmon Hill:** 649 Units
- The Station:** 225 Lots, 800 Units
- Proposed Trinity Regional Hospital**

VICINITY MAP
SCALE N.T.S.

LEGEND

LEGEND	
IMPROVEMENT AREA #1	IMPROVEMENT AREA #1
IMPROVEMENT AREA #2	IMPROVEMENT AREA #2
IMPROVEMENT AREA #3	IMPROVEMENT AREA #3
IMPROVEMENT AREA #4	IMPROVEMENT AREA #4
IMPROVEMENT AREA #5	IMPROVEMENT AREA #5
IMPROVEMENT AREA #6	IMPROVEMENT AREA #6
IMPROVEMENT AREA #7	IMPROVEMENT AREA #7
CITY PROPERTY	CITY PROPERTY
BLOCK BOUNDARY	BLOCK BOUNDARY

AREA SUMMARY TABLE

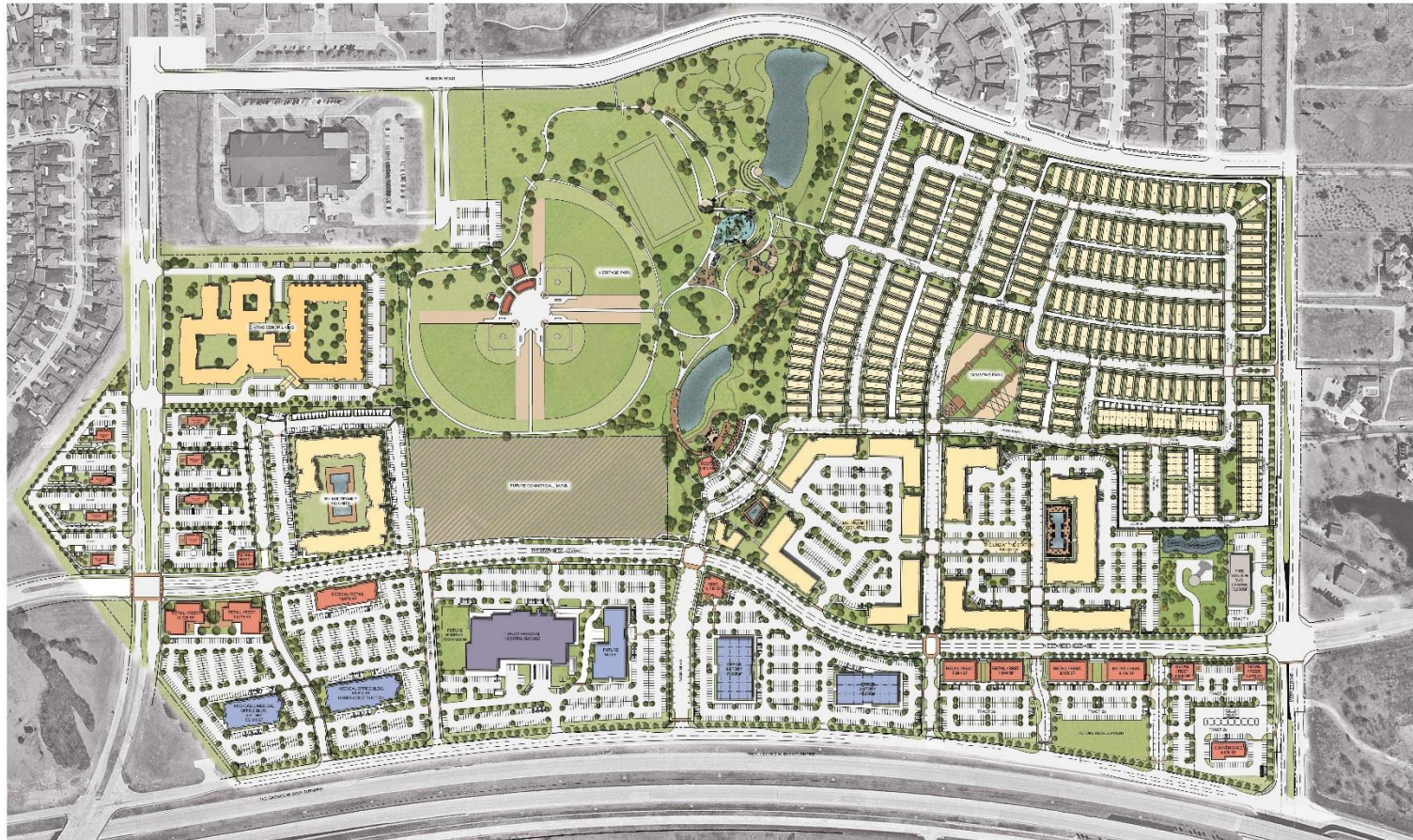
AREA SUMMARY TABLE	
IMPROVEMENT AREA #1	48.6 AC
IMPROVEMENT AREA #2	7.7 AC
IMPROVEMENT AREA #3	2.8 AC
IMPROVEMENT AREA #4	22.9 AC
IMPROVEMENT AREA #5	27.7 AC
IMPROVEMENT AREA #6	40.7 AC
IMPROVEMENT AREA #7	11.3 AC
CITY PROPERTY	32.3 AC
TOTAL IMPROVEMENT AREA (AREAS 1-7)	162.0 AC
TOTAL AREA	230.4 AC

The Station
Sachse, Texas
July 2022

Kimley»Horn
Kimley-Horn and Associates, Inc.
10000 North Central Expressway, Suite 200
Dallas, Texas 75243
Tel: 972.346.7000
Fax: 972.346.7001
Scale of Text: As Shown on Map

V

MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT*



CONCEPTUAL COLOR SITE PLAN

THE STATION AT SACHSE
SACHSE, TEXAS

Job #: 18100 Scale: 1/120
Date: File Name:
Drawn by: Not for regulatory approval, permitting, or construction



* Portions of the property shown in this map are not within the boundaries of the District and are not considered to be part of the Development (as defined herein).

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 (“RULE 15C2-12”), THIS DOCUMENT CONSTITUTES AN “OFFICIAL STATEMENT” OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN “DEEMED FINAL” BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER “BONDHOLDERS’ RISKS” HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY 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

\$9,009,000*

CITY OF SACHSE, TEXAS

(a municipal corporation of the State of Texas located in Collin and Dallas Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(SACHSE PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREAS #2-5 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover, and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Sachse, Texas (the “City”), of its \$9,009,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Areas #2-5 Project) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. 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, PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS,” AND “SUITABILITY FOR INVESTMENT.”

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 adopted by the City Council of the City (the “City Council”) on October 17, 2022 (the “Bond Ordinance”), and an Indenture of Trust, dated as of October 15, 2022 (the “Indenture”), entered into by and between the City and Wilmington Trust, National Association, as trustee (the “Trustee”). The Bonds will be secured by a pledge of and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from (i) special assessments (the “Improvement Area #2 Assessments”) expected to be levied against assessable parcels (the “Improvement Area #2 Assessed Property”) located within Improvement Area #2 (as defined herein) of the Sachse Public Improvement District No. 1 (the “District”), (ii) special assessments (the “Improvement Area #3 Assessments”) expected to be levied against assessable parcels (the “Improvement Area #3 Assessed Property”) located within Improvement Area #3 (as defined herein) of the District, (iii) special assessments (the “Improvement Area #4 Assessments”) expected to be levied against assessable parcels (the “Improvement Area #4 Assessed Property”) located within Improvement Area #4 (as defined herein) of the District, and (iv) special assessments (the “Improvement Area #5 Assessments,” and, together with the Improvement Area #2 Assessments, Improvement Area #3 Assessments and Improvement Area #4 Assessments, the “Assessments”) expected to be levied against assessable parcels (the “Improvement Area #5 Assessed Property,” and, together with the Improvement Area #2 Assessed Property, the Improvement Area #3 Assessed Property and the Improvement Area #4 Assessed Property, the “Assessed Property”) located within Improvement Area #5 (as defined herein) of the District, pursuant to a separate ordinance to be adopted by the City Council on October 17, 2022 (the “Assessment Ordinance”), all to the extent and upon the conditions described herein and in the Indenture.

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, except as otherwise noted in “ASSESSMENT PROCEDURES,” that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B — Form of Indenture.”

* Preliminary; subject to change.

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Reimbursement Agreement (as defined herein), the Development Agreement (as defined herein), the Developer (as defined herein), and the PID Administrator (as defined herein), 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, Phone: (214) 302-2246. The form of Indenture appears in “APPENDIX B — Form of Indenture” and the form of Service and Assessment Plan, as updated, appears as “APPENDIX C — Form of Service and Assessment Plan.” The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

PMB Station Developer, LLC, a Texas limited liability company (the “Developer”), is developing or causing the development of the land within the District as part of a master planned, mixed-use development known as The Station (the “Development”), which is zoned to allow single-family residential, multifamily residential, office, retail and other commercial uses. The District consists of approximately 170.686 acres.

The District is being developed in phases or improvement areas (“Improvement Areas”), which began with the construction of certain public public improvements benefitting the entire District (the “Major Improvements”) and certain public improvements (the “Improvement Area #1 Improvements”) benefiting only the first Improvement Area (“Improvement Area #1”) within the District and is being followed by certain public improvements (the “Improvement Area #2 Improvements”) benefiting only the second Improvement Area (“Improvement Area #2”), certain public improvements (the “Improvement Area #3 Improvements”) benefiting only the third Improvement Area (“Improvement Area #3”), certain public improvements (the “Improvement Area #4 Improvements”) benefiting only the fourth Improvement Area (“Improvement Area #4”) and certain public improvements (the “Improvement Area #5 Improvements”) and, together with the Improvement Area #2 Improvements, Improvement Area #3 Improvements and Improvement Area #4 Improvements, the “Improvement Areas #2-5 Improvements”) benefiting only the fifth Improvement Area (“Improvement Area #5,” and, together with Improvement Area #2, Improvement Area #3 and Improvement Area #4, the “Improvement Areas #2-5”). Such development will be followed by certain public improvements (the “Improvement Area #6 Improvements”) benefiting only the sixth Improvement Area (“Improvement Area #6”) and certain public improvements (the “Improvement Area #7 Improvements”) benefiting only the seventh Improvement Area (“Improvement Area #7,” and, together with Improvement Area #6, the “Improvement Areas #6-7,” and, together with Improvement Areas #2-5, the “Improvement Areas #2-7”). See “THE IMPROVEMENT AREAS #2-5 AUTHORIZED IMPROVEMENTS” for a more detailed description of the Improvement Areas #2-5 Improvements. The Major Improvements, the Improvement Area #1 Improvements and the Improvement Areas #2-5 Improvements are collectively hereinafter referred to as the “Authorized Improvements.”

The District was initially divided into two Improvement Areas: Improvement Area #1 and the portion of the District other than Improvement Area #1 (the “Major Improvement Area”). The Major Improvement Area was subsequently divided into Improvement Areas #2-7. The District and each Improvement Area are further divided into “Blocks” based on expected use. Improvement Area #1 consists of Blocks A, B and K1. Improvement Area #2 consists of Blocks K2(A), K2(B), K2(C) and K3. Improvement Area #3 consists of Block C. Improvement Area #4 consists of Blocks D and E. Improvement Area #5 consists of Blocks F, G, H1, H2, L1 and L2. Improvement Area #6 consists of Block I, and Improvement Area #7 consists of Block J. See “THE DEVELOPMENT.” See “MAP SHOWING BLOCKS WITHIN THE DISTRICT” and “MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT” on pages v and vi.

The Development is expected to include approximately 214 single-family residential lots, 59 townhomes, approximately 790 units of multifamily housing (conventional and age-restricted), and approximately 568,757 square feet of commercial space. The Development includes Heritage Park, an approximately 35-acre public park owned by

the City. The Developer is enhancing the current amenities available at Heritage Park by constructing the Heritage Park Improvements, as defined and described under “THE DEVELOPMENT — Public Amenities.” The Developer also constructed one additional park within Improvement Area #1 (the “Improvement Area #1 Park” and, together with the Heritage Park Improvements, the “Public Amenities”), which was dedicated to the City. The Heritage Park Improvements are part of the Major Improvements and a portion of the costs of the Heritage Park Improvements are expected to be reimbursed to the Developer with proceeds of the MIA Bonds (as defined herein) and the IA #1 Bonds (as defined herein). The Improvement Area #1 Park is part of the Improvement Area #1 Improvements and a portion of the costs of the Improvement Area #1 Park are expected to be reimbursed to the Developer with proceeds of the IA #1 Bonds. In addition to Heritage Park and the Improvement Area #1 Park, the City also owns an approximately 2-acre parcel located in the southeast corner of the District, which contains a water tower (the “Water Tower Parcel”). See “MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT” on page vi and “THE DEVELOPMENT.”

In addition to the above-described improvements, certain additional improvements, including, among other things, private parking lot subgrade and concrete, streetlights, building pad excavation, water and sewer service lines, erosion control, internal retaining walls, private drainage infrastructure, internal landscaping and irrigation, and internal fire lanes, necessary to serve structures within certain Blocks within Improvement Areas #2-5 (collectively, the “Additional Improvements”) have been or will be constructed by the Developer, or an affiliate of the Developer, in conjunction with vertical construction for those projects with a finalized site plan within each Improvement Area.

Financing Plan

Reimbursement Agreement. Pursuant to the Agreement for the Construction of PID Projects and Reimbursement of Advances, effective as of July 20, 2020 (the “Reimbursement Agreement”) between the Developer and the City, the Developer agreed to construct the Authorized Improvements and the City agreed to pay the Developer for a portion of the costs to complete such improvements. Although certain other landowners within the District are or were responsible for the construction of a portion of the Authorized Improvements, as described herein, the Developer retained the right to reimbursement for the costs to construct such Authorized Improvements, as set forth in the applicable purchase and sale agreement between the Developer and the applicable landowner.

Major Improvement Area. To finance a portion of the costs of the Major Improvements allocable to the Major Improvement Area (the “Major Improvement Area Projects”), the City issued its \$8,540,000 “City of Sachse, Texas Special Assessment Revenue Bonds, Series 2020 (Sachse Public Improvement District No. 1 Major Improvement Area Project)” (the “MIA Bonds”). The MIA Bonds are secured by assessments levied against assessable property within the Major Improvement Area (the “MIA Assessments”) on October 26, 2020. Improvement Areas #2-5 are located within the Major Improvement Area; therefore, the Assessed Property will be subject to both the MIA Assessments and the Assessments. The lien securing the MIA Assessments is on parity with the lien securing the Assessments. **The MIA Assessments are not security for the Bonds.**

In addition, the indenture authorizing the MIA Bonds (the “MIA Indenture”) contains certain conditions precedent (the “Additional Obligations Test”) that must be satisfied prior to the issuance of additional obligations to finance the costs of internal infrastructure benefitting a Future Improvement Area (as defined in the MIA Indenture), including Improvement Areas #2-5. Prior to the adoption of the Bond Ordinance, satisfactory evidence will be submitted to the City and its advisors that the Additional Obligations Test has been satisfied and the Bonds will be issued as additional obligations pursuant to terms of the MIA Indenture.

Improvement Area #1. To finance a portion of the costs of the Major Improvements allocable to the Improvement Area #1 and the Improvement Area #1 Improvements (collectively, the “Improvement Area #1 Projects”), the City issued its \$6,875,000 “City of Sachse, Texas Special Assessment Revenue Bonds, Series 2020 (Sachse Public Improvement District No. 1 Improvement Area #1 Project)” (the “2020 IA #1 Bonds”). The 2020 IA #1 Bonds are secured by assessments levied against assessable property within Improvement Area #1 (the “IA #1 Assessments”) on October 26, 2020. **The IA #1 Assessments are not security for the Bonds.**

The remaining costs of constructing the Improvement Area #1 Projects have been or will be funded by the Developer. Pursuant to the Reimbursement Agreement, the City agreed to pay the Developer for a portion of these remaining costs from the IA #1 Assessments or additional bonds to be issued on parity with the 2020 IA #1 Bonds.

Concurrently with the issuance of the Bonds, the City expects to issue its \$4,628,000* “City of Sachse, Texas Special Assessment Revenue Bonds, Series 2022 (Sachse Public Improvement District No. 1 Improvement Area #1 Project)” (the “2022 IA #1 Bonds” and, together with the 2020 IA #1 Bonds, the “IA #1 Bonds”) to pay its remaining obligation to the Developer under the Reimbursement Agreement with respect to the Improvement Area #1 Projects (the “Improvement Area #1 Reimbursement Obligation”). Upon issuance of the 2022 IA #1 Bonds and payment of the net proceeds to the Developer, the Improvement Area #1 Reimbursement Obligation will be terminated. The 2022 IA #1 Bonds are secured by the IA #1 Assessments on parity with the 2020 IA #1 Bonds.

Improvement Areas #2-5 Improvements. The total costs of the Improvement Areas #2-5 Authorized Improvements (as defined herein) are expected to be approximately \$10,529,263*. A portion of the costs of the Improvement Areas #2-5 Authorized Improvements, in the approximate amount of \$9,009,000*, are expected to be financed with proceeds of the Bonds. The balance of the costs of the Improvement Areas #2-5 Authorized Improvements, in the total approximate amount of \$1,520,263*, are being financed by the Developer without reimbursement by the City.

The Bonds, the IA #1 Bonds and the MIA Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. The IA #1 Bonds and the MIA Bonds issued by the City are not offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other City obligations should refer to the offering documents related thereto, when and if available.

Improvement Areas #6-7. SL6 Sachse LP (“SL6 Sachse”) and Evolve Biologics (USA) LLC (“Evolve”), the landowners of Improvement Area #6 and Improvement Area #7, respectively, are responsible for financing and constructing the Improvement Area #6 Improvements and the Improvement Area #7 Improvements, respectively. No assessments will be levied through the District in Improvement Areas #6-7 for financing the costs of the Improvement Areas #6-7 Improvements.

TIRZ. On December 3, 2018, the City adopted an ordinance (the “TIRZ No. 2 Ordinance”), creating the Reinvestment Zone Number Two, City of Sachse, Texas (“TIRZ No. 2”), pursuant to Chapter 311 of the Texas Tax Code (the “TIRZ Act”), covering Improvement Area #1 and a majority of the Major Improvement Area, including Improvement Areas #2-5, and authorizing the use of TIRZ No. 2 Revenues (as defined herein) for project costs under the TIRZ Act, relating to the Authorized Improvements, including the Improvement Areas #2-5 Improvements, as provided for in the Reinvestment Zone Number Two, City of Sachse, Texas, Final Project and Financing Plan (including amendments or supplements thereto, the “TIRZ No. 2 Project Plan”) and the Development Agreement, as described in more detail under “SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount.” On September 21, 2020, the City adopted an ordinance amending the boundaries of TIRZ No. 2 to add the remaining approximately 14.993 acres of the Major Improvement Area to TIRZ No. 2. See also “BONDHOLDERS’ RISKS — TIRZ No. 2 Annual Credit Amount and Marketing of the Development.”

[P3Works to provide updated TIRZ documents]

Status of Lot Development

The Developer began construction of the Improvement Area #1 Improvements and the Major Improvements in July of 2019. The Developer completed construction of the Improvement Area #1 Park in June 2020. The Developer completed construction of the remaining Improvement Area #1 Improvements in August of 2021.

As of August 15, 2022, the Developer has completed construction of the Major Improvements, with the exception of the regional detention improvements (the “Regional Detention Improvements”) and Heritage Park Improvements. The Developer began construction of the Regional Detention Improvements in the second quarter of 2022 and the Heritage Park Improvements in the third quarter of 2022. The Developer expects to complete the Regional Detention Improvements and Heritage Park Improvements by the third quarter of 2023.

The Developer began construction of the Improvement Area #2 Improvements to serve Block K2(A) in the second quarter of 2022 and expects to complete such construction by the first quarter of 2023. As of August 15, 2022,

* Preliminary; subject to change.

the Developer has spent approximately \$130,000 on constructing the Improvement Area #2 Improvements. The Developer expects that construction of all Improvement Area #2 Improvements will be complete by the fourth quarter of 2024.

PMB Advisors LLC, an affiliate of the Developer (“PMB Advisors”), acting as a fee developer on behalf of K. Hovnanian DFW Villas at the Station, LLC (“Hovnanian Homes”), began construction of the Improvement Area #3 Improvement in the first quarter of 2022. As of August 15, 2022, Hovnanian Homes has spent approximately \$900,000 on constructing the Improvement Area #3 Improvements. The Developer expects that the Improvement Area #3 Improvements will be complete by the first quarter of 2023. The Developer has retained all rights under the Reimbursement Agreement to receive reimbursement for the costs to construct the Improvement Area #3 Improvements.

The Developer began construction of the Improvement Area #4 Improvements to serve the approximately 8.1 acres of multifamily land within Block D in the first quarter of 2022 and expects to complete such construction by the third quarter of 2023. As of August 15, 2022, the Developer has spent approximately \$650,000 on constructing such Improvement Area #4 Improvements. The Developer expects that construction of all Improvement Area #4 Improvements will be complete by the second quarter of 2024.

The Developer began construction of the Improvement Area #5 Improvements to serve Block F and Block L2 in the first quarter of 2021 and has completed such construction for an approximate amount of \$550,000. The Developer expects that construction of all Improvement Area #5 Improvements to serve the remaining Blocks within Improvement Area #5 will be complete by the first quarter of 2025.

SL6 Sachse expects to begin construction of the Improvement Area #6 Improvements in the second quarter of 2023 and complete such construction by the first quarter of 2024.

Evolve began construction of the Improvement Area #7 Improvements in the second quarter of 2022 and expects to complete such construction by the third quarter of 2023.

See “THE DEVELOPMENT — Development Plan – Status of Construction.”

Status of Vertical Construction

Improvement Area #1. Improvement Area #1 includes 224 single-family lots in Block A, consisting of 165 single-family detached homes on 40’ x 95’ lots and 59 attached townhomes on 22’ x 80’ lots, 300 conventional multifamily units in Block B (the “IA #1 Multifamily”) and an approximately 15,688 square foot inline and food retail building on Block K1 (the “IA #1 Retail Building”).

The Developer has executed lot purchase and sale agreements (the “IA#1 Lot Purchase Agreements”) for all 224 single-family lots located in Block A of Improvement Area #1 with merchant homebuilders, Hovnanian Homes and Ashton Dallas Residential L.L.C. (“Ashton” and, together with Hovnanian Homes, the “IA #1 Homebuilders”). As of August 15, 2022, the IA #1 Homebuilders purchased 224 completed lots, have finished construction of 144 homes and have sold 196 homes to individual homeowners (including 54 homes under contract with homeowners). See “THE DEVELOPMENT — Improvement Area #1 – Single-Family Residential.”

In August of 2019, the Developer sold approximately 10.14 acres of land comprising Block B of Improvement Area #1 to DD Bunker Hill, LLC (“Bunker Hill”). Bunker Hill completed construction of the 300-unit IA #1 Multifamily, known as “The Linz at The Station,” in September of 2021. As of August 15, 2022, over 90% of the building was leased. In the first quarter of 2022, Bunker Hill sold the IA #1 Multifamily to 5300 The Station (TX) Owner LP, a subsidiary of Blackstone (“5300 The Station”). See “THE DEVELOPMENT — Improvement Area #1 – Multifamily Residential.”

PMB Station Retail 1, LLC, an affiliate of the Developer (“PMB Retail 1”) began construction of the IA #1 Retail Building in November of 2020 and completed such construction in August of 2021. The IA #1 Retail Building is 100% leased to the following tenants: Pho Station, Floral Design & Décor, Manny’s Tex-Mex Restaurant, The

Brass Tap, The Station Welcome Center, Polaris Dentistry and Cold Stone Creamery. PMB Retail 1 sold the IA #1 Retail Building to Dockside Threading Inc. (“Dockside Threading”) in the second quarter of 2022. As of July of 2022, all tenants have opened for business. See “THE DEVELOPMENT — Improvement Area #1 – Commercial.”

Improvement Areas #2-5.

Improvement Areas #2-5 are expected to include 49 single-family lots, consisting of single-family detached homes on 40’ x 95’ lots, 490 multifamily units and approximately 230,597 square feet of commercial space.

The Developer has entered into a purchase contract (the “IA #3 Purchase Agreement”) with Hovnanian Homes for all 49 of the planned single-family lots within Block C of Improvement Area #3. Hovnanian Homes has purchased all 49 lots from the Developer and expects to begin home construction in the first quarter of 2023. See “THE DEVELOPMENT — Improvement Areas #2-5 – Single-Family Residential.”

Improvement Areas #2-5 are expected to include two multifamily sites, consisting of approximately 297 multifamily units on Block D of Improvement Area #4 (the “Block D Multifamily”) and approximately 193 multifamily units on Block F of Improvement Area #5 (the “Block F Multifamily”). The Developer conveyed approximately 8.1 acres comprising the in-tract multifamily portion of Block D to PMB Station MF 1 LP, an affiliate of the Developer (“PMB MF”), in February of 2022. PMB MF expects to begin construction of the Block D Multifamily by the first quarter of 2023 and complete such construction by the second quarter of 2024. Sachse Station Boulevard Owner LLC (“Sachse Station Owner”) purchased the approximately 6.4 acres comprising Block F and began construction of the Block F Multifamily in the first quarter of 2022. The 193 units will be age-restricted and are expected to be available for lease by the fourth quarter of 2022. See “THE DEVELOPMENT — Improvement Areas #2-5 – Multifamily Residential.”

Improvement Areas #2-5 are expected to include approximately 230,597 square feet of commercial space, consisting of: approximately 18,172 square feet in Block K2(A); approximately 3,500 square feet in Block K2(B); approximately 6,050 in Block K2(C); approximately 2,500 square feet in Block K3; approximately 3,300 square feet in Block D; approximately 58,500 square feet in Block E; approximately 12,800 square feet in Block G; approximately 9,000 square feet in Block H1; approximately 30,175 square feet in Block L1; and approximately 86,600 square feet in Block L2.

The Developer owns approximately 5.2 acres within Block D, which is expected to include approximately 3,300 square feet of pad retail and public right of way. The Developer does not yet have plans for the vertical construction of the 3,300 square foot retail pad. The Developer conveyed the approximately 3.2 acres comprising Block K2(A) to PMB Station Retail 2, LLC, an affiliate of the Developer (“PMB Retail 2”), in February of 2022. PMB Retail 2 expects to begin vertical construction of approximately 18,172 square feet of inline/food and retail space in the first quarter of 2023 and have tenants moving in the third quarter of 2023. To date, one lease is signed with Castle Nails.

Vaquero Ventures Management, LLC (“Vaquero”), LLC, purchased approximately 2.1 acres of land comprising K2(C) for the construction of a 7-Eleven on the corner of Merritt Rd. The site work for the 6,050 square foot pad retail building is expected to begin in the second quarter of 2023 and the building is expected to be delivered in the fourth quarter of 2024. TRHS MOB ONE, LP (“TRHS”) purchased approximately 5.9 acres comprising Block L2 for the construction of multiple medical office buildings adjacent to the Trinity Regional Hospital. The site work for the initial 66,600 square foot medical office building is complete and TRHS has started on vertical construction of such building. The delivery of an additional approximately 20,000 square foot medical office building is planned for the coming years.

The Developer sold approximately 0.75 acres of land within Block G to Gala Development Partners, LLC (“Gala Development”) for the construction of a Dillas Restaurant.

No other commercial Blocks within Improvement Areas #2-5 have been purchased or are under contract. See “THE DEVELOPMENT — Improvement Areas #2-5 – Commercial.”

Improvement Areas #6-7. Improvement Area #6 is expected to include approximately 103,680 square feet of commercial space in Block I. SL6 Sachse closed on the approximately 8.7 acres comprising Block I to be used for flex industrial/office. SL6 Sachse expects to commence vertical construction in the first quarter of 2024.

Improvement Area #7 is expected to include approximately 218,792 square feet of commercial space in Block J. Evolve closed on the purchase of approximately 11.3 acres comprising Block J to be used for a new manufacturing facility. The current plan is for the site to consist of office/office flex uses for its back-office users, executives and space for its researchers and laboratory work. Evolve expects to commence vertical construction in the third quarter of 2023. See “THE DEVELOPMENT — Improvement Areas #6-7.”

The Bonds

Proceeds of the Bonds will be used to provide funds for the “Improvement Areas #2-5 Authorized Improvements,” which consist of (i) paying a portion of the Actual Costs of the Improvement Areas #2-5 Improvements (the “Improvement Areas #2-5 Improvement Costs”), (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs (as defined herein), and (iii) paying certain “Bond Issuance Costs” (as defined herein) which include (a) funding the Reserve Account of the Reserve Fund (both defined herein) and (b) paying certain other costs of issuance of the Bonds. See “THE IMPROVEMENT AREAS #2-5 AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the Assessments, 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 of Texas (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 full faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “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 and to execute the investment letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.
2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.
3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes 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 the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Areas #2-5 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 gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City pursuant to the terms of the Indenture, and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the 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.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth on page i of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery (the “Delivery Date”) to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15, commencing March 15, 2023* (each an “Interest Payment Date”), until maturity or prior redemption. Wilmington Trust, National Association, Dallas, Texas is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (or such smaller amounts of not less than \$1,000 as authorized under the Indenture as a result of partial redemption) (“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.”

* Preliminary; subject to change.

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds maturing on or after September 15, 20__ before their scheduled maturity dates, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at a redemption price equal to the principal amount to be redeemed plus the applicable premium if any, plus accrued and unpaid interest to the date fixed for redemption (the “Redemption Price”).

Extraordinary Optional Redemption. The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 15 in the years __ and __ (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 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>Sinking Fund Installment Amount</u>
September 15, 20__	\$
September 15, 20__	
September 15, 20__	
September 15, 20__†	

† Stated Maturity.

<u>\$ Term Bonds due September 15, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20__	\$
September 15, 20__	
September 15, 20__	
September 15, 20__†	

† Stated Maturity.

At least 30 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee will select for redemption by lot a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, will call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and will 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 will be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions or the extraordinary optional redemption provisions and not previously credited to a mandatory sinking fund redemption.

Partial Redemption. If less than all of the Bonds are to be redeemed pursuant to the Indenture, Bonds shall be redeemed in minimum principal amounts of \$1,000 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 \$1,000. 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 \$1,000, may be issued.

In selecting the Bonds to be redeemed pursuant to an optional redemption, the Trustee shall rely on the directions provided in a City Order.

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

Upon surrender of any Bond for redemption in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Notice of Redemption. Upon receipt of a City Order of redemption from the City, the Trustee will give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. The notice will state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Outstanding Bonds are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bonds shall become due and payable. 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.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee 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. Upon receipt of a City Order of such rescission from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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 DTC 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 an S&P Global Ratings' 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.

SECURITY FOR THE BONDS

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds. Investors must read the entire

Indenture to obtain information essential to the making of an informed investment decision. See “APPENDIX B — Form of Indenture.”

General

THE BONDS ARE SPECIAL, LIMITED 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 AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “APPENDIX B — FORM OF INDENTURE.”

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 expected to be levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, on October 26, 2020, the City Council approved and adopted a Service and Assessment Plan (the “Original Service and Assessment Plan”). On October 17, 2022, the City Council expects to approve and adopt an amended and restated service and assessment plan (as may be updated and amended from time to time, the “Service and Assessment Plan”), which will amend and restate the Original Service and Assessment Plan in its entirety, describe the special benefit received by the property within the District, provide the basis and justification for the determination of special benefit on such property, establish the methodology for the levy of the Assessments and provide 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 (each, an “Annual Service Plan Update”) for the purpose of determining the annual budget for the Authorized 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 C — Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Improvement Areas #2-5 Authorized Improvements by levying Assessments upon the Assessed Property benefitted thereby. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in Improvement Areas #2-5, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Indenture, the following terms are assigned the following meanings:

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

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

“Annual Installment” means, collectively, the Improvement Area #2 Annual Installment, the Improvement Area #3 Annual Installment, the Improvement Area #4 Annual Installment and the Improvement Area #5 Annual Installment.

“Assessment Revenues” means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

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

“Improvement Area #3 Annual Installment” means, with respect to each Improvement Area #3 Assessed Property, each annual payment of: (i) principal of and interest on the Improvement Area #3 Assessments, as shown on the Improvement Area #3 Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit I-1 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Annual Collection Costs related to Improvement Area #3 and (iii) Improvement Area #3’s portion of the Additional Interest.

“Improvement Area #4 Annual Installment” means, with respect to each Improvement Area #4 Assessed Property, each annual payment of: (i) principal of and interest on the Improvement Area #4 Assessments, as shown on the Improvement Area #4 Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit J-1 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Annual Collection Costs related to Improvement Area #4 and (iii) Improvement Area #4’s portion of the Additional Interest.

“Improvement Area #5 Annual Installment” means, with respect to each Improvement Area #5 Assessed Property, each annual payment of: (i) principal of and interest on the Improvement Area #5 Assessments, as shown on the Improvement Area #5 Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit K-1 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Annual Collection Costs related to Improvement Area #5 and (iii) Improvement Area #5’s portion of the Additional Interest.

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Areas #2-5 in accordance with the Act.

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

“Pledged Revenues” means, collectively, the (i) Assessment Revenues (excluding the portion of Assessments and Annual Installments collected for the payment of Annual Collection Costs (as defined herein) 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.

“Subordinate Lien Obligations” means bonds, notes or other obligations secured in whole or in part by liens on the Pledged Revenues that are junior and subordinate to the lien on the Pledged Revenues securing payment of the Bonds.

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. See “— Pledged Revenue Fund” and “APPENDIX C — Form of Service and Assessment Plan.”

Collection and Deposit of Assessments

The Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds are shown on the Assessment Rolls (as defined herein). The Assessments, together with the interest thereon,

will be deposited in the Pledged Revenue Fund for the payment of the principal of, premium, if any, and interest on the Bonds, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS — Pledged Revenue Fund.”

The Assessments assessed to pay debt service on the Bonds together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment will be made payable in the Assessment Ordinance in each City fiscal year preceding the date of final maturity of the Bonds which, if collected, will be sufficient to pay the portion of the debt service requirements attributable to the Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Assessments on each Parcel, tract or lot which are to be collected in each year during the term of the Bonds is shown on the Assessment Rolls. Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan) 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 shall be deposited to such Account.

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

Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount

The City adopted the TIRZ No. 2 Ordinance authorizing the use of TIRZ No. 2 Revenues for costs of the Authorized Improvements, including the Improvement Areas #2-5 Improvements, as provided for in the TIRZ No. 2 Project Plan. **[P3Works to provided updated TIRZ documents]**

“TIRZ No. 2 Revenues” means, for each year during the term of TIRZ No. 2, the amounts which are deposited in the tax increment fund (the “TIRZ No. 2 Fund”) pursuant to the TIRZ No. 2 Ordinance, TIRZ No. 2 Project Plan, and Development Agreement. See “APPENDIX C — Form of Service and Assessment Plan.”

In the Development Agreement, the City has agreed to transfer TIRZ No. 2 Revenues generated from each Lot within Improvement Areas #2-5 (the “TIRZ No. 2 Annual Credit Amount”) from the TIRZ No. 2 Fund to the Bond Pledged Revenue Account of the Pledged Revenue Fund to offset a portion of such lot’s Annual Installment of Assessment due each year, as calculated by the PID Administrator in collaboration with the City, in accordance with the Service and Assessment Plan. The TIRZ No. 2 Revenues will be an amount equal to the captured appraised value of TIRZ No. 2 times 50% of the City’s tax rate levied and collected on the applicable lot.

The Annual Installment will be calculated by taking into consideration any TIRZ No. 2 Annual Credit Amount applicable to such lot, but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount. “TIRZ No. 2 Maximum Annual Credit Amount” means the amount of TIRZ No. 2 Revenues that, when applied to Assessed Property on a lot type basis to reduce the Annual Installment next due for such Assessed Property, results in an aggregate equivalent tax rate credit of Annual Installments of Assessments plus all other overlapping taxing entities (using the 2021 tax rates for such taxing entities) of \$3.15 per \$100 of assessed value for Assessed Property, based on the Estimated Buildout Value (as defined in the Service and Assessment Plan) of such Assessed Property at the time the City Council approves the Assessment Ordinance. See “APPENDIX C — Form of Service and Assessment Plan.”

Under the TIRZ No. 2 Ordinance and TIRZ No. 2 Project Plan, the TIRZ No. 2 Revenues generated by each applicable lot in any given year shall be used to calculate such lot’s TIRZ No. 2 Annual Credit Amount in the following year (i.e., TIRZ No. 2 Revenues collected in 2023 shall be used to calculate the TIRZ No. 2 Annual Credit Amount applicable to Annual Installments to be collected in 2024). The TIRZ No. 2 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value on the applicable lot in any year.

Consequently, the TIRZ No. 2 Revenues are generated only if the appraised value of real property on such lot in any year is greater than the base value. Any delay or failure of the Developer, homebuilders or commercial developers to develop Improvement Areas #2-5 may result in a reduced amount of the TIRZ No. 2 Revenues being available to credit the Assessments. See “ASSESSMENT PROCEDURES — Assessment Amounts — TIRZ No. 2 Annual Credit Amount” and “APPENDIX C — Form of Service and Assessment Plan.”

TIRZ No.2 will terminate, unless the City elects to extend the term, upon the earlier of (i) the date the City has contributed the maximum amount (\$41,921,137), as set forth in the TIRZ No. 2 Project Plan, or (ii) on December 31, 2049, unless terminated by the City earlier. The City expects to collect TIRZ No. 2 Revenues for the last year in calendar year 2049 and apply them to the TIRZ No. 2 Annual Credit Amount in 2050.

THE TIRZ NO. 2 REVENUES WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT TIRZ NO. 2 REVENUES TO GENERATE THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF ASSESSMENTS COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS AND ANNUAL COLLECTION COSTS AND THE FUNDING OF THE DELINQUENCY AND PREPAYMENT RESERVE REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. SUCH TIRZ NO. 2 ANNUAL CREDIT AMOUNT IS NOT EXPECTED TO BE AVAILABLE TO REDUCE THE ANNUAL INSTALLMENT FOR ANY ASSESSED PROPERTY UNTIL 20[24]. TIRZ NO. 2 REVENUES GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN IMPROVEMENT AREAS #2-5 DURING THE DEVELOPMENT OF SUCH PARCEL WILL NOT RESULT IN A TIRZ NO. 2 ANNUAL CREDIT AMOUNT WHICH IS SUFFICIENT TO ACHIEVE THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT MAY NOT PROVIDE FOR THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME OR COMMERCIAL BUILDING ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN IMPROVEMENT AREAS #2-5 IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN IMPROVEMENT AREAS #2-5 MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE “OVERLAPPING TAXES AND DEBT,” “BONDHOLDERS’ RISKS — TIRZ NO. 2 ANNUAL CREDIT AMOUNT AND MARKETING OF THE DEVELOPMENT” AND “APPENDIX C — FORM OF SERVICE AND ASSESSMENT PLAN.”

Unconditional Levy of Assessments

The City will impose Assessments on the Assessed Property sufficient 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 will become 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 the Additional Interest Rate 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 an Assessment, will be calculated annually during the Annual Service Plan Update and will be due on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due on October 1, 2022, and will be delinquent if not paid prior to February 1, 2023.

As authorized by Section 372.003(b)(14) of the PID Act, the City will calculate and collect each year while the Bonds are Outstanding and unpaid, an assessment to pay the annual costs incurred by the City in the administration and operation of the District (the “Annual Collection Costs”). The portion of each Annual Installment of an Assessment used to pay Annual Collection Costs will 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 372.015(d) of the PID Act. The amount collected to pay Annual Collection Costs will be due in the manner set forth in the Assessment Ordinance on or about October 1 of each year and will be delinquent if not paid by February 1 of the

following year. **Amounts collected for Annual Collection Costs are not part of the Trust Estate and will not secure repayment of the Bonds.**

There will be no discount for the early payment of Assessments.

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 Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of 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. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS — Assessment Limitations."

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) will continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Trust Estate will be valid and binding and fully perfected from and after the Delivery Date, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve the perfection of the security interest in said pledge to the registered owners of the Bonds, the City has agreed to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Pledged Revenue Fund

Pursuant to the Indenture, upon receipt thereof, and no later than February 15 of each year, beginning February 15, 2023, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) *first*, to the Bond Pledged Revenue Account, an amount sufficient to pay all debt service on the Bonds coming due in the Bond Year, and (ii) *second*, if necessary, to the Reserve Account, the amount required to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest will 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 described in (i) and (ii) above, the Additional Interest will be transferred to either the Reserve Account or the Delinquency and Prepayment Reserve Account, to the extent such transfer is necessary to replenish either the Reserve Account Requirement or the Delinquency and Prepayment Reserve Requirement. In the event such Accounts are fully funded, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds for an extraordinary optional redemption pursuant to the Indenture, as directed by the City pursuant to a City Order. In addition, in the event the City owes Rebataable Arbitrage to the United States Government pursuant to the Indenture, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer described above, the full

amount of Rebatable Arbitrage owed by the City. If Assessments and Annual Installments 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 Assessments and Annual Installments for any one or more of the following purposes: (i) pay Improvement Area #2 Improvement Costs, (ii) pay Improvement Area #3 Improvement Costs, (iii) pay Improvement Area #4 Improvement Costs, (iv) pay Improvement Area #5 Improvement Costs, (v) pay other costs permitted by the PID Act or (vi) 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 will withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account, an amount, taking into account any amounts then on deposit in such 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 provided in the Indenture, there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee will 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.

Notwithstanding the above, as directed by the City pursuant to a City Order, the Trustee shall deposit, within two Business Days after receipt thereof, Prepayments to the Pledged Revenue Fund and after such deposit shall transfer such Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.

Notwithstanding the above, as directed by the City pursuant to a City Order, the Trustee shall deposit, within two Business Days after receipt thereof, the Foreclosure Proceeds into the Pledged Revenue Fund and after such deposit 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 final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the accounts within the Reserve Fund, the Trustee will transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in the Indenture.

Bond Fund

On each Interest Payment Date, the Trustee will withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds.

If, after the foregoing transfers and any transfer from any account of the Reserve Fund (as described under the subcaption “Reserve Fund” below), there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee will 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.

Project Fund

Pursuant to the Indenture, a Project Fund will be created to be used for the purposes described in “PLAN OF FINANCE — The Bonds.” Except as provided below, money on deposit in (1) the Improvement Area #2 Bond Improvement Account shall only be used to pay Improvement Area #2 Improvement Costs, (2) the Improvement Area #3 Bond Improvement Account shall only be used to pay Improvement Area #3 Improvement Costs, (3) the Improvement Area #4 Bond Improvement Account shall only be used to pay Improvement Area #4 Improvement

Costs and (4) the Improvement Area #5 Bond Improvement Account shall only be used to pay Improvement Area #5 Improvement Costs.

Disbursements from the Costs of Issuance Account 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 #2 Bond Improvement Account, the Improvement Area #3 Bond Improvement Account, the Improvement Area #4 Bond Improvement Account and the Improvement Area #5 Bond Improvement Account shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment as described in the Reimbursement Agreement. Each such City Order and/or Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Order and/or Certificate for Payment and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #2 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #2 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #2 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #2 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #2 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #2 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund. Upon such transfers, the Improvement Area #2 Bond Improvement Account shall be closed.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #3 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #3 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #3 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #3 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #3 Bond Improvement Account, 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 that are not expected to be used for purposes of the Improvement Area #3 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund. Upon such transfers, the Improvement Area #3 Bond Improvement Account shall be closed.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #4 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #4 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #4 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #4 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #4 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #4 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #4 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund. Upon such transfers, the Improvement Area #4 Bond Improvement Account shall be closed.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #5 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #5 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #5 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #5 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #5 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies

the amounts then on deposit in the Improvement Area #5 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #5 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund. Upon such transfers, the Improvement Area #5 Bond Improvement Account shall be closed.

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

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

In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #4 Improvements have been completed and that all Improvement Area #4 Improvement Costs have been paid, or that any Improvement Area #4 Improvement Costs are not required to be paid from the Improvement Area #4 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #4 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this Section if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #4 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment. Upon such transfers, the Improvement Area #4 Bond Improvement Account shall be closed.

In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #5 Improvements have been completed and that all Improvement Area #5 Improvement Costs have been paid, or that any Improvement Area #5 Improvement Costs are not required to be paid from the Improvement Area #5 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #5 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this Section if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #5 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment. Upon such transfers, the Improvement Area #5 Bond Improvement Account shall be closed.

Upon a determination by the City Representative that all Bond Issuance Costs have been paid, and as directed in a City Order filed with the Trustee, any amounts remaining in the Costs of Issuance Account shall be transferred to (i) the Improvement Area #2 Bond Improvement Account and used to pay Improvement Area #2 Improvement Costs, (ii) the Improvement Area #3 Bond Improvement Account and used to pay Improvement Area #3 Improvement Costs, (iii) the Improvement Area #4 Bond Improvement Account and used to pay Improvement Area #4 Improvement Costs, and/or (iv) the Improvement Area #5 Bond Improvement Account and used to pay Improvement Area #5 Improvement

Costs or, if no Improvement Areas #2-5 Improvement Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, and the Costs of Issuance Account shall be closed.

Reserve Fund

General Provisions. Pursuant to the Indenture, a Reserve Account and Delinquency and Prepayment Reserve Account will be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee.

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 and *second* from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary herein or in the Indenture, the Additional Interest shall be used to replenish *first*, the Reserve Account and *second*, the Delinquency and Prepayment Reserve Account.

Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

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 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 interest due on all Outstanding Bonds on the next Interest Payment Date or date on which 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.

Reserve Account Provisions. Pursuant to the Indenture, the Reserve Account will be 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 will be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, and (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the proceeds of the Bonds; provided, however, that, at the option of the City, such amount may be recalculated on any Interest Payment Date or any date of redemption, and the City shall provide a City Order to the Trustee with the applicable Reserve Account Requirement. As of the Delivery Date, the Reserve Account Requirement is \$_____.

In the event of an extraordinary optional redemption of Bonds resulting from funds being deposited into the Redemption Fund pursuant to any provision of the Indenture, the Trustee, pursuant to a City Order, shall transfer from the Reserve Account 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 divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the funds on deposit in the Redemption Fund 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 pursuant to the Indenture, 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 \$1,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

If on any Interest Payment Date, or on any other date as directed by a City Order, 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 and shall transfer such excess 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 30 days of such notice to the City Representative, the Trustee

receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Improvement Area #2 Bond Improvement Account to pay Improvement Area #2 Improvement Costs if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, (iv) to the Improvement Area #3 Bond Improvement Account to pay Improvement Area #3 Improvement Costs if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, (v) to the Improvement Area #4 Bond Improvement Account to pay Improvement Area #4 Improvement Costs if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, (vi) to the Improvement Area #5 Bond Improvement Account to pay Improvement Area #5 Improvement Costs if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, or (vii) to the Redemption Fund to be applied to the redemption of 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.

Delinquency and Prepayment Reserve Account Provisions. Pursuant to the Indenture, as directed by a City Order, on or before March 15, 2023, and on or before March 15 of each year thereafter, the Trustee shall transfer the Additional Interest from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At the time the Delinquency and Prepayment Reserve Requirement is fully accumulated in the Delinquency and Prepayment Reserve Account, the Trustee shall provide written notice thereof to the City, and thereafter, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds pursuant to the Indenture, as directed by the City pursuant to a City Order. In the event the Trustee does not receive a City Order directing the transfer of the Additional Interest to the Administrative Fund within forty-five (45) days of providing the foregoing notice to the City, the Trustee shall transfer the Additional Interest to the Redemption Fund to redeem Bonds pursuant to the Indenture and provide the City with written notification of such transfer. Notwithstanding the foregoing, if at any time the amount on deposit in the Delinquency and Prepayment Reserve Account falls below 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 been accumulated therein. In transferring the amounts as described herein, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Rolls 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 as directed by a City Order, 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 Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture. In the event the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within forty-five (45) days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to the Indenture and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with the Indenture.

Administrative Fund

The City will create under the Indenture an Administrative Fund to be held by the Trustee. Upon receipt thereof, the City will deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, and any other funds directed by the Indenture to be deposited therein.

Moneys in the Administrative Fund will be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs.

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS.

Defeasance

Any Outstanding Bonds will, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of the Indenture (a “Defeased 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, redemption, or otherwise), either (1) will have been made in accordance with the terms thereof, or (2) will 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, that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will 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, will 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 will be made only against delivery of such Defeasance Securities.

“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 determined by the City and described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (“PFIA”); and, provided further, investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, which is subject to change, 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, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- (i) the failure of the City to deposit to the Pledged Revenue Fund the portion of the Assessment Revenues required to be deposited to such Fund pursuant to the Indenture;
- (ii) the failure of the City to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings, in accordance with the Indenture;
- (iii) default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture other than a default under (iv) below, and the continuation thereof for a period of 90 days after written notice specifying such default and requiring same to be remedied will have been given to the City by the Trustee, which may give such notice in its discretion and will 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 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 30 days thereafter.

Remedies in Event of Default

Upon the happening and continuance of any of the Events 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 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 WILL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

Whenever moneys are to be applied pursuant to an Event of Default, irrespective of and whether other remedies authorized under the Indenture will 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 will 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 will 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 will 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 reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner’s Actions

No Owner will 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 under the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers granted under the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right thereunder except in the manner provided therein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee as advised by counsel, 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 will 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 of Bonds have proceeded to enforce any right under the Indenture and such proceedings will have been discontinued or abandoned for any reason or will have been determined adversely to the Trustee or any Owners of Bonds, then and in every such case the City, the Trustee and the Owners of Bonds will be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee will continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds, Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default will, after payment of the cost, liabilities, advances 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:

(i) 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 will 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 registered owners entitled thereto, without any discrimination or preference; and

(ii) SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which will have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available will 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 or Redemption Price and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners pursuant to the above provisions within 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

In the event funds are not adequate to cure an Event of Default, the available funds will 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, will 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 established pursuant to the Indenture, other than the Reserve Account, will 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 will 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 Fund 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.

Obligations purchased as an investment of moneys in any Fund or Account established pursuant to the Indenture will 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 shall be accomplished by transferring a like amount of Investment Securities as determined and directed pursuant to a City Order.

Against Encumbrances

Other than bonds issued to refund all or any portion of the Outstanding Bonds (the “Refunding Bonds”) or Subordinate Lien Obligations, for so long as any Bonds remain Outstanding under the Indenture, the City shall not create any lien, encumbrance or charge upon the Trust Estate or issue any bonds, notes or other evidences of indebtedness secured by a pledge of or lien on the Trust Estate, except for the lien and pledge created for the security of the Bonds.

Other Obligations or Other Liens; Subordinate Lien Obligations; Refunding Bonds

The City reserves the right to issue Other Obligations under other indentures, assessment ordinances, or other agreements which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues. The City shall not have the right to issue any bonds, notes or other obligations secured in whole or in part by liens on the Trust Estate that are senior to the lien on the Trust Estate securing payment of the Bonds.

The City reserves the right to issue Refunding Bonds and Subordinate Lien Obligations, and other than Refunding Bonds and Subordinate Lien Obligations, the City shall not (i) issue additional bonds, notes or other obligations secured by any pledge of or other lien or charge on the Trust Estate, (ii) create or voluntarily permit to be created any debt, lien or charge on the Trust Estate or (iii) do or omit to do or suffer to be done or omit to be done any matter or thing whatsoever whereby the lien of the Indenture or the priority hereof might or could be lost or impaired.

Notwithstanding anything in the Indenture to the contrary, no Refunding Bonds or Subordinate Lien Obligations may be issued by the City unless (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds or Subordinate Lien Obligations are scheduled to mature or be subject to mandatory sinking fund redemption on September 15 in each of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds or Subordinate Lien Obligations must be scheduled to be paid on March 15 and September 15 in each of the years in which interest is scheduled to be paid; provided, however, that the foregoing restrictions shall not apply to Refunding Bonds issued to redeem all of the then-Outstanding Bonds, provided that there are no Subordinate Lien Obligations outstanding on the date such Refunding Bonds are issued.

SOURCES AND USES OF FUNDS

The table that follows summarizes the expected sources and uses of proceeds of the Bonds:⁽¹⁾

Sources of Funds:

Principal Amount	\$
TOTAL SOURCES	\$

Use of Funds:

Deposit to Improvement Area #2 Bond Improvement Account	\$
Deposit to Improvement Area #3 Bond Improvement Account	
Deposit to Improvement Area #4 Bond Improvement Account	
Deposit to Improvement Area #5 Bond Improvement Account	
Deposit to Costs of Issuance Account	
Deposit to Reserve Account	
Deposit to the Administrative Fund	
Underwriter's Discount ⁽²⁾	
TOTAL USES	\$

⁽¹⁾ To be updated and completed upon pricing.

⁽²⁾ 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:⁽¹⁾

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$	\$	\$
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
Total	\$	\$	\$

⁽¹⁾ To be updated and completed upon pricing.

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes

The land within Improvement Areas #2-5 has been, and is expected to continue to be, subject to taxes imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments.

In addition to the Assessments, the City annually levies a separate maintenance and operations assessment (the “O&M Assessment”) pursuant to a separate service and assessment plan (as updated from time to time, the “O&M Service and Assessment Plan”), which is updated annually, to provide for the maintenance and operation of the Authorized Improvements, including the Improvement Areas #2-5 Improvements (the “O&M Services”). The O&M Assessment will be calculated, levied and collected each year in an amount sufficient to pay the estimated costs of the O&M Services, plus administrative expenses relating thereto. See “ASSESSMENT PROCEDURES — O&M Assessment.”

The City, Dallas County, Texas (the “County”), Dallas County Hospital District, Dallas County Community College District, Dallas County Schools and the Garland Independent School District (“Garland ISD”) may each levy ad valorem taxes upon land in 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 levied by such other taxing authorities.

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The following table reflects the overlapping ad valorem taxes currently levied on property located in Improvement Areas #2-5.

Overlapping Taxes in Improvement Areas #2-5

<u>Taxing Entity</u>	<i>Without application of TIRZ No. 2 Maximum Annual Credit Amount Tax Year 2021 Ad Valorem Tax Rate⁽¹⁾</i>	<i>With application of TIRZ No. 2 Maximum Annual Credit Amount Tax Year 2021 Ad Valorem Tax Rate⁽¹⁾</i>
The City	\$0.700734	\$0.700734
Dallas County	0.227946	0.227946
Dallas County Hospital District	0.255000	0.255000
Dallas County Community College District	0.123510	0.123510
Dallas County Schools ⁽²⁾	0.010000	0.010000
Garland ISD	<u>1.256300</u>	<u>1.256300</u>
Total Current Tax Rate	<u>\$2.573490</u>	<u>\$2.573490</u>
 Estimated Average Annual Installment of Assessment as an Equivalent Tax Rate ⁽³⁾	 <u>\$0.463313</u>	 <u>\$0.463313</u>
TIRZ No. 2 Maximum Annual Credit Amount applicable to Annual Installment of Assessment as an Equivalent Tax Rate ⁽⁴⁾	—	(\$0.318474)
Estimated Net Average Annual Installments in Improvement Areas #2-5 as an Equivalent Tax Rate	<u>\$0.463313</u>	<u>\$0.144839</u>
 Estimated Average Annual Installment of MIA Assessment allocated to Improvement Areas #2-5 as an Equivalent Tax Rate ⁽⁵⁾	 <u>\$0.353003</u>	 <u>\$0.353003</u>
 2022 O&M Annual Installment as an Equivalent Tax Rate ⁽⁶⁾	 <u>\$0.078669</u>	 <u>\$0.078669</u>
Estimated Total Net Tax Rate and Average Annual Installments in Improvement Areas #2-5 and O&M Assessment as an Equivalent Tax Rate⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	<u>\$3.468474</u>	<u>\$3.150000</u>

⁽¹⁾ As reported by the taxing entities. Per \$100 in value.

⁽²⁾ Dallas County Schools was a bus transportation agency, which was dissolved by the Dallas County voters in November 2017. The agency continues to levy an ad valorem tax until its debt is paid off.

⁽³⁾ Derived from information in the Service and Assessment Plan, and from lot counts and estimated buildout values provided by the Developer. Shown as an equivalent tax rate for illustration purposes only. Includes Assessments levied for payment of the Bonds. See “APPENDIX C — Form of Service and Assessment Plan.” Preliminary; subject to change.

⁽⁴⁾ Pursuant to the Development Agreement, the maximum equivalent tax rate, including the Assessments, the MIA Assessments allocated to Improvement Areas #2-5, the O&M Assessments and all overlapping taxing jurisdictions, cannot exceed \$3.15 per \$100 taxable assessed valuation. In the Development Agreement, the City has agreed to use TIRZ No. 2 Revenues generated from each lot within Improvement Areas #2-5, in an amount not to exceed the TIRZ No. 2 Maximum Annual Credit Amount, to offset a portion of such lot’s Annual Installment of Assessment due each year. Derived from information in the Service and Assessment Plan. See “ASSESSMENT PROCEDURES — Assessment Amounts – TIRZ No.2 Annual Credit Amount” herein.

⁽⁵⁾ Derived from information presented in the Service and Assessment Plan. Includes MIA Assessments allocated to Improvement Areas #2-5. Improvement Areas #2-5 have been allocated a total of 76.95% of the MIA Assessments. See “APPENDIX C — Form of Service and Assessment Plan.” Preliminary; subject to change.

⁽⁶⁾ Derived from information obtained from the O&M Service and Assessment Plan. Concurrently with the levy of the Assessments, the City expects to levy the O&M Assessment for 2022 on the lots within Improvement Areas #2-5. The O&M Assessments will be calculated and levied annually based on the actual costs of operating and maintaining the Authorized Improvements allocable to such lot, plus administrative expenses relating thereto. Shown as a tax rate equivalent for illustration purposes only. See “ASSESSMENT PROCEDURES — O&M Assessment.” Preliminary; subject to change.

⁽⁷⁾ Totals may not add due to rounding.

Sources: Dallas Central Appraisal District, Service and Assessment Plan and O&M Service and Assessment Plan.

Note: For Equivalent Tax Rates on a block-by-block basis see table under “ASSESSMENT PROCEDURES — Assessment Methodology” entitled “Assessment Allocation by Lot Type in Improvement Areas #2-5.”

Overlapping Debt

As noted above, 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 assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Areas #2-5, as of September 1, 2022, and City debt to be secured by the Assessments and MIA Assessments allocable to Improvement Areas #2-5:

Overlapping Debt in Improvement Areas #2-5

Taxing or Assessing Entity	Gross Outstanding Debt as of September 1, 2022	Estimated % Applicable ⁽¹⁾	Estimated Overlapping Debt ⁽¹⁾
The City (Assessments – The Bonds)	\$ 9,009,000 ⁽²⁾	100.00%	\$ 9,009,000 ⁽²⁾
The City (MIA Assessments – MIA Bonds) ⁽³⁾	6,471,574	100.00%	6,471,574
The City (Ad Valorem Taxes)	63,320,000	1.85%	1,174,198
Dallas County	236,605,000	0.02%	43,340
Dallas County Hospital District	559,905,000	0.02%	102,054
Dallas County Community College District	110,835,000	0.02%	19,744
Garland ISD	424,040,000	0.22%	920,916
Total⁽⁴⁾	\$1,410,185,574		\$17,740,827

⁽¹⁾ Based on \$53,350,000 prospective market value at completion of Improvement Areas #2-5 as calculated in the Appraisals (as defined herein) and on certified valuations for the Tax Year 2021 for the taxing entities. See “SUMMARY OF APPRAISALS OF IMPROVEMENT AREAS #2-5.”

⁽²⁾ Preliminary; subject to change. Assumes the Bonds are issued.

⁽³⁾ Represents Improvement Areas #2-5’s allocable share of the outstanding MIA Bonds.

⁽⁴⁾ As of September 1, 2022, Dallas County Schools had no outstanding general obligation debt.

Sources: Appraisals, Dallas Central Appraisal District and Municipal Advisory Council of Texas.

Owners’ Association

In addition to the Assessments and O&M Assessments, the Developer anticipates that each property owner of a single-family residential lot within Improvement Areas #2-5 will pay an annual maintenance and operation fee and/or a property owners’ association fee (the “POA Fee”) to The Station Residential Property Owner’s Association, Inc. (the “POA”), a homeowners’ association formed by the Developer. The Developer also anticipates that each owner of property in Improvement Areas #2-5, other than the owners of single-family residential lots, will pay an annual maintenance and operation fee and/or a property owners’ association fee (the “COA Fee” and together with the POA Fee, the “OA Fee”) to The Station Commercial Property Owner’s Association Inc., (the “COA” and together with the POA, the “OA”), an owners’ association formed by the Developer. All OA Fees will be calculated annually based on the estimated expenses to be incurred by the applicable OA in performing its functions to, among other things, maintain, repair and manage the improvements or amenities covered by the respective OA Fee. In 2022, the annual POA Fee was \$1,200 for single-family detached homes and \$600 for townhomes. The COA Fee varies based on use, square footage and timing of the assessment.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meaning given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Areas #2-5 Authorized Improvements through Assessments, it must adopt a resolution generally describing the Improvement Areas #2-5 Authorized Improvements and the land within the District to be subject to Assessments to pay the costs therefor. The City has caused assessment rolls to be prepared for Improvement Areas #2-5 (collectively, the “Assessment Rolls”), which Assessment Rolls show the Assessed Property within Improvement Areas #2-5, 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 Rolls will be filed with the City Secretary and made available for public inspection. Statutory notice will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected

property owners as to the propriety and advisability of undertaking the Improvement Areas #2-5 Authorized Improvements and funding the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance on October 17, 2022, after which the Assessments will become legal, valid and binding liens upon the Assessed Property.

Under the PID Act, the costs of the Improvement Areas #2-5 Authorized Improvements to be defrayed through Assessments may be assessed by the City against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Improvement Areas #2-5 Authorized Improvements equals or exceeds the Assessments. The costs of the Improvement Areas #2-5 Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District is presented in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C — 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 Areas #2-5 Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Areas #2-5 Authorized Improvements to Parcels in a manner that results in equal shares of costs being apportioned to Parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Areas #2-5 Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by the Trust Estate, consisting primarily of the Pledged Revenues, which include the Assessments.

The benefits received by the “Improvement Area #2 Authorized Improvements,” which consist of (i) the Improvement Area #2 Improvements, (ii) the first year’s Annual Collection Costs related to Improvement Area #2, and (iii) Improvement Area #2’s portion of Bond Issuance Costs, shall be allocated to each Parcel within Improvement Area #2 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property. See “APPENDIX C — Form of Service and Assessment Plan.”

The benefits received by the “Improvement Area #3 Authorized Improvements,” which consist of (i) the Improvement Area #3 Improvements, (ii) the first year’s Annual Collection Costs related to Improvement Area #3, and (iii) Improvement Area #3’s portion of Bond Issuance Costs, shall be allocated to each Parcel within Improvement Area #3 based upon 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. See “APPENDIX C — Form of Service and Assessment Plan.”

The benefits received by the “Improvement Area #4 Authorized Improvements,” which consist of (i) the Improvement Area #4 Improvements, (ii) the first year’s Annual Collection Costs related to Improvement Area #4, and (iii) Improvement Area #4’s portion of Bond Issuance Costs, shall be allocated to each Parcel within Improvement Area #4 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #4 Assessed Property to the Estimated Buildout Value of all Improvement Area #4 Assessed Property. See “APPENDIX C — Form of Service and Assessment Plan.”

The benefits received by the “Improvement Area #5 Authorized Improvements,” which consist of (i) the Improvement Area #5 Improvements, (ii) the first year’s Annual Collection Costs related to Improvement Area #5, and (iii) Improvement Area #5’s portion of Bond Issuance Costs, shall be allocated to each Parcel within Improvement Area #5 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #5 Assessed Property to the Estimated Buildout Value of all Improvement Area #5 Assessed Property. See “APPENDIX C — Form of Service and Assessment Plan.”

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefitted within Improvement Areas #2-5. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the

City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within the District. For further explanation of the assessment methodology, see “APPENDIX C — Form of Service and Assessment Plan.”

For purposes of the Service and Assessment Plan, Improvement Areas #2-5 consists of the following Lot Types: (1) Single-Family Lot Type, (2) Multi-family Lot Type, (3) Commercial Lot Type 2, which includes Assessed Property intended for inline retail, food retail, pad retail or office and (4) Commercial Lot Type 3, which includes Assessed Property intended for junior anchor retail or office flex.

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The table below provides the value to lien analysis based on Lot Type in Improvement Areas #2-5.

Value to Lien Analysis in Improvement Areas #2-5⁽¹⁾

<u>Lot Type</u>	<u>Planned Number of Units/ Sq. Ft.</u>	<u>Appraised Value per Lot Type⁽²⁾</u>	<u>Estimated Buildout Value per Unit/Sq. Ft.</u>	<u>Estimated Buildout Value per Lot Type</u>	<u>Total Assessments per Lot Type⁽³⁾</u>	<u>Estimated Ratio of Appraised Value per Lot Type to Assessment⁽³⁾</u>	<u>Estimated Ratio of Estimated Buildout Value per Lot Type to Assessment⁽³⁾</u>
<u>IA #2</u>							
Block K2(A)							
Commercial 2	18,172	\$3,020,000	\$ 210.03	\$ 3,816,637.05	\$ 374,656.39	8.06	10.187
Block K2(B)							
Commercial 2	3,500	1,030,000	210.03	735,099.59	40,185.96	26.63	18.292
Block K2(C)							
Commercial 2	6,050	2,610,000	210.03	1,270,672.14	124,734.27	20.92	10.187
Block K3							
Commercial 2	2,500	1,650,000	210.03	525,071.13	28,704.26	57.48	18.292
<u>IA #2 Subtotal</u>				\$ 6,347,479.92	\$ 568,280.87		
<u>IA #3</u>							
Block C							
Single-Family	49	\$5,370,000	\$383,126.36	\$18,773,191.82	\$1,993,570.82	2.69	9.417
<u>IA #4</u>							
Block D							
Multifamily	297	\$7,430,000	\$170,000.00	\$50,490,000.00	\$ 5,413,822.91	1.37	9.326
Commercial 2	3,300		210.03	693,093.90	44,170.18		15.691
<u>Block D Subtotal</u>				\$51,183,093.90	\$ 5,457,993.10		
Block E							
Commercial 2	34,500	3,326,154	210.03	\$ 7,245,981.64	\$ 461,779.19	7.20	15.691
Commercial 3	24,000	2,313,846	138.20	3,316,750.45	211,373.20	10.95	15.691
<u>Block E Subtotal</u>		\$5,640,000		\$ 10,562,732.09	\$ 673,152.40		
<u>IA #4 Subtotal</u>				\$ 61,745,825.98	\$ 6,131,145.49		
<u>IA #5</u>							
Block F							
Multifamily	193	\$5,790,000	\$170,000.00	\$32,810,000.00	\$ 3,308,286.55	1.75	9.918
Block G1 ⁽⁴⁾							
Commercial 2	3,322	1,323,609	210.03	697,714.52	126,591.40	10.46	17.441
Block G2 ⁽⁴⁾							
Commercial 2	9,478	3,776,391	210.03	1,990,649.68	200,724.37	18.81	17.441
Block H1							
Commercial 2	9,000	3,860,000	210.03	1,890,256.08	108,377.85	35.61	17.441
Block L1							
Commercial 2	30,175	6,170,000	210.03	\$ 6,339,708.86	\$ 363,487.28	16.97	17.411
Block L2 ⁽⁴⁾							
Commercial 2	20,000	1,311,778	210.03	4,200,569.07	423,550.32	3.10	9.918
Block L3 ⁽⁴⁾							
Commercial 2	66,600	4,368,222	210.03	13,987,894.99	1,410,422.58	3.10	9.918
<u>IA #5 Subtotal</u>				\$61,916,793.21	\$ 5,768,261.97		
Total					\$15,480,573.66		

⁽¹⁾ Based on the concept plan for the District. Derived from information in the Service and Assessment Plan. The actual unit counts and Estimated Buildout Value may vary from that shown above.

⁽²⁾ Derived from information in the Appraisals.

⁽³⁾ Includes the Assessments and the MIA Assessments allocated to Improvement Areas #2-5.

⁽⁴⁾ For purposes of assessment allocation, Block G and Block L2, as shown on the concept plan, have been divided into Block G1 and Block G2 and Block L2 and Block L3, respectively.

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney's fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See "BONDHOLDERS' RISKS — Assessment Limitations" herein.

In the Indenture, the City covenants 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 updated Assessment Rolls and a calculation of the Annual Installment for each Parcel. Annual Collection Costs shall be allocated among all Parcels in Improvement Areas #2-5 in proportion to the amount of the Annual Installments for such Parcels.

In the Indenture, the City covenants, agrees and warrants that, for so long as any Bonds are Outstanding, 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. Notwithstanding the foregoing, the City shall be permitted to reduce the Assessments on a Parcel within Improvement Areas #2-5 by the TIRZ No. 2 Annual Credit Amount pursuant to the Development Agreement and the Service and Assessment Plan; provided, however, that no such reduction shall operate to reduce the amounts levied for the payment of the Annual Collection Costs.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City will not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding property.

The City expects to implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

The City will 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 when billed on or about October 1 each year and become delinquent on February 1.

In the event Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Payment Received</u>	<u>Cumulative Penalty</u>	<u>Cumulative 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 amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessment Rolls set forth for each year the Assessments for each Parcel within Improvement Areas #2-5. The Assessments may not exceed the amounts shown on the applicable Assessment Roll. The Assessments will be levied against the Parcels comprising the Assessed Property, as indicated on the applicable Assessment Roll. See "APPENDIX C — Form of Service and Assessment Plan."

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

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments initially be allocated to each Assessed Property within Improvement Areas #2-5 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Assessed Property to the Estimated Buildout Value of all Assessed Property. Upon the division of any Assessed Property without the recording of a subdivision plat, the PID Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meaning:

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 the newly divided Assessed Properties

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Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the PID Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

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

Prior to or concurrent with the submission of a plat application to the City within the Major Improvement Area, including Improvement Areas #2-5, the owner shall provide the City the estimated gross building square footage by Lot Type for the Major Improvement Area Remaining Parcel (as defined in the Service and Assessment Plan) that will be remaining upon approval of the subdivision plat and for each Lot created by the subdivision plat. The calculation of the assessment for a Lot shall be performed by the PID Administrator and confirmed by the City Council based on Estimated Buildout Value information shown in Exhibit M-1 to the Service and Assessment Plan. The Estimated Buildout Value for Single Family Lot Types, Multi-family Lot Types, Townhome Lot Types, Commercial Lot Type 1, Commercial Lot Type 2 and Commercial Lot Type 3 are shown on Exhibit M-1 to the Service and Assessment Plan and will not change in future Annual Service Plan Updates.

The sum of the Assessment 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 State 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. See “APPENDIX C — Form of Service and Assessment Plan.”

The Assessment for any resulting Lot may not exceed the “Improvement Area #2 Maximum Assessment,” “Improvement Area #3 Maximum Assessment,” “Improvement Area #4 Maximum Assessment” or “Improvement Area #5 Maximum Assessment” (collectively, the “Maximum Assessments”), as applicable, for such Lot Type, as shown in Exhibit M-1 to the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.”

TIRZ No.2 Annual Credit Amount. Pursuant to the Development Agreement, the Service and Assessment Plan and the TIRZ No. 2 Ordinance, the City agreed to use TIRZ No. 2 Revenues generated from each Assessed Property to offset a portion of such Parcel’s Assessment related to the Improvement Areas #2-5 Improvements. The Annual Installment of the Assessments for each Parcel within Improvement Areas #2-5 will be calculated by taking into consideration any TIRZ No. 2 Annual Credit Amount applicable to such Parcel, as described under “SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount” and in “APPENDIX C — Form of Service and Assessment Plan,” but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount. The TIRZ No. 2 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value on the applicable Parcel in any year. Consequently, the TIRZ No. 2 Revenues are generated only if the appraised value of real property on such Parcel in any year is greater than the base value. See “APPENDIX C — Form of Service and Assessment Plan.”

TIRZ NO. 2 REVENUES GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN IMPROVEMENT AREAS #2-5 DURING THE DEVELOPMENT OF SUCH PARCEL WILL NOT RESULT IN A TIRZ NO. 2 ANNUAL CREDIT AMOUNT WHICH IS SUFFICIENT TO ACHIEVE THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT MAY NOT PROVIDE FOR THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME OR COMMERCIAL BUILDING ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT

AMOUNT FOR PARCELS WITHIN IMPROVEMENT AREAS #2-5 IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN IMPROVEMENT AREAS #2-5 MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE “OVERLAPPING TAXES AND DEBT” AND “APPENDIX C — FORM OF SERVICE AND ASSESSMENT PLAN.” SUCH TIRZ NO. 2 REVENUES ARE NOT PLEDGED AS SECURITY FOR THE BONDS.

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The following table provides the expected allocation of Assessments based on Lot Type.

Assessment Allocation by Lot Type in Improvement Areas #2-5⁽¹⁾

<u>Lot Type</u>	<u>Planned Number of Units/SF</u>	<u>Maximum Assessment Per Unit/SF⁽²⁾</u>	<u>Average Annual Installments Per Unit/SF⁽²⁾</u>	<u>Equivalent Tax Rate Per \$100 AV⁽²⁾</u>	<u>Total Overlapping Equivalent Tax Rate Per \$100 AV⁽³⁾</u>	<u>Maximum Annual TIRZ No. 2 Annual Credit Per Unit/SF⁽⁴⁾</u>	<u>Net Annual Installment Per Unit/SF⁽²⁾</u>	<u>Net Assessment Equivalent Tax Rate Per \$100 AV⁽²⁾</u>	<u>Net Total Overlapping Equivalent Tax Rate Per \$100 AV⁽³⁾</u>
<u>IA #2</u>									
Block K2(A)									
Commercial 2	18,172	\$ 11.48	\$ 1.04	\$0.4952	\$3.4217	\$ (0.74)	\$ 0.3042	\$0.1448	\$3.1500
Block K2(B)									
Commercial 2	3,500	11.48	1.04	0.4952	3.4217	(0.74)	0.3042	0.1448	3.1500
Block K2(C)									
Commercial 2	6,050	11.48	1.04	0.4952	3.4217	(0.74)	0.3042	0.1448	3.1500
Block K3									
Commercial 2	2,500	11.48	1.04	0.4952	3.4217	(0.74)	0.3042	0.1448	3.1500
<u>IA #3</u>									
Block C									
Single-Family	49	\$24,020.41	\$1,893.90	\$0.4943	\$3.4208	\$(1,338.99)	\$554.9100	\$0.1448	\$3.1500
<u>IA #4</u>									
Block D									
Multifamily	297	\$10,833.93	\$817.10	\$0.4806	\$3.4071	\$ (570.87)	\$246.2300	\$0.1448	\$3.1500
Commercial 2	3,300	13.38	1.01	0.4806	3.4071	(0.71)	0.3042	0.1448	3.1500
Block E									
Commercial 2	34,500	13.38	1.01	0.4806	3.4071	(0.71)	0.3042	0.1448	3.1500
Commercial 3	24,000	8.81	0.66	0.4806	3.4071	(0.46)	0.2002	0.1448	3.1500
<u>IA #5</u>									
Block F									
Multifamily	193	\$9,746.95	\$736.71	\$0.4334	\$3.3599	\$ (490.49)	\$246.2230	\$0.1448	\$3.1500
Block G1 ⁽⁵⁾									
Commercial 2	3,322	12.04	0.91	0.4334	3.3599	(0.61)	0.3042	0.1448	3.1500
Block G2 ⁽⁵⁾									
Commercial 2	9,478	12.04	0.91	0.4334	3.3599	(0.61)	0.3042	0.1448	3.1500
Block H1									
Commercial 2	9,000	12.04	0.91	0.4334	3.3599	(0.61)	0.3042	0.1448	3.1500
Block L1									
Commercial 2	30,175	12.04	0.91	0.4334	3.3599	(0.61)	0.3042	0.1448	3.1500
Block L2 ⁽⁵⁾									
Commercial 2	20,000	12.04	0.91	0.4334	3.3599	(0.61)	0.3042	0.1448	3.1500
Block L3 ⁽⁵⁾									
Commercial 2	66,600	12.04	0.91	0.4334	3.3599	(0.61)	0.3042	0.1448	3.1500
<u>Average</u>									

⁽¹⁾ Based on the concept plan for the District. Derived from information in the Service and Assessment Plan. The actual unit counts and estimated buildout value may vary from that shown above. Preliminary; subject to change.

⁽²⁾ The Maximum Assessments for each Lot within Improvement Areas #2-5 are shown on Exhibit M-1 to the Service and Assessment Plan. Does not include the MIA Assessments allocated to Improvement Areas #2-5 or the O&M Assessments. Preliminary; subject to change.

⁽³⁾ Includes the Assessments, the O&M Assessment, the outstanding MIA Assessment allocable to Improvement Areas #2-5 and the ad valorem tax rate for the City, the County, Garland ISD, Dallas County Hospital District, Dallas County Community College District and Dallas County Schools.

⁽⁴⁾ For illustration purposes only. The Annual Installment of Assessments for each Parcel within Improvement Areas #2-5 will be calculated by taking into consideration any TIRZ No. 2 Annual Credit Amount applicable to such Parcel, but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount. The ability of the TIRZ No. 2 Annual Credit Amount to provide the TIRZ No. 2 Maximum Annual Credit Amount is dependent on the actual buildout value in Improvement Areas #2-5 meeting the projections for the estimated buildout value per unit/square foot. There is no guarantee that there will be sufficient TIRZ No. 2 Revenues to provide for the TIRZ No. 2 Maximum Annual Credit Amount.

⁽⁵⁾ For purposes of assessment allocation, Block G and Block L2, as shown on the concept plan, have been divided into Block G1 and Block G2 and Block L2 and Block L3, respectively.

The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any Assessed Property 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.

Mandatory Prepayments. If title to Assessed Property or a portion thereof is conveyed to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Lot, Parcel or portion thereof to become Non-Benefited Property, the owner of such Lot, Parcel or portion thereof shall pay to the City the full amount of the Assessment, plus all Prepayment Costs, and Delinquent Collection Costs, for such Lot, Parcel or portion thereof prior to any such conveyance or act. Such Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City for use as internal roads, utilities, and other similar public improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel, provided the requirements of Section 14 of PG&T Zoning District of the City’s codified ordinances are followed. See Section VI.E of “APPENDIX C — Form of Service and Assessment Plan.”

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Upon submission of a preliminary plat and/or site plan by the Developer to the City, the Developer shall provide the City the gross building square footage and use type for land included in the preliminary plat and/or site plan for each Lot anticipated to be created by the preliminary plat and/or site plan considering factors that may impact value. The PID Administrator will review the preliminary plat and/or site plan to determine if such plat and/or site plan will or will not result in the Assessment per Lot for any Lot Type within the preliminary plat and/or site plan exceeding the applicable Maximum Assessment. If the PID Administrator determines the preliminary plat and/or site plan results in an Assessment per Lot for any Lot Type exceeding the applicable Maximum Assessment, prior to the City issuing any building permit for any such Lot described in the reviewed preliminary plat or site plan, the Developer will make a Prepayment in an amount sufficient to reduce the Assessment for each Lot within such preliminary plat and/or site plan to the applicable Maximum Assessment. The City’s approval of an Annual Service Plan Update, a preliminary plat or a site plan without payment of such amounts does not eliminate the obligation of the Developer to pay such amounts. See Section VI.C of “APPENDIX C — Form of Service and Assessment Plan.”

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 the Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment to the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the applicable Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against

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

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

Notwithstanding the preceding paragraphs under this subcaption, the Assessment shall not, however, be reduced to an amount less than the outstanding Bonds. See Section VI.H of “APPENDIX C — Form of Service and Assessment Plan.”

Reduction of Assessments. If the Actual Costs of completed Improvement Areas #2-5 Authorized Improvements are less than the Assessments, upon receipt of a City Order, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem outstanding Bonds. Excess Bond proceeds shall be applied to redeem outstanding Bonds. See Section VI.E of “APPENDIX C — Form of Service and Assessment Plan.”

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 Assessment Lien is on parity with the O&M Assessment Lien (as defined herein). 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 Assessed Property may pay the entire Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time. See “ASSESSMENT PROCEDURES — Prepayment of Assessments.”

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 (“Foreclosure Proceeds”). 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 reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the

Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX B — Form of Indenture.” See also “APPENDIX E-1 — Form of Disclosure Agreement of the Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

The City will not be obligated to fund foreclosure proceedings out of any funds other than from funds 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 “APPENDIX B — Form of Indenture” and “APPENDIX C — Form of Service and Assessment Plan.”

O&M Assessment

In addition to the Assessments, the City expects to impose the O&M Assessment pursuant to the O&M Service and Assessment Plan to provide the O&M Services to the District. Pursuant to the O&M Service and Assessment Plan, the City will prepare and provide to the PID Administrator a budget for the costs of the O&M Services. The O&M Assessment will be calculated and levied annually on all Parcels of the Assessed Property in an amount sufficient to provide the O&M Services, plus administrative expenses relating thereto (collectively, the “O&M Annual Installment”). The 2022 O&M Annual Installment for lots within Improvement Areas #2-5 will be equal to \$0.0787 per \$100 of assessed value for each Parcel, but in no event will the O&M Annual Installment be greater than the actual costs to operate and maintain the applicable Authorized Improvements, plus administrative expenses relating thereto. The O&M Assessment is in addition to the Assessments, and will be calculated, levied and collected annually, pursuant to the O&M Service and Assessment Plan. The O&M Assessments are a first and prior lien against the property assessed (the “O&M Assessment Lien”), superior to all other liens or claims, except liens or claims for State, county, school district or municipality ad valorem taxes and the O&M Assessment Lien is on parity with the Assessment Lien. Pursuant to the PID Act, the O&M Assessment Lien 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. **The O&M Assessments are not security for the Bonds.** See “OVERLAPPING TAXES AND DEBT.”

THE CITY

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City was incorporated in 1956, and first adopted its Home Rule Charter in 1986. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers, who serve staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. The 2020 Census population for the City was 27,103, while the estimated 2022 population is 28,450. The City covers approximately 9.9 square miles.

The current members of the City Council and their respective expiration of terms of office and the principal administrators of the City are shown on page ii hereof. General information regarding the City and the surrounding area can be found in “APPENDIX A — General Information Regarding the City and Surrounding Area.”

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 City created the District in accordance with the PID Act by a resolution adopted by the City Council on January 22, 2019 in accordance with the PID Act and, on December 2, 2019, the City Council approved a resolution adding land to the District (together, the “Creation Resolution”), for the purpose of undertaking and financing, in phases, the cost of certain public improvements within the District, including the Improvement Areas

#2-5 Authorized Improvements, 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. Maps of the property within the District are included on pages v and vi hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a property owner 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 special 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 property owner for the costs of, the financing, acquisition, construction or improvement of the Improvement Areas #2-5 Improvements. See "THE IMPROVEMENT AREAS #2-5 AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain street, water, sewer, drainage, landscaping and hardscaping improvements comprising the Improvement Areas #2-5 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

District Collection and Delinquency of Assessments

Improvement Area #1. On October 26, 2020, the City levied the IA #1 Assessments on assessable property in Improvement Area #1, through the City Council's adoption of an assessment ordinance and approval of the Original Service and Assessment Plan. The initial annual installments of IA #1 Assessments were billed in October of 2020 and became due and payable on or before January 31, 2021. The following table shows the collection and delinquency history of the IA #1 Assessments.

Collection and Delinquency History of IA #1 Assessments							
Assessments <u>Due 1/31⁽¹⁾</u>	Total Annual Installments <u>Levied</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 2/1</u>	Delinquent Percentage <u>as of 2/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Total Annual Installments <u>Collected⁽²⁾</u>
2021	\$ 741,845.67	3	-	0.00%	-	0.00%	\$741,845.67
2022	\$ 818,352.19	226	\$63,562.04	7.77%	\$46,610.23	5.696%	\$774,571.33 ⁽³⁾

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ Excludes penalties and interest and any prepayments of IA #1 Assessments.

⁽³⁾ Collections as of September 1, 2022. Includes \$2,829.37 collected in overpayments.

THE COLLECTION AND DELINQUENCY HISTORY OF THE IA #1 ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE IA #1 ASSESSMENTS. THE IA #1 ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

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Major Improvement Area. On October 26, 2020, the City levied the MIA Assessments on assessable property in the Major Improvement Area, through the City Council's adoption of the Original Service and Assessment Plan. The initial annual installments of MIA Assessments were billed in October of 2020 and became due and payable on or before January 31, 2021. The following table shows the collection and delinquency history of the MIA Assessments.

<u>Collection and Delinquency History of MIA Assessments</u>							
Assessments	Total Annual Installments	Parcels	Delinquent Amount	Delinquent Percentage	Delinquent Amount	Delinquent Percentage	Total Annual Installments
<u>Due 1/31⁽¹⁾</u>	<u>Levied</u>	<u>Levied</u>	<u>as of 2/1</u>	<u>as of 2/1</u>	<u>as of 9/1</u>	<u>as of 9/1</u>	<u>Collected⁽²⁾</u>
2021	\$ 62,700.00	12	-	0.00%	-	0.00%	\$ 62,700.00
2022	\$ 686,825.30	11	\$93,832.69	13.66%	\$0.00	0.00%	\$686,825.30 ⁽³⁾

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ Excludes penalties and interest and any prepayments of MIA Assessments.

⁽³⁾ Collections as of September 1, 2022.

THE COLLECTION AND DELINQUENCY HISTORY OF THE MIA ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE MIA ASSESSMENTS. THE MIA ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

Assessment Payer Concentration

The following table shows the largest assessment payers in Improvement Areas #2-5 responsible for the payment of the Assessments and the MIA Assessments allocated to Improvement Areas #2-5, as of September 6, 2022.

<u>Largest Assessment Payers in Improvement Areas #2-5</u>			
<u>Property Owner</u>	<u>Number of Planned Lots/ Units/Sq. Ft.</u>	<u>Outstanding Assessments⁽¹⁾</u>	<u>Percentage of Total Assessments⁽¹⁾</u>
Improvement Area #2			
Developer	6,000 sq. ft.	\$123,703.41	0.80%
PMB Retail 2 ⁽²⁾	18,172 sq. ft.	374,656.39	2.42%
Vaquero	6,050 sq. ft.	124,734.27	0.81%
Improvement Area #3			
Hovnanian Homes	49 lots	\$1,993,570.82	12.88%
Improvement Area #4			
Developer	61,800 sq. ft.	\$1,206,913.22	7.80%
PMB MF ⁽²⁾	297 units	5,413,822.91	34.97%
Improvement Area #5			
Developer	48,663 sq. ft.	\$1,030,561.47	6.66%
Sachse Station Owner	193 units	3,308,286.55	21.37%
TRHS	86,600 sq. ft.	1,833,972.90	11.85%
Gala Development	3,322 sq. ft.	\$70,351.71	0.45%
Total Lots and Assessments Levied in Improvement Areas #2-5⁽³⁾		\$15,480,573.66	100.00%

⁽¹⁾ Includes the Outstanding MIA Assessment allocable to Improvement Areas #2-5 and the Assessments.

⁽²⁾ Such entity is an affiliate of the Developer.

⁽³⁾ Totals may not add due to rounding.

THE IMPROVEMENT AREAS #2-5 AUTHORIZED IMPROVEMENTS

General

The Improvement Areas #2-5 Authorized Improvements consist of the (i) the Improvement Areas #2-5 Improvements, (ii) the first year's Annual Collection Costs allocable to Improvement Areas #2-5, and (iii) the Bond Issuance Costs, as described below. A portion of the costs of the Improvement Areas #2-5 Authorized Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Areas #2-5 Authorized Improvements will be paid by the Developer without reimbursement by the City. See "APPENDIX C — Form of Service and Assessment Plan."

Improvement Areas #2-5 Authorized Improvements

Improvement Area #2 Improvements. The Improvement Areas #2-5 Authorized Improvements include the following Improvement Area #2 Improvements:

Street. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, striping and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, hardscape, irrigation, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #2.

Water. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2.

Sewer. Improvements including trench excavation and embedment, trench safety, piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2.

Storm Drainage. Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #2.

Miscellaneous. Improvements including any general contractor or contractor's fees, street name blades and poles, stop signs, materials testing, payment and performance bonds, maintenance bonds, and hard cost contingency.

Soft Costs. Costs related to designing, constructing, installing, and financing the Improvement Area #2 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, soft costs, contingency, District Formation Costs (as defined in the Service and Assessment Plan) and other PID costs incurred and paid by the Developer.

Improvement Area #3 Improvements. The Improvement Areas #2-5 Authorized Improvements include the following Improvement Area #3 Improvements:

Street. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, striping and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, hardscape, irrigation, 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.

Water. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and 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, 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, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #3.

Miscellaneous. Improvements including any general contractor or contractor's fees, street name blades and poles, stop signs, materials testing, payment and performance bonds, maintenance bonds, and hard cost contingency.

Soft Costs. Costs related to designing, constructing, installing, and financing the Improvement Area #3 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, soft costs, contingency, District Formation Costs and other PID costs incurred and paid by the Developer.

Improvement Area #4 Improvements. The Improvement Areas #2-5 Authorized Improvements include the following Improvement Area #4 Improvements:

Street. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, striping and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, hardscape, irrigation, 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 #4.

Water. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #4.

Sewer. Improvements including trench excavation and embedment, trench safety, 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 #4.

Storm Drainage. Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #4.

Miscellaneous. Improvements including any general contractor or contractor's fees, street name blades and poles, stop signs, materials testing, payment and performance bonds, maintenance bonds, and hard cost contingency.

Soft Costs. Costs related to designing, constructing, installing, and financing the Improvement Area #4 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, soft costs, contingency, District Formation Costs and other PID costs incurred and paid by the Developer.

Improvement Area #5 Improvements. The Improvement Areas #2-5 Authorized Improvements include the following Improvement Area #5 Improvements:

Street. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, ADA ramps, striping, and sidewalks. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, drainage infrastructure, landscaping, hardscape, irrigation, 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 #5.

Water. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, irrigation services, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #5.

Sewer. Improvements including trench excavation and embedment, trench safety, 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 #5.

Storm Drainage. Improvements including earthen channels, swales, curb and drop inlets, piping and boxes, headwalls, concrete flumes, rip rap, outfalls, and testing as well as all related earthwork, excavation, erosion control, drainage ponds, retaining walls, and all necessary appurtenances to provide storm drainage for all Lots within Improvement Area #5.

Miscellaneous. Improvements including any general contractor or contractor's fees, street name blades and poles, stop signs, materials testing, payment and performance bonds, maintenance bonds, and hard cost contingency.

Soft Costs. Costs related to designing, constructing, installing, and financing the Improvement Area #5 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, soft costs, contingency, District Formation Costs and other PID costs incurred and paid by the Developer.

Initial Administrative Fund Deposit. The Improvement Areas #2-5 Authorized Improvements include the amount necessary to fund the first year's Annual Collection Costs for the Bonds, which will be deposited into the Administrative Fund.

Bond Issuance Costs. The Improvement Areas #2-5 Authorized Improvements include the costs associated with issuing the Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, Trustee and paying agent/registrar fees, and any other cost or expense incurred by the City directly associated with the issuance of the Bonds (collectively, the "Bond Issuance Costs").

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Costs of Improvement Areas #2-5 Authorized Improvements

The following table reflects the expected total costs of the Improvement Areas #2-5 Authorized Improvements, a portion of which are expected to be financed with proceeds of the Bonds.

<u>Estimated Costs of the Improvement Areas #2-5 Authorized Improvements⁽¹⁾</u>	
<u>Type of Improvement Areas #2-5 Authorized Improvements</u>	<u>Total Cost</u>
<i>Improvement Area #2 Improvements</i>	
Street	\$ 501,125
Water	93,439
Sewer	38,759
Storm Drainage	238,168
Miscellaneous	264,524
Soft Costs	252,344
<u>Total Improvement Area #2 Improvements⁽²⁾</u>	<u>\$ 1,388,359</u>
<i>Improvement Area #3 Improvements</i>	
Street	\$ 699,060
Water	138,781
Sewer	146,210
Storm Drainage	69,409
Miscellaneous	167,494
Soft Costs	171,517
<u>Total Improvement Area #3 Improvements⁽²⁾</u>	<u>\$ 1,392,471</u>
<i>Improvement Area #4 Improvements</i>	
Street	\$ 1,686,080
Water	300,033
Sewer	196,419
Storm Drainage	218,604
Miscellaneous	438,687
Soft Costs	438,913
<u>Total Improvement Area #4 Improvements⁽²⁾</u>	<u>\$ 3,278,736</u>
<i>Improvement Area #5 Improvements</i>	
Street	\$ 1,065,304
Water	159,681
Sewer	237,055
Storm Drainage	395,895
Miscellaneous	684,871
Soft Costs	414,935
<u>Total Improvement Area #5 Improvements⁽²⁾</u>	<u>\$ 2,957,741</u>
<i>Initial Administrative Fund Deposit</i>	\$ 17,000
<i>Bond Issuance Costs</i>	
Deposit to Reserve Account	\$ 639,100
Underwriter Discount	270,270
Costs of Issuance	585,585
<u>Total Bond Issuance Costs⁽²⁾</u>	<u>\$ 1,494,955</u>
<u>Total⁽²⁾</u>	<u>\$10,529,263</u>

⁽¹⁾ Derived from information in the Service and Assessment Plan. Preliminary; subject to change.

⁽²⁾ Totals may not add due to rounding.

The costs of the Improvement Areas #2-5 Authorized Improvements are based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City and were approved by the City Council. See “APPENDIX C — Form of Service and Assessment Plan.”

The total costs of all of the Improvement Areas #2-5 Authorized Improvements are expected to be approximately \$10,529,263*. Only a portion of such costs, in the approximate amount of \$9,009,000*, are expected to be paid with proceeds of the Bonds. The balance of the costs of the Improvement Areas #2-5 Authorized Improvements, in the total approximate amount of \$1,520,263*, will be financed by the Developer without reimbursement by the City.

The Appraisals estimate that the value of the property within the Improvement Areas #2-5 under certain conditions, including the completion of all of the Improvement Areas #2-5 Improvements, is \$53,350,000. A summary of the Appraisals is attached hereto as APPENDIX F. The Appraisals are addressed to the City and the Underwriter. The estimates of value presented in the Appraisals are no indication of the appraised property's actual market value. Investors should not assume that the disposition of the lots in Improvement Areas #2-5 in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The conclusions reached in the Appraisals are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth in the Appraisals. See "SUMMARY OF APPRAISALS OF IMPROVEMENT AREAS #2-5" for further information regarding the Appraisals, including with respect to such assumptions, hypothetical conditions and qualifications.

Ownership and Maintenance of Improvement Areas #2-5 Improvements

The Improvement Areas #2-5 Improvements 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 maintenance and repair of the Improvement Areas #2-5 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan and O&M Service and Assessment Plan. See "ASSESSMENT PROCEDURES — O&M Assessment."

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

Overview

The Development is an approximately 170.686-acre master-planned mixed-use community expected to consist of single-family residential, multifamily, commercial, office, and retail components, as further described below. The Development is located within the City's corporate limits, in northeast Dallas County, less than 20 miles from downtown Dallas. The Development sits directly on President George Bush Turnpike ("PGBT"), the primary access arterial, between the exits of Miles Road and Merritt Road.

Development Plan

The Development. The Developer acquired approximately 133 of the 170 acres comprising the District for a long-term development project in five separate transactions from various families, the Sachse Medical Center and the Children's Medical Center Foundation. When the Developer acquired such property, the City owned approximately 37 acres of the District, which consisted of Heritage Park and the Water Tower Parcel.

The Development is divided into seven Improvement Areas. Improvement Areas #2-7 make up the Major Improvement Area. Each Improvement Area is further divided into "Blocks" based on expected use. Improvement Area #1 consists of Blocks A, B and K1. Improvement Area #2 consists of Blocks K2(A), K2(B), K2(C) and K3. Improvement Area #3 consists of Block C. Improvement Area #4 consists of Blocks D and E. Improvement Area #5 consists of Blocks F, G, H1, H2, L1 and L2. Improvement Area #6 consists of Block I, and Improvement Area #7 consists of Block J. See "MAP SHOWING BLOCKS WITHIN THE DISTRICT" and "MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT" on pages v and vi.

* Preliminary; subject to change.

The District is being developed in Improvement Areas, which began with the construction of the Major Improvements and the Improvement Area #1 Improvements and is being followed by the Improvement Area #2 Improvements, the Improvement Area #3 Improvements, the Improvement Area #4 Improvements and the Improvement Area #5 Improvements. Finally, such development will be followed by construction of the Improvement Area #6 Improvements and the Improvement Area #7 Improvements.

The Development is expected to include approximately 214 single-family residential lots, 59 townhomes, approximately 790 units of multifamily housing (conventional and age-restricted), and approximately 568,757 square feet of commercial space. The Development includes Heritage Park, an approximately 35-acre public park owned by the City. The Developer is enhancing the current amenities available at Heritage Park by constructing the Heritage Park Improvements. The Developer also constructed the Improvement Area #1 Park, which was dedicated to the City. The Heritage Park Improvements are part of the Major Improvements and a portion of the costs of the Heritage Park Improvements are expected to be reimbursed to the Developer with proceeds of the MIA Bonds and the IA #1 Bonds. The Improvement Area #1 Park is part of the Improvement Area #1 Improvements and a portion of the costs of the Improvement Area #1 Park are expected to be reimbursed to the Developer with proceeds of the IA #1 Bonds. In addition to Heritage Park and the Improvement Area #1 Park, the City also owns the Water Tower Parcel. See “MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT” on page vi and “THE DEVELOPMENT.”

While **not included** in the District, the property located between Blocks D/E and F/L consists of the Trinity Regional Hospital Sachse, a full-service, acute care hospital, which was completed in the first quarter of 2021. The two-story facility includes 32 inpatient beds, a 12-bed emergency department, four operating rooms, a lab and pharmacy. An Imaging Department will be able to provide CT, MRI, ultrasounds, x-ray, and nuclear medicine. The 80,000 square-foot hospital anchors a 33-acre, multi-facility medical campus and provides a range of acute, post-acute, primary care, and specialty services from pediatric to geriatric patients.

Status of Construction. The Developer began construction of the Improvement Area #1 Improvements and the Major Improvements in July of 2019. The Developer completed construction of the Improvement Area #1 Park in June 2020. The Developer completed construction of the remaining Improvement Area #1 Improvements in August of 2021.

As of August 15, 2022, the Developer has completed construction of the Major Improvements, with the exception of the Regional Detention Improvements and Heritage Park Improvements. The Developer began construction of the Regional Detention Improvements in the second quarter of 2022 and the Heritage Park Improvements in the third quarter of 2022. The Developer expects to complete the Regional Detention Improvements and Heritage Park Improvements by the third quarter of 2023.

The Developer began construction of the Improvement Area #2 Improvements to serve Block K2(A) in the second quarter of 2022 and expects to complete such construction by the first quarter of 2023. As of August 15, 2022, the Developer has spent approximately \$130,000 on constructing the Improvement Area #2 Improvements. The Developer expects that construction of all Improvement Area #2 Improvements will be complete by the fourth quarter of 2024.

PMB Advisors, on behalf of Hovnanian Homes, began construction of the Improvement Area #3 Improvement in the first quarter of 2022. As of August 15, 2022, Hovnanian Homes has spent approximately \$900,000 on constructing the Improvement Area #3 Improvements. The Developer expects that the Improvement Area #3 Improvements will be complete by the first quarter of 2023. The Developer has retained all rights under the Reimbursement Agreement to receive reimbursement for the costs to construct the Improvement Area #3 Improvements.

The Developer began construction of the Improvement Area #4 Improvements to serve the approximately 8.1 acres of multifamily land within Block D in the first quarter of 2022 and expects to complete such construction by the third quarter of 2023. As of August 15, 2022, the Developer has spent approximately \$650,000 on constructing such Improvement Area #4 Improvements. The Developer expects that construction of all Improvement Area #4 Improvements will be complete by the second quarter of 2024.

The Developer began construction of the Improvement Area #5 Improvements to serve Block F and Block L2 in the first quarter of 2021 and has completed such construction for an approximate amount of \$550,000. The Developer expects that construction of all Improvement Area #5 Improvements within the remaining Blocks of Improvement Area #5 will be complete by the first quarter of 2025.

SL6 Sachse expects to begin construction of the Improvement Area #6 Improvements in the second quarter of 2023 and complete such construction by the first quarter of 2024. Evolve began construction of the Improvement Area #7 Improvements in the second quarter of 2022 and expects to complete such construction by the third quarter of 2023. SL6 Sachse and Evolve will finance the costs of such improvements without reimbursement through the District.

Additional Improvements within Improvement Areas #2-5. In addition to the above-described improvements, certain Additional Improvements have been or will be constructed by the Developer or the applicable landowner within each such Improvement Area. The total costs to construct the Additional Improvements necessary to serve lots within Improvement Areas #2-5 are expected to be approximately \$5,411,983.

PMB Retail 2 is responsible for the construction of the Additional Improvements necessary to serve Block K(2)(A) within Improvement Area #2 in the approximate amount of \$1,249,646. PMB Retail 2 expects to fund such costs through the PMB Retail Loan (as defined herein). See “THE DEVELOPER — History and Financing of the District – Improvement Areas #2-5 – Block K(2)(A) Retail Loan.”

PMB Advisors, acting as a fee developer on behalf of Hovnanian Homes, the homebuilder and landowner within Improvement Area #3, is responsible for the construction of the Additional Improvements necessary to serve Improvement Area #3. The estimated costs of the Additional Improvements in Improvement Area #3 are \$326,656. Hovnanian Homes is responsible for paying the costs of such construction and expects to finance such costs through a loan with BancorpSouth Bank. See “— Improvement Areas #2-5 – Single-Family Residential.”

PMB MF is responsible for the construction of the Additional Improvements necessary to serve the multifamily site within Block D in the approximate amount of \$3,730,681. PMB MF expects to fund such costs through the Block D Loan (as defined herein). See “THE DEVELOPER — History and Financing of the District – Improvement Areas #2-5 – Block D Loan.”

The Additional Improvements necessary to Blocks G, H1 and L1 within Improvement Area #5, in the approximate amount of \$60,000, will be financed by the Developer or a subsequent owner if the Developer sells such land prior to construction of such improvements.

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The Developer's current expectations regarding the proposed use and estimated buildout schedule of the Blocks within the District, which are subject to change, are as follows:

Expected Build-Out of the District

<u>Block</u>	<u>Acreage⁽¹⁾</u>	<u>Proposed Land Use⁽²⁾</u>	<u>Current Owner</u>	<u>Expected Lots/Units/ Sq. Ft. ⁽²⁾</u>	<u>Actual/Expected Date of Commencement of Improvement Area Improvements⁽²⁾</u>	<u>Actual/Expected Date of Completion of Lot Development⁽²⁾</u>	<u>Actual/Expected Date of Vertical Completion⁽²⁾</u>
<u>IA #1</u>							
A	35.8	Single-Family Townhomes	Homebuilders/ Homeowners	165 59	8/2020	8/2021	12/2022
B	10.1	Multifamily	5300 The Station	300	7/2020	11/2020	9/2021
K1	<u>2.5</u>	Inline/Food Retail	Dockside Threading	15,688	10/2020	1/2021	8/2021
<i>Subtotal</i>	<i>48.4</i>						
<u>IA #2</u>							
K2(A)	3.2	Inline/Food Retail	PMB Retail 2	18,172	6/2022	3/2023	9/2023
K2(B)	0.9	Pad Retail	Developer	3,500	6/2023	3/2024	3/2025
K2(C)	2.1	7-Eleven	Vaquero	6,050	6/2023	12/2023	12/2024
K3	<u>1.2</u>	Inline/Pad Retail	Developer	2,500	12/2023	9/2024	6/2025
<i>Subtotal</i>	<i>7.4</i>						
<u>IA #3</u>							
C	7.8	Single-Family	Homebuilder	49	3/2022	3/2023	4/2024
<u>IA #4</u>							
D	8.1	Multifamily	PMB MF	297	3/2022	3/2023	6/2024
	5.2	Pad Retail	Developer	3,300	12/2023	6/2024	3/2025
E	9.0	Office	Developer	34,500	9/2023	6/2024	6/2025
		Jr. Anchor Retail		24,000			
<i>Subtotal</i>	<i>22.3</i>						
<u>IA #5</u>							
F	6.4	Multifamily	Sachse Station Owner	193	3/2021	3/2022	12/2022
G	4.5	Pad/Inline Retail	Developer/Gala Development	12,800	3/2023 – 3/2024 ⁽⁴⁾	12/2023 – 3/2025 ⁽⁴⁾	6/2024 – 3/2026 ⁽⁴⁾
H1	3.6	Food Retail	Developer	9,000	3/2023 – 3/2024 ⁽⁴⁾	12/2023 – 3/2025 ⁽⁴⁾	6/2024 – 3/2026 ⁽⁴⁾
H2 ⁽³⁾	0.1	N/A	Developer	N/A	N/A	NA	N/A
L1	6.9	Inline/Pad Retail	Developer	30,175	6/2023	6/2024	6/2025
L2	<u>5.9</u>	Office	TRHS	86,600	3/2021	3/2022	12/2022
<i>Subtotal</i>	<i>27.4</i>						
<u>IA #6</u>							
I	8.75	Office Flex	SL6 Sachse	103,680	6/2023	3/2024	3/2025
<u>IA #7</u>							
J	<u>11.27</u>	Office Flex	Evolve	218,792	6/2022	9/2023	12/2024
Total	133.62						

⁽¹⁾ See "MAP SHOWING BLOCKS WITHIN THE DISTRICT" on page v.

⁽²⁾ Provided by the Developer. Estimated and subject to change.

⁽³⁾ The land within Block H2 is undevelopable.

⁽⁴⁾ The Block will be developed in phases over time.

Improvement Area #1

Improvement Area #1 includes 224 single-family lots, consisting of 165 single-family detached homes on 40' x 95' lots and 59 attached townhomes on 22' x 80' lots, 300 conventional multifamily units making up the IA #1 Multifamily and approximately 15,688 square feet of inline and food retail comprising the IA #1 Retail Building.

Single-Family Residential. Pursuant to the IA#1 Lot Purchase Agreements, the Developer has sold all 224 single-family lots located in Block A of Improvement Area #1 to Hovnanian Homes and Ashton. All of the homes within Improvement Area #1 are expected to be Home Energy Rating System (HERS) index certified homes and include Guardian smart home solutions and increased insulation values.

The following table provides the number of lots on which the foregoing IA #1 Homebuilders have constructed or plan to construct homes within Improvement Area #1, pursuant to the IA #1 Lot Purchase Agreements.

Improvement Area #1 Homebuilders			
<u>Homebuilder</u>	<u>22' Lot⁽¹⁾</u>	<u>40' Lot⁽¹⁾</u>	<u>Total⁽¹⁾</u>
Hovnanian Homes	-	83	83
Ashton	<u>59</u>	<u>82</u>	<u>141</u>
Total	59	165	224

⁽¹⁾ Numbers include model homes.

As of August 15, 2022, the IA #1 Homebuilders have finished construction of 144 homes and have sold 196 homes to individual homeowners (including 54 homes under contract with homeowners). The following table shows the status of lot and home construction within Improvement Area #1, as of August 15, 2022.

Status of Single-family Lot and Home Construction in Improvement Area #1⁽¹⁾

<u>Lot Size</u>	<u>Total No of Lots</u>	<u>Completed Lots</u>	<u>Total Builder Contracted Lots⁽²⁾</u>	<u>Builder Contracted Lots Taken-down⁽²⁾</u>	<u>Homes Under Construction Not Under Contract with Residents</u>	<u>Homes Under Construction and Under Contract with Residents</u>	<u>Completed Homes Not Closed to Residents</u>	<u>Completed Homes Closed to Residents</u>	<u>Expected final Sale Date to Residents</u>
22'	59	59	59	59	8	14	0	22	12/2022
40'	<u>165</u>	<u>165</u>	<u>165</u>	<u>165</u>	<u>4</u>	<u>39</u>	<u>2</u>	<u>120</u>	12/2022
Total	224	224	224	224	12	53	2	142	12/2022

⁽¹⁾ As of August 15, 2022.

⁽²⁾ Lot totals include model homes.

The average base lot and base home prices in Improvement Area #1, as of August 15, 2022, are shown in the following table.

Single-Family Lot and Home Prices in Improvement Area #1

<u>Lot Size</u>	<u>Quantity</u>	<u>Base Lot Price⁽¹⁾</u>	<u>Base Home Price⁽²⁾</u>
22'	59	\$80,000	\$370,738
40'	<u>165</u>	<u>\$48,000</u>	<u>\$431,892</u>
Total	224		

⁽¹⁾ Average base lot price of all lots sold within Improvement Area #1, as of August 15, 2022.

⁽²⁾ Average base home price of all homes sold within Improvement Area #1, as of August 15, 2022, as reported by the IA #1 Homebuilders.

Multifamily Residential. In August of 2019, the Developer sold approximately 10.14 acres of land comprising Block B of Improvement Area #1 to Bunker Hill. Bunker Hill completed construction of the 300-unit IA #1 Multifamily, known as "The Linz at The Station," in September of 2021. The IA #1 Multifamily development consists of four garden-style four-story apartment buildings and includes a resort style pool, a gym, and surface parking. As of August 15, 2022, over 90% of the building was leased. In the first quarter of 2022, Bunker Hill sold the IA #1 Multifamily to 5300 The Station.

Commercial. The Developer began construction of the approximately 15,688 square foot inline and food retail building on Block K1 comprising IA #1 Retail Building in November of 2020 and completed such construction in August of 2021. The IA #1 Retail Building is 100% leased to the following tenants: Pho Station, Floral Design & Décor, Manny's Tex-Mex Restaurante, The Brass Tap, The Station Welcome Center, Polaris Dentistry and Cold Stone Creamery. PMB Retail 1 sold the IA #1 Retail Building to Dockside Threading in the second quarter of 2022 for a purchase price of \$9,700,000. As of July of 2022, all tenants have opened for business.

Improvement Areas #2-5

Improvement Areas #2-5 are expected to include 49 single-family lots in Block C, consisting of single-family detached homes on 40' x 95' lots, 490 multifamily units and approximately 230,597 square feet of commercial space in Blocks D, E, F, G, H1, K2(A), K2(B), K2(C), K3, L1 and L2.

Single-Family Residential. The Developer has completed the sale of the Improvement Area #3 land to Hovnanian Homes, for all 49 of the planned single-family lots within Block C. Hovnanian Homes purchased the land from the Developer for the purchase price of (i) \$5,684,000.00 (\$2,900.00 x 49 x 40) minus (ii) \$1,489,362, the estimated Development Costs (as defined below) (the "Purchase Price"). In the IA #3 Purchase Agreement, Hovnanian Homes and the Developer agree and acknowledge that the Total Development Costs (as defined below) for each of the planned 49 lots shall be equal to \$2,900.00 per linear front foot (the "Maximum FF Lot Cost"). The "Total Development Costs" for the lots shall equal the sum of (i) the Development Costs with respect to all of the lots, including any revisions or updates thereto, plus (ii) the Purchase Price for the Lots. Upon Hovnanian Homes' substantial completion of the development of Improvement Area #3, if the Total Development Costs for all of the lots exceeds the Maximum FF Lot Cost for the Lots (the "Excess Costs"), such Excess Costs shall be paid by the Developer to Hovnanian Homes promptly following the Developer's receipt of the Bond proceeds allocable to the Improvement Area #3 Improvements (the "IA #3 Bond Proceeds"), and (ii) if the Total Development Costs for all of the lots are less than the Maximum FF Lot Cost for the Lots (the "Cost Savings"), such Cost Savings shall promptly be paid by Hovnanian Homes to the Developer. The term "Development Costs" shall mean all costs and expenses incurred by or on behalf of Hovnanian Homes in connection with attaining final completion of the 49 lots as reflected on the development budget attached to the IA #3 Purchase Agreement, and, also including (i) a 10% contingency (which, if unused, shall become Cost Savings) and (ii) PMB Advisors' development management fee under the Lot Development Agreement (described and defined below).

In accordance with the IA #3 Purchase Agreement, the Developer and Hovnanian Homes entered into the Partial Assignment of Sachse Public Improvement District #1 PID Proceeds, as of December 15, 2021, pursuant to which, until the date of determination (and ultimate payment) of the amount of any Excess Costs, the Developer's obligation for any potential Excess Costs is secured by an assignment by the Developer to Hovnanian Homes of 20% of the IA #3 Bond Proceeds. For so long as there is an outstanding obligation for Excess Costs, then upon issuance of the Bonds, Hovnanian Homes is entitled to receive 20% of the IA #3 Bonds Proceeds until such time that Hovnanian Homes has recouped the amount of the Excess Costs. Subject to the above, the Developer has retained all rights under the Reimbursement Agreement to receive reimbursement for the costs to construct the Improvement Area #3 Improvements.

In accordance with the IA #3 Purchase Agreement, Hovnanian Homes and PMB Advisors entered into the Lot Development Agreement as of December 15, 2021 (the "Lot Development Agreement"), pursuant to which Hovnanian Homes engaged PMB Advisors as an exclusive independent contractor to cause the completion of the Improvement Area #3 Improvements and the Additional Improvements necessary to serve Improvement Area #3 by April 9, 2023 and to pay PMB Advisors 5% of hard development and construction costs incurred in connection with such development.

Hovnanian Homes expects to begin home construction of the single-family homes in the first quarter of 2023. All of the homes within Improvement Area #3 are expected to be Home Energy Rating System (HERS) index certified homes and include Guardian smart home solutions and increased insulation values.

The expected schedule for sale of single-family homes to homeowners within Improvement Area #3 is shown in the following table.

<u>Expected Sale of Single-Family Homes to Homeowners in Improvement Area #3⁽¹⁾</u>	
<u>Expected Sale Date</u>	<u>40' Lot</u>
2023	29
2024	<u>20</u>
Total	<u>49</u>

⁽¹⁾ These projections regarding expected absorption were provided by the Developer. Absorption projections in the Appraisal for Improvement Area #3 may vary. Numbers include model homes.

The Developer's current expectations regarding lot and home prices in Improvement Area #3 are as follows:

<u>Single-Family Lot and Home Prices in Improvement Area #3</u>			
<u>Lot Size</u>	<u>Quantity</u>	<u>Base Lot Price⁽¹⁾</u>	<u>Estimated Base Home Price⁽¹⁾</u>
40'	49	\$116,000	\$500,000

⁽¹⁾ Estimated base lot and home prices have been provided by the Developer. Base lot price is the assumed based lot price in the calculation of Purchase Price under the IA#3 Purchase Agreement.

Multifamily Residential. Improvement Areas #2-5 are expected to include two multifamily sites, consisting of approximately 297 multifamily units on Block D of Improvement Area #4 and approximately 193 multifamily units on Block F of Improvement Area #5. The Developer conveyed the approximately 8.1 acres comprising the in-tract multifamily portion of Block D to PMB MF, an affiliate of the Developer, in February of 2022. PMB MF expects to begin construction of the Block D Multifamily by the first quarter of 2023 and complete such construction by the second quarter of 2024. The Developer expects the Block D Multifamily to include five garden-style four-story apartment buildings and includes a resort style pool, a gym, and surface parking.

Sachse Station Owner purchased the approximately 6.2 acres comprising Block F for a purchase price of \$3,184,500 and began construction of the Block F Multifamily in the first quarter of 2022. The Block F Multifamily is expected to consist of one u-shaped four-story building and include, among other things, a resort style pool and community center, event lawn, gym and pickleball court. The 193 units will be age-restricted and are expected to be available for lease by the fourth quarter of 2022.

Commercial. Improvement Areas #2-5 are expected to include a total of approximately 230,597 square feet of commercial space.

Improvement Area #2 is expected to include approximately 30,222 square feet of commercial space, consisting of approximately 18,172 square feet in Block K2(A), approximately 3,500 square feet in Block K2(B), approximately 6,050 in Block K2(C) and approximately 2,500 square feet in Block K3. The Developer conveyed the approximately 3.2 acres comprising Block K2(A) to PMB Retail 2, an affiliate of the Developer, in February of 2022. PMB Retail 2 commenced horizontal construction in the second quarter of 2022, expects to begin vertical construction of approximately 18,172 square feet of inline/food and retail space in the first quarter of 2023, and have tenants moving in the third quarter of 2023. To date, one lease is signed with Castle Nails. The Developer expects that there will be five-to-seven tenants in total.

Vaquero purchased approximately 2.1 acres of land comprising K2(C) for the construction of a 7-Eleven on the corner of Merritt Rd for a purchase price of \$2,500,000. The site work for the 6,050 square foot retail center is expected to begin in the second quarter of 2023 and be delivered in the fourth quarter of 2024.

Improvement Area #4 is expected to include approximately 61,800 square feet of commercial space, consisting of approximately 3,300 square feet in Block D and approximately 58,500 square feet in Block E. The Developer owns approximately 5.2 acres within Block D, which is expected to include approximately 3,300 square

feet of pad retail. The Developer expects to begin vertical construction of such retail buildings by the second quarter of 2024 and complete such construction by the first quarter of 2025.

Improvement Area #5 is expected to include approximately 138,575 square feet of commercial space, consisting of approximately 12,800 square feet in Block G, approximately 9,000 square feet in Block H1, approximately 30,175 square feet in Block L1 and approximately 86,600 square feet in Block L2. TRHS purchased the land within Block L2 for the construction of multiple medical office buildings adjacent to the Trinity Regional Hospital for a purchase price of \$1,999,404. The site work for the initial 66,000 square foot medical office building is complete and TRHS has started on vertical construction of such building. The delivery of an additional approximately 22,000 square foot medical office building is planned for the coming years.

The Developer sold approximately 0.75 acres of land within Block G to Gala Development for a purchase price of \$816,750. Gala Development expects to construct a Dillas Restaurant on such land.

The Developer does not have any purchase contracts or letters of intent for the remaining 113,153 square feet of commercial space in Blocks K2(B), K3, E, G, H1 and L1 of Improvement Areas #2-5.

Improvement Areas #6-7

Improvement Area #6 is expected to include approximately 103,680 square feet of commercial space in Block I. SL6 Sachse purchased the approximately 8.7 acres comprising Block I for a purchase price of \$5,336,000 to be used for flex industrial/office. SL6 Sachse expects to commence vertical construction in the first quarter of 2024.

Improvement Area #7 is expected to include approximately 218,792 square feet of commercial space in Block J. Evolve closed on the purchase of approximately 11.3 acres comprising Block J to be used for a new manufacturing facility. The current plan is for the site to consist of office/office flex uses for its back-office users, executives and space for its researchers and laboratory work. Evolve commenced construction on the horizontal improvements in the second quarter of 2022 and expects to commence vertical construction in the third quarter of 2023.

Public Amenities

The Development's central public amenity will be the revamped City-owned Heritage Park. The existing 35-acre public park currently has three lighted baseball fields, walking/jogging trails, a covered pavilion, playground, and a picnic area. While most of these amenities will remain, the Developer plans to enhance the experience with a splashpad, amphitheater, additional walking/jogging trails, new playground, and a boardwalk/restaurant area that will surround a series of ponds (collectively, the Heritage Park Improvements"). The Developer expects the Heritage Park Improvements to cost \$4,000,000. The Heritage Park Improvements allocable to the District are part of the Major Improvements and a portion of the costs of such improvements are expected to be reimbursed to the Developer with IA #1 Bond proceeds and MIA Bond proceeds. In accordance with the Development Agreement, the City agreed to finance a portion of certain Major Improvements, including the Heritage Park Improvements (the "City Contribution"), in the approximate amount of \$66,446,001. As part of the City Contribution, the City is providing cash in the amount of \$1,974,526, including both hard and soft costs, to fund its allocable share of the Heritage Park Improvements, as shown in Exhibit C-1 to the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan." The City has financed such costs with proceeds from its Limited Tax Notes, 2019 and Limited Tax Notes 2020, parkland dedicated fees and water and sewer impact fees. The Developer began construction of the Heritage Park Improvements in the third quarter of 2022 and expects to complete such construction by the third quarter of 2023.

In addition to the Heritage Park Improvements, the Developer constructed the 1.7-acre Improvement Area #1 Park, which has been dedicated to the City. The Improvement Area #1 Park features an open-air pavilion with picnic tables, event lawn, adventure playground with natural wood equipment and a lighted outdoor dining and game area for adults. The Developer began construction of the Improvement Area #1 Park in June of 2020 and completed such construction in November of 2020. The Improvement Area #1 Park is part of the Improvement Area #1 Improvements and a portion of the costs of the Improvement Area #1 Park are expected to be reimbursed to the Developer with proceeds of the IA #1 Bonds.

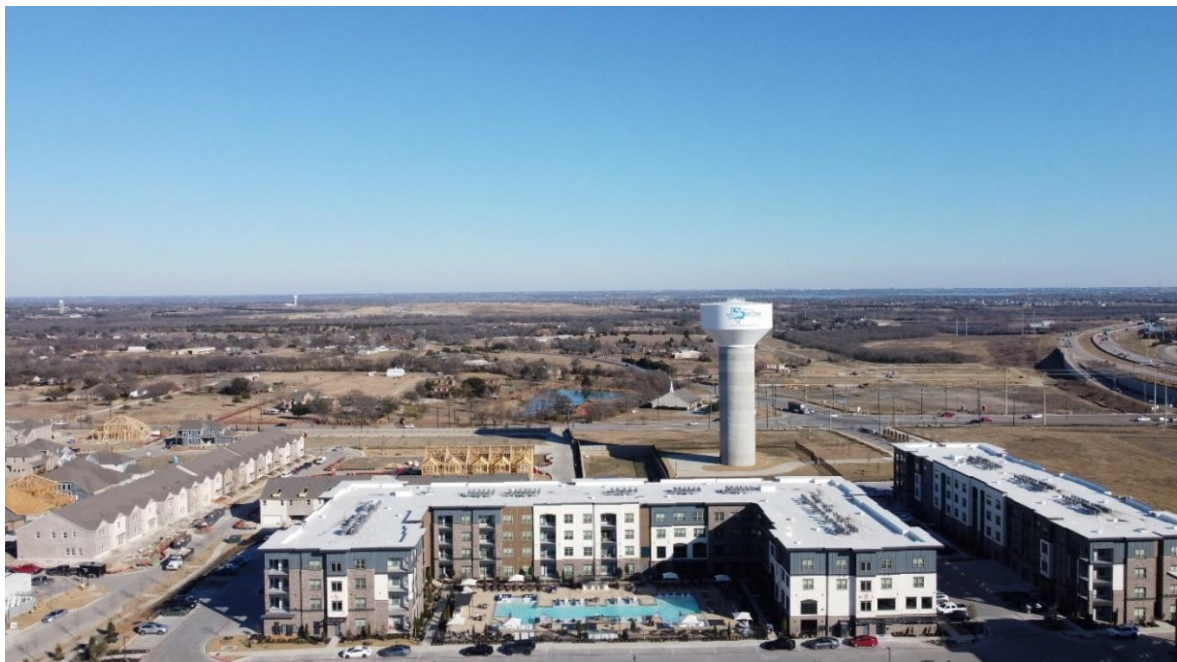
While the parks within the District will be open to the general public, they will also serve as a congregation space for the surrounding single-family and multifamily dwellings. Both resident specific events and public events, in conjunction with the City, will be organized in the parks.

Photographs of the Development

The photographs under this subheading were taken in the first quarter of 2022. The photograph below shows the completed single-family residential lots in Block A, the IA #1 Multifamily in Block B and the IA #1 Retail Building in Block K1, all of which is within Improvement Area #1.



The photograph below shows the IA #1 Multifamily, known as “The Linz at the Station.”



The photograph below shows the IA #1 Retail Building in Block K1.



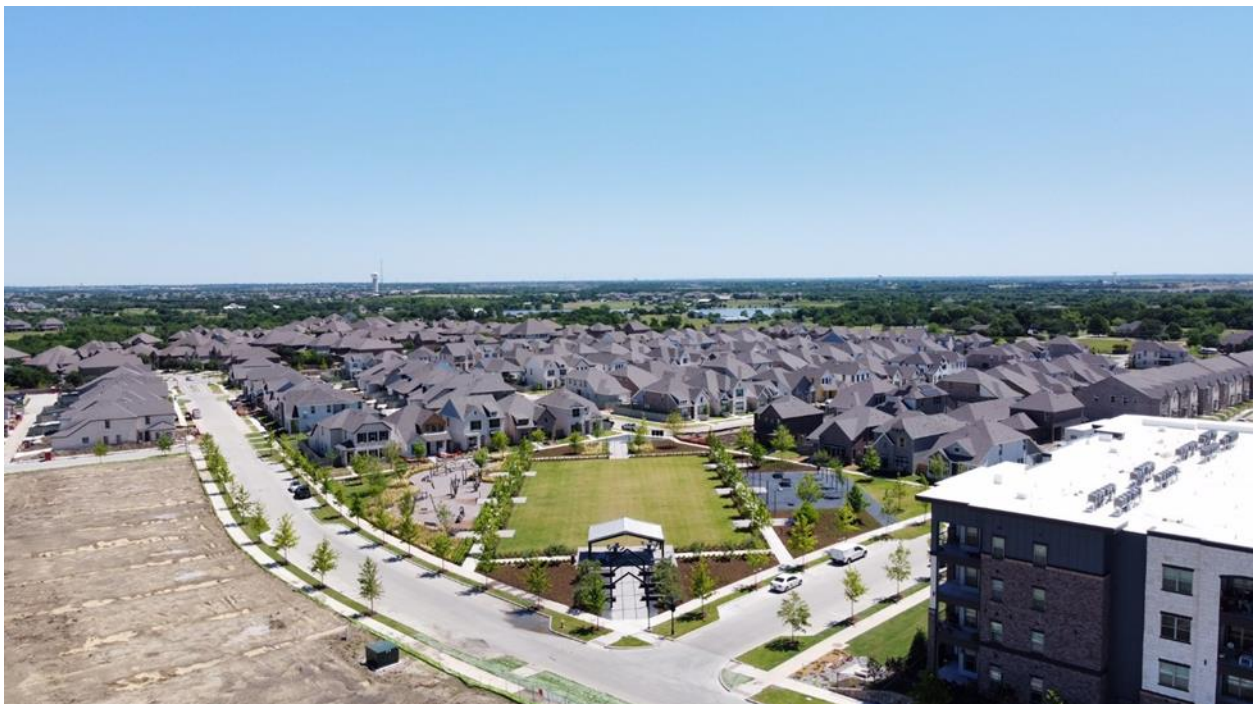
The photograph below shows Heritage Park.



The photograph below shows the Block C single-family, Regional Detention Improvements, and Heritage Park site work.



The photograph below shows the Improvement Area #1 Park.



The photograph below shows the Block K2(A) inline retail site work.



The photograph below shows the Block D Multifamily site work and Union Street Right-of-Way.



The photograph below shows the Trinity Regional Hospital between Blocks D/E and F/L, and the completion of Station Boulevard.



The photograph below shows the completed medical building shell on Block L2 behind the Trinity Regional Hospital and the ongoing construction of the Block F Multifamily.



The photograph below shows Block D and E of Improvement Area #4, and Block J of Improvement Area #7.



Development Agreement

Pursuant to the Development Agreement dated October 3, 2018, by and between the City and PMB Station Land, LP, as predecessor-in-interest to the Developer (as amended, the “Development Agreement”), the Developer has the right to construct public improvements for the District, including the Improvement Areas #2-5 Improvements, according to certain rules and regulations of the City, and to be reimbursed for a portion of the costs of such construction through the proceeds of assessments (“PID Assessments”) and/or bonds. The Development Agreement provides certain requirements to be met for the issuance of the Bonds and any additional bonds issued for the payment of the Authorized Improvements (collectively, “PID Bonds”), including (i) the total amount of PID Bonds may not exceed \$30,000,000, not including refunding bonds; (ii) the final maturity of each series of PID Bonds may not occur later than 30 years from the date of issuance of such PID Bonds; (iii) the maximum equivalent tax rate, including the PID Assessments associated with the PID Bonds and all overlapping taxing jurisdictions, cannot exceed \$3.15 per \$100 taxable assessed valuation; and (iv) the minimum appraised value to lien ratio at the issuance date of each series of PID Bonds is 3:1.

In the Development Agreement, the City agreed to create the TIRZ No. 2 and dedicate TIRZ No. 2 Revenues generated from each lot within the District in an amount equal to the captured appraised value of TIRZ No. 2 times 50% of the City’s tax rate levied and collected on each lot with TIRZ No. 2. The City agreed to dedicate such TIRZ No. 2 Revenues for a [period of up to 30 years from the date of the levy of the initial PID Assessments or until the amount of TIRZ No. 2 Revenues deposited into the TIRZ No. 2 Fund equals \$41,921,137, whichever comes first,] to reduce or pay a portion of any PID Assessments levied on property within TIRZ No. 2 (i) to achieve an equivalent tax rate of \$3.15, including PID Assessments, or (ii) after (i) is met, to pay the costs of public improvements allowable under the TIRZ Act. **[Will Development Agreement be amended to extend the agreement to dedicate TIRZ Revenues to cover the full debt service on these Bonds?]**

According to the Development Agreement:

(i) before the 31st single-family detached home building permit is issued by the City, the Developer must complete, and the City must have accepted, all of the Improvement Area #1 Improvements

and the Major Improvements necessary to serve Improvement Area #1, except for the Regional Detention Improvements, the Master Entry Monumentation/Artwork improvements and the Public Collector Road B/Street B improvements;

(ii) the Developer is required to commence construction of the Regional Detention Improvements not later than 30 days after receipt of all necessary permits and approvals from the U.S. Army Corp of Engineers or any other governing body;

(iii) the Developer must commence construction of the Heritage Park Improvements no later than 90 days after commencement of the Regional Detention Improvements and complete such construction no later than one year after commencement;

(iv) prior to (a) the issuance of a certificate of occupancy for the 129th single-family detached home and (b) commencement of construction of the Block D Multifamily and/or Block F Multifamily, not less than 15,000 square feet of gross floor area for retail, restaurant or commercial building must be complete and have undergone final inspection by the City; and

(v) in addition to the square footage of retail and restaurant buildings to be constructed pursuant to paragraph (iv) above, the Block F Multifamily development may only commence simultaneously with or after commencement of construction of an additional 25,000 square feet of requirement commercial development, including at least two full-service restaurants.

As outlined below, the Developer is currently on schedule and anticipates meeting all of the above-mentioned requirements of the Development Agreement in a timely manner.

(i) As of December of 2020, the City had accepted all of the Improvement Area #1 Improvements and the Major Improvements necessary to serve Improvement Area #1.

(ii) The Regional Detention Improvements were pulled off-channel. Therefore, it did not need to be permitted by the Corp of Engineers. The City issued a grading permit in February of 2022 and construction commenced the following week.

(iii) The Developer commenced construction of the Heritage Park Improvements in the third quarter of 2022 and expects to complete such construction by the third quarter of 2023.

(iv) The Developer completed the approximately 15,688 square feet IA #1 Retail Building in August 2021.

(v) THRS commenced construction on 66,600 square feet of medical office building in the second quarter of 2021, satisfying the additional 25,000 square feet of commercial development requirement. Additionally, the Developer's 15,688 square foot IA #1 Retail Building contained three restaurants, satisfying the two full-service restaurant requirement.

Zoning/Permitting

The development of the property within the District will be governed by all Governmental Rules, as defined in the Development Agreement, applicable to the use and development of the District, including provisions of the City's Code of Ordinances, the PGBT Area Zoning District Regulations (Chapter 11, Article 3, Section 14 of the City's Code of Ordinances), Approved Plats, other ordinances enacted by the City Council, the Building Codes, other construction and design standards, and other policies duly adopted by the City, as amended from time to time.

Education

The District is located within Garland ISD. Garland ISD operates 50 elementary schools, 13 middle schools and 7 high schools. Robert B Sewell Elementary School, which is approximately 1 mile from the District, B G Hudson

Middle School, which is approximately 1 mile from the District and Sachse High School, which is approximately 1 mile from the District, are expected to serve residents within the District.

Robert B Sewell Elementary School and B G Hudson Middle School are rated “above average” by GreatSchools.org and Sachse High School is rated “average.” According to the Texas Education Agency annual school report cards for 2021-2022, Robert B Sewell Elementary School was rated as “A” and Garland ISD, B G Hudson Middle School and Sachse High School were all rated as “B.” (The categories for public school districts and public schools are A, B, C, D or F).

Environmental

Site Evaluation. Two Phase One Environmental Site Assessments (the “Phase One ESAs”) of the property within the District were completed on September 27, 2018 and February 7, 2019. Based on the information presented in the Phase One ESAs, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site; however, the Phase One ESAs noted that (i) based on a review of historical aerial photographs, the District was formerly improved with two apparent single-family residences from at least 1942 through 2008. Based on the District being in a rural area during such time period, water wells or septic systems may have been associated with the former on-site residences. The Phase One ESAs recommended that (i) if an on-site septic tank system is encountered during District development, and is not intended for future use, the septic tank system be closed and abandoned in accordance with local, state and federal regulations, and (ii) if the on-site water well is not intended for future use, the water well should be plugged and abandoned in accordance with 16 Texas Administrative Code, Chapter 76. The Developer has followed all such recommendations.

Endangered Species. According to the website for the Texas Parks & Wildlife, the following endangered species are known or believed to occur in Dallas County: black rail, golden-cheeked warbler, piping plover, rufa red knot and the whooping crane. The Developer is not aware of any endangered species located on District property.

Mineral Rights

There are certain mineral rights reservations of prior owners of real property within the District, including Improvement Areas #2-5, (the “Mineral Owners”) pursuant to one or more deeds in the chain of title for the property in the District. The reservations of mineral rights include a waiver by the Mineral Owners of their right to enter onto the surface of the property to explore, develop, drill, produce or extract minerals within the District.

While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. The Developer is not aware of any real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the exercise of such rights or any other mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS — Exercise of Mineral Rights.”

Utilities

Water and Wastewater. The District is located within the service area of the City’s utility systems. The City will be the retail provider of both water and wastewater service to the District in compliance with the City’s design standards, uniform development code and zoning ordinance requirements. The City requires all development within the City service area to verify the ability and capacity to serve the residents with water and sewer utilities in accordance with the approved “Water and Sewer Master Plans.” The City contracts with the North Texas Municipal Water District (“NTMWD”) to meet the City’s water supply needs and with the City of Garland, Texas to meet the City’s wastewater treatment needs.

Other Utilities. The Developer anticipates additional utilities to be provided by the following entities:

Gas	Atmos Energy
Phone/Data/Cable	Spectrum
Electric	Farmers Electric Cooperative

THE DEVELOPER

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.

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 a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of Developer

The Developer is an affiliate of PMB Capital Investments, LP ("PMB") and was created by PMB for the purpose of managing and developing the property in the District, as described under "THE DEVELOPMENT." The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Developer will 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 or funds advanced to the Developer by an affiliated party, as described under the caption "DEVELOPER — History and Financing of the District."

PMB is a privately held real estate investment and development company based in Dallas, Texas. The principals, Peter Pincoffs, Matt Mildren, and Taylor Baird have over 40 years of combined real estate and capital markets experience including the development of over 7,000 residential lots and over \$800 million in direct real estate acquisitions. Currently, PMB controls and manages development projects entitled for more than 15,000 residential lots in the DFW area. In addition, PMB Lending, an affiliate of PMB and the Developer, has committed almost \$80 million in non-recourse construction financing to third-party residential lot developers in major Texas markets.

PMB's expertise and experience is wide-ranging and includes land entitlement, construction management, development financing, district formation, district management, project accounting and fee development. Of the total lots currently controlled by PMB, over 90% are within the boundaries of a Municipal Utility District, Water Control and Improvement District, Freshwater Supply District, or Public Improvement District.

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A snapshot of some of the communities PMB has developed or is currently developing is presented below.

<u>Project Name</u>	<u>Project Type</u>	<u>Number of Units/ Sq. Ft./Acres⁽¹⁾</u>	<u>County</u>	<u>Status</u>
Bluestem & Reunion (fka Rolling V Ranch)	Master Planned Community	12,500 Lots	Wise	Delivered/ Under Construction
Ventana	Master Planned Community	1,500 Lots	Tarrant	Delivered/ Under Construction
Woodcreek	Master Planned Community	4,466 Lots	Rockwall	Delivered/ Under Construction
Wildcat Ranch	Master Planned Community	3,200 Lots	Kaufman	Delivered/ Under Construction
River Ridge	Master Planned Community	1,000 Lots	Kaufman	Under Construction
Edgewater	Master Planned Community	601 Lots	Rockwall	Delivered/ Under Construction
The Scenic Bluffs at River East	Subdivision	52 Lots	Tarrant	Complete

⁽¹⁾ Total lots at buildout.

Executive Biography of Principals of PMB

Taylor Baird, Founder and Managing Partner. As a Managing Partner, Taylor is responsible for strategic leadership, business planning, investor relations and accounting/finance oversight. Since its inception in 2013, Taylor has taken an active role in project management, government approvals, acquisitions, dispositions, and managing banking relationships. Prior to founding PMB, Taylor spent six years at J.P. Morgan in the Corporate & Investment Bank. While at J.P. Morgan, Taylor worked in the firm's Consumer & Retail coverage group in Dallas. During his tenure at J.P. Morgan, Taylor worked on over 50 M&A, debt and equity capital transactions representing \$30+ billion.

Matt Mildren, Founder and Managing Partner. As a Managing Partner, Matt is responsible for strategic leadership, business planning and business development. During his tenure at PMB, Matt has taken an active role project management, district formation and operations, government approvals, acquisitions, and managing builder relationships. Prior to joining PMB, Matt was a development partner at Provident Realty. Matt has developed over 5,000 residential lots throughout the United States and has created or managed numerous Municipal Utility Districts, Fresh Water Supply Districts and Public Improvement Districts. Matt was responsible for the acquisition and development of over \$250 million in real estate projects which included several large retail centers in California and Colorado that were purchased in partnership with The Kroenke Group.

Peter Pincoffs, Founder and Managing Partner. As a Managing Partner, Peter is responsible for strategic leadership, investor relations, business development and business planning. Since inception, Peter has taken an active role in project management, acquisitions, capital raising, and managing builder relationships. Prior to founding PMB, Peter was a Director in the Southwest Region at Hines. Peter has developed over 3,000 residential lots in Texas, created and managed multiple Public Improvement Districts, and has actively participated in over \$750 million of commercial real estate acquisitions and development projects.

Brian Motsenbocker, Project Manager. As a Project Manager, Brian is responsible for project level financial analysis, construction coordination, and third-party relationship management. Prior to joining PMB, Brian spent four years at Bank of Texas in both Fixed Income Sales & Trading and Investment Management. As a member of a team with over \$500 million in AUM, Brian provided investment solutions for financial institutions and ultra-high net worth families.

History and Financing of the District

Summary of At-Risk Entities and Investments in the District Subordinate to the Assessment Lien. The total costs of all of the Improvement Areas #2-5 Authorized Improvements are expected to be approximately \$10,529,263*. A portion of the costs of the Improvement Areas #2-5 Authorized Improvements, in the approximate amount of \$9,009,000*, are expected to be financed with proceeds of the Bonds. The Developer will finance the balance of the Improvement Areas #2-5, in the approximate amount of \$1,520,263*, without reimbursement by the City. As of August 15, 2022, the Developer has spent approximately \$2,230,000 on constructing the Improvement Areas #2-5 Improvements.

As of August 15, 2022, the Developer has spent approximately \$10,998,052 on the Actual Costs of the Improvement Area #1 Projects and approximately \$6,839,091 on the Actual Costs of the Major Improvement Area Projects, a portion of which has been reimbursed to the Developer as part of the City Contribution. The Developer has completed construction of all of the Improvement Area #1 Improvements and the Major Improvement Area Projects, other than Regional Detention Improvements and Heritage Park Improvements (which are currently under construction). The Regional Detention Improvements and Heritage Park Improvements are expected to be completed by the fourth quarter of 2023.

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* Preliminary; subject to change.

In order to finance the development of the District, the Developer and certain third parties have expended equity or extended promissory notes that are secured by a lien on some or all of the real property within the District, including Improvement Areas #2-5, that are subordinate to the lien associated with the Assessments securing the Bonds. A list of the entities with at-risk capital whose position or lien is subordinate to that of the Assessments is listed in the following table and more fully described in the subheadings below.

Summary of Entities with At-Risk Capital Subordinate to the Lien Securing the Bonds

<u>At Risk Entity</u>	<u>Funding Type</u>	<u>Funding Purpose</u>	<u>Security</u>	<u>Position to Applicable Assessment Lien</u>	<u>Initial Amount</u>	<u>Outstanding Balance⁽¹⁾</u>
Developer	Developer Equity	Land Purchase	N/A ⁽²⁾	N/A ⁽²⁾	\$2,602,346 ⁽³⁾	\$2,602,346 ⁽³⁾
Sachse Station Owner	Sachse Station Owner Equity	Land Purchase	N/A ⁽²⁾	N/A ⁽²⁾	\$3,184,500	\$3,184,500
TRHS	TRHS Equity	Land Purchase	N/A ⁽²⁾	N/A ⁽²⁾	\$1,999,404	\$1,999,404
Vaquero	Vaquero Equity	Land Purchase	N/A ⁽²⁾	N/A ⁽²⁾	\$2,500,000	\$2,500,000
Gala Development	Gala Development Equity	Land Purchase	N/A ⁽²⁾	N/A ⁽²⁾	\$ 816,750	\$ 816,750
PMB Retail 2	Promissory Note	PMB Retail Loan	Lien on Real Property within Block K2(A)	Subordinate	\$ 654,208 ⁽⁴⁾	\$ 654,208 ⁽⁴⁾
PMB MF	Promissory Note	Block D Loan	Lien on Real Property within Block D	Subordinate	\$ 0 ⁽⁵⁾	\$ 0 ⁽⁵⁾
Total Outstanding Balance of Equity and Loan/Notes Secured by a Subordinate Lien Against Real Property within Improvement Areas #2-5 as of August 15, 2022:						\$11,766,208

⁽¹⁾ As of August 15, 2022.

⁽²⁾ While the Developer's, Sachse Station Owner's, TRHS's, Vaquero's and Gala Development's equity is not considered a loan or note, the Developer's, Sachse Station Owner's, TRHS's, Vaquero's and Gala Development's equity investment within Improvement Areas #2-5 is subordinate to the lien securing the Bonds.

⁽³⁾ Represents the Developer's total purchase price for the land within the District (\$25,539,000) less Bunker Hill's purchase price of Block B paid to the Developer (\$4,350,000), Sachse Station Owner's purchase price of Block F paid to the Developer (\$3,184,500), TRHS's purchase price of Block L2 paid to the Developer (\$1,999,404), Vaquero's purchase price of Block K2(C) paid to the Developer (\$2,500,000), Gala Development's purchase price of a portion of Block G paid to the Developer (\$816,750), Evolve's purchase price of Block J paid to the Developer (\$4,750,000) and SL6 Sachse's purchase price of Block I paid to the Developer (\$5,336,000).

⁽⁴⁾ Pursuant to the PMB Retail Loan, upon meeting certain conditions thereunder, Vantage (as defined below) will make advances to PMB Retail 2 up to and not exceeding \$7,500,000. As of August 15, 2022, PMB Retail 2 has received advances totaling \$654,208 and has not paid down any of the debt.

⁽⁵⁾ Pursuant to the Block D Loan, upon meeting certain conditions thereunder, Veritex (as defined below) will make advances to PMB MF up to and not exceeding \$36,841,000. As of August 15, 2022, PMB MF has not received any advances.

⁽⁶⁾ Gala Development has deposited \$50,000 in nonrefundable earnest money, which will be credited to the \$816,750 purchase price at closing. The transaction is slated to close in the fourth quarter of 2022.

Acquisition of Land Within the District. The Developer purchased the property between October 2018 and September 2019 from multiple sellers, including Children's Medical Center Foundation, Sachse Medical Center LLC,

private individuals, and estates for an aggregate purchase price of \$25,539,000. The Developer's acquisition was made on a cash basis and no third-party financing was used to acquire the property within the District.

Development Loan for the District. The Developer financed the first phase of development activities within the District through a loan agreement (the "Development Loan") with Vantage Bank Texas ("Vantage") for \$16,185,115. The Development Loan was paid off in December 2021.

Improvement Area #1.

Developer Loan. The Developer financed additional development within Improvement Area #1 through a loan agreement (the "IA #1 Loan") with Vantage for \$4,600,000. The IA #1 Loan was paid off in June of 2022.

Multifamily Block B Loan. Bunker Hill financed development of the IA #1 Multifamily on Block A of Improvement Area #1 through a loan agreement (the "Block B Loan") with Great Southern Bank ("Great Southern") for \$33,000,000. The Block B Loan was repaid and the related deed of trust was released in accordance with Bunker Hill's sale of the property to 5300 The Station.

Improvement Areas #2-5.

Block K2(A) Retail Loan. PMB Retail 2, an affiliate of the Developer, is financing the horizontal and vertical development of Block K2(A) (the "K2(A) Improvements") through a loan agreement (the "PMB Retail Loan") with Vantage for \$7,500,000. The PMB Retail Loan, which is dated May 27, 2022, is a commercial real estate and development promissory note secured by a first lien deed of trust against the real property and improvements owned by PMB Retail 2 in Block K2(A) and an assignment of any land sale contracts, rents, or lease receivables relating to Block K2(A). Upon meeting certain conditions thereunder, Vantage will make advances to PMB Retail 2 up to and not exceeding \$7,500,000. The loan carries a floor interest rate of 4.25% and matures on May 27, 2027. In connection with the PMB Retail Loan, Peter Pincoffs, Taylor Baird and Matt Mildren have provided a completion guaranty guaranteeing the completion of the K2(A) Improvements. As of August 15, 2022, the PMB Retail Loan has an outstanding balance of \$654,208.

Block D Loan. PMB MF, an affiliate of the Developer, is financing the horizontal and vertical development of Block D through a loan agreement (the "Block D Loan") with Veritex Community Bank ("Veritex") for \$36,841,000. The Block D Loan, which is dated February 2, 2022, is a commercial real estate and development promissory note secured by a first lien deed of trust against the real property and improvements owned by PMB MF in Block D and an assignment of any land sale contracts, rents, or lease receivables relating to Block D. PMB MF is required to contribute \$23,004,609 (the "Borrower's Equity") as an equity contribution in the form of cash or property contributed by PMB MF, which property constitutes or will constitute collateral for the Block D Loan. As of the date of the Block D Loan, PMB MF had applied a total amount of Borrower's Equity equal to \$5,835,875.19 related to construction costs and the value of the land within Block D. PMB MF deposited the remaining balance of the Borrower's Equity, in the amount of \$17,168,733.81, with Veritex (the "Equity Funds") at the time of loan closing. As of August 15, 2022, PMB MF has spent approximately \$7,800,000 of the Equity Funds on development costs. Upon meeting certain conditions thereunder, Veritex will make advances to PMB MF up to and not exceeding \$36,841,000; provided, however, that all Equity Funds held by Veritex must have been fully disbursed before PMB MF may receive any advances. The loan carries a floor interest rate of 2.70% and matures on August 2, 2026. In connection with the Block D Loan, Peter Pincoffs, Taylor Baird and Matt Mildren have provided a completion guaranty, guaranteeing completion of construction. As of August 15, 2022, Veritex has not made any advances under the Block D Loan.

Hovnanian Escrow Agreement. The Developer, Hovnanian Homes and Eastern National Title Agency, Inc., as escrow agent (the "Escrow Agent"), entered into the Development and Escrow Agreement as of December 15, 2021 (the "Escrow Agreement"), pursuant to which the Developer agreed to construct certain improvements, consisting of road, utility and drainage improvements that benefit Improvement Area #3 and Improvement Area #4 (the "Site Improvements"). The Site Improvements are considered Improvement Areas #2-5 Improvements the costs of which the Developer expects to be reimbursed with Bond proceeds. In accordance with the Escrow Agreement, the Developer has deposited \$519,345, which represents 110% of the estimated costs to complete the Site Improvements, with the Escrow Agent to secure the completion of such improvements. In the event that the actual costs of the Site

Improvements are greater than the estimated amount, the Developer is required to deposit additional funds with the Escrow Agent, such that there is always 110% of the estimated costs to complete the Site Improvements on deposit with the Escrow Agent. The Developer may submit draw requests to the Escrow Agent to request disbursement of funds spent to complete the Site Improvements. The Developer agreed to complete construction of the Site Improvements by the earlier of (i) April 9, 2023 and (ii) the date that the 49 lots within Improvement Area #3 are completed by PMB Advisors.

The PID Act provides that the Assessment Lien is a first and prior lien against the Assessed Property 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, Vantage and Veritex have agreed to consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the PMB Retail Loan and the Block D Loan to the assessment liens on property within Improvement Areas #2-5 securing payment of the Assessments. As a result, the lien on the property within Improvement Areas #2-5 securing the Assessments will have priority over any liens on the property within Improvement Areas #2-5 securing the PMB Retail Loan and the Block D Loan.

THE PID ADMINISTRATOR

The following information has been provided by the PID Administrator. Certain of the following information is beyond the direct knowledge of the City, 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 City has selected P3Works, LLC as the initial PID Administrator. The City has entered into an agreement with the PID Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The PID Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The PID Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and has offices in Austin, Houston and North Richland Hills, Texas.

The PID Administrators duties will include:

- Preparation of the annual update to the Service and Assessment Plan;
- Preparation of assessment rolls for county billing and collection;
- Establishing and maintaining a database of all County Parcel 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; and
- Review of developer draw requests for reimbursement of authorized improvement costs.

SUMMARY OF APPRAISLS OF IMPROVEMENT AREAS #2-5

The Appraisals

General. Integra Realty Resources – DFW (the “Appraiser”) prepared appraisal reports (collectively, the “Appraisals”) for the City and the Underwriter dated [August 12], 2022 (the “Appraisal Date”), based upon a physical inspection of Improvement Areas #2-5 conducted on August 3, 2022. The Appraisals were prepared at the request of the City and the Underwriter. The description herein of the Appraisals is intended to be a brief summary only of the Appraisals as it relates to Improvement Areas #2-5 of the District. A summary of the Appraisals is attached hereto as APPENDIX F. Copies of the full Appraisals can be obtained from the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system at www.emma.msrb.org. The conclusions reached in the Appraisals are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX F — Summary of Appraisals of Improvement Areas #2-5.”

Value Estimates. The Appraiser estimated the prospective market value at completion of the fee simple interest in Improvement Areas #2-5 under certain hypothetical conditions. The Appraisal Report does not reflect the value of Improvement Areas #2-5 as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumptions that all of the Improvement Areas #2-5 Improvements have been completed in accordance with plans and specifications as of the dates specified below. See “THE IMPROVEMENT AREAS #2-5 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT — Development Plan” and “APPENDIX F — Summary of Appraisals of Improvement Areas #2-5.”

The cumulative value estimate for the Assessed Property using the methodologies described in the applicable Appraisal and subject to the limiting conditions and assumptions set forth in the applicable Appraisal, (i) with respect to Improvement Area #2, as of [REDACTED], 2022 is \$8,310,000, (ii) with respect to Improvement Area #3, as of [REDACTED], 2022 is \$5,370,000, (iii) with respect to Improvement Area #4, as of [REDACTED], 2022 is \$13,070,000, and (iv) with respect to Improvement Area #5, as of [REDACTED], 2022 is \$26,600,000.

None of the City, the Developer nor the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisals. The assumptions or qualifications with respect to the Appraisals 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.

The Appraiser confirms that the valuations included in the Appraisals were prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Caution should be exercised in the evaluation and use of appraisal results. An 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. It 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 an appraisal is based on various assumptions of future expectations and while the appraiser’s forecasts for properties in Improvement Areas #2-5 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 Improvement Areas #2-5.

In performing its analyses, an 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 to 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.

The intended use and user of the Appraisals are specifically identified in the Appraisals as agreed upon in the contract for services and/or reliance language found in the Appraisals. The Appraiser has consented to the use of the Appraisals in this Limited Offering Memorandum in connection with the issuance of the Bonds. No other use or user of the Appraisals is permitted by any other party for any other purpose.

BONDHOLDERS’ RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE 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 AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Areas #2-5 to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Areas #2-5, (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 property 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 property.

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, including Improvement Areas #2-5 should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the Assessed Property, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Areas #2-5. 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.

Infectious Disease Outbreak

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 [____], 2022. **[Orrick will update before posting]** 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, mitigation and phased reopening of the State. On March 2, 2021, the Governor issued Executive Order GA-34, which, among other things, removed any COVID-19-related operating limits for any business or other establishment and ended the State-wide mask mandate. Executive Order GA-38, issued on July 29, 2021, and Executive Order GA-39, issued on August 25, 2021, further provide governmental entities cannot require mask mandates, vaccine passports, or mandatory vaccinations. On October 11, 2021, the Governor issued Executive Order GA-40, prohibiting any entity from requiring COVID vaccinations. Various lawsuits were filed throughout the State related to the foregoing and further litigation is expected. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference either expressly or by implication, into this Limited Offering Memorandum.

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. The State 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 primarily by Assessments levied on benefitted property within Improvement Areas #2-5.

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. 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.

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as 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 and the Annual Collection Costs 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 Improvement Areas #2-5, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy” herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Areas #2-5, 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, Section 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code Section 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. **However, an Assessment Lien may not be foreclosed upon if any 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 State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Developer, Hovnanian Homes, PMB Retail 2, PMB MF, Sachse Station Owner, Vaquero and TRHS are not eligible to claim homestead rights. 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 THE DISTRICT.

Recent Changes in State Law Regarding Public Improvement Districts

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the Developer, homebuilders or commercial builders, as applicable, within Improvement Areas #2-5 do not provide the required notice and prospective purchasers of property within Improvement Areas #2-5 terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney’s fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney’s fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property should be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developer, homebuilders or commercial builders, as applicable, within Improvement Areas #2-5 do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers within Improvement Areas

#2-5 are attached as Appendices C-5 through C-11 and C-14 to the Service and Assessment Plan. See “Appendix C — Form of Service and Assessment Plan.”

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments, including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 87th Legislative Session of the State ended on May 31, 2021, without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. The Governor called three special legislative sessions, which all concluded without any legislation being introduced or passed related to the oversight of bonds secured by assessments. It is impossible to predict what bills may be introduced during upcoming legislative sessions and, if passed, the impact that any future legislation will or may have on the security for the Bonds.

Successor Trustee

In the event that at some point subsequent to the date of the Indenture, the Trustee reasonably expects that the value of the Indenture would otherwise exceed the value limitation established under the terms of the Indenture but for such contractual limitation, the Trustee may seek to (i) amend the Indenture to increase such value if such amendment may be made in accordance with applicable Texas law and the Indenture or (ii) resign as trustee and paying agent pursuant to the terms of the Indenture. Any such amendment to the Indenture (including a supplement appointing a successor trustee) would have to be made in accordance with the terms of the Indenture. Any successor trustee would have to satisfy the qualifications set forth in, and be appointed in accordance with the terms of, the Indenture. Under certain facts and circumstances, a delay in identifying or appointing a qualified successor trustee to assume the duties and responsibilities of trustee under the Indenture and in accordance with applicable Texas law could result in the delay of certain remedies being available to the Owners of the Bonds. See “APPENDIX B — Form of Indenture” for more information regarding the process of amending or supplementing the Indenture and the appointment of a successor trustee.

The Indenture provides that, if the position of Trustee shall become vacant for any reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least a majority in aggregate Outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City. Unless such successor Trustee shall have been appointed by the Owners the Bonds, the City shall forthwith (and in no event in excess of 30 days after such vacancy occurs) appoint a Trustee to act under the Indenture. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds. See “APPENDIX B — Form of Indenture” for more information regarding the process of amending or supplementing the Indenture and the appointment of a successor trustee.

General Risks of Real Estate Investment and Development

The Developer has the right to modify or change its plan for development of the District, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed. No defined “true-up” agreement has been entered into between the City and Developer, nor is there a requirement that future developers or Developers enter into such an agreement. There can be no assurance, in the event the Developer or a subsequent developer modifies or changes its plan for development that the necessary revisions to the Service and Assessment Plan will be made, or, if made, will provide the necessary assessment revenues required to service debt on the Bonds. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer and builders to sell or lease retail space, commercial space and apartment units to maximum occupancy levels within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the retail space, commercial space, or multifamily apartments. In the event that a large number of rental, commercial or multifamily projects are constructed outside of the District, and compete with the Development, the demand for residential housing and commercial properties within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, including the schedule for and/or the costs of the Improvement Areas #2-5 Improvements, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

The Development cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to 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.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer and other current and subsequent owners of property within Improvement Areas #2-5 to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within Improvement Areas #2-5 in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable-rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer and Hovnanian Homes, including general economic conditions, may impact the timing of parcel, lot and home sales within Improvement Area #3. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials

As a result of the Pandemic, and low supply and high demand, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns.

The Developer is responsible for the construction of the Improvement Areas #2-5 Improvements. The Developer expects to finance the costs of the Improvement Areas #2-5 Improvements from proceeds of the Bonds. If the Actual Costs of the Improvement Areas #2-5 Improvements are substantially greater than the estimated costs, it may affect the ability of the Developer to complete the Improvement Areas #2-5 Improvements or pay the Assessments when due. If the costs of material continue to increase, it may affect the ability of the homebuilders or commercial builders to construct within Improvement Areas #2-5. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District. See “THE DEVELOPER — History and Financing of the District.”

Competition

Single-Family Residential. 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 of the single-family residential development within the District which are planned will ever commence or be completed in accordance with the Developer’s expectations. The competitive position of the Developer or of any homebuilder in the sale of developed lots or 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. The following tables are lists of competitive single-family residential projects, as shown in the Appraisal for Improvement Area #3.

<u>Project Name</u>	<u>City</u>	<u>Available Lots</u>	<u>Average Home Price</u>
Hidden Oaks	Garland	5	\$435,000 - \$490,000
Magnolia Landing	Rowlett	31	\$430,000 - \$531,000
Marriott Village	Rowlett	29	\$448,000 - \$495,000
Parks at Rosehill	Garland	0	\$348,000 - \$475,000
River Place	Garland	10	\$482,000 - \$516,000
Riverset	Garland	180	\$454,000 - \$602,000

There can be no assurances that other similar single-family residential projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development.

Commercial, Industrial/Business Park and Multifamily. Typically, the demand for commercial, industrial and multifamily development follows development of single-family residential, as demand increases due to population growth. The competitive position of the Developer or of any purchaser of commercial, retail, office, multifamily or mixed-use land within the District in the sale or lease of developed lots or the construction and sale of multifamily residential units, as applicable, 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. None of the Developer, the City, the City’s Financial Advisor or the Underwriter can give any assurance that the building programs of the commercial, retail, office, multifamily or mixed-use development within the District which are planned will ever commence or be completed in accordance with the Developer’s expectations. The following table shows the retail, office, industrial and multifamily land market analysis for the Richardson submarket (office), Sachse/Rowlett submarket (retail) and Garland/Rowlett submarket (multifamily) of the Dallas metro area, as shown in the Appraisals.

<u>Market</u>	<u>Stock</u>	<u>Demand</u>	<u>Vacancy</u>	<u>Net Completion 12 Months</u>	<u>Net Absorption 12 Months</u>	<u>Asking Rent</u>	<u>Rent Growth 12 Months</u>
Office ⁽¹⁾	23,848,377	19,410,258	18.61%	0	(169,704)	\$24.98	1.50%
Retail ⁽²⁾	3,133,602	3,039,880	2.99%	11,767	65,113	\$21.56	5.70%
Multifamily ⁽¹⁾	24,486	23,211	4.80%	1,053	1,250	\$1,414	12.62%

⁽¹⁾ As reported for the second quarter of 2022.

⁽²⁾ As reported for the third quarter of 2022.

There can be no assurances that projects similar to the Development will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development.

Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Areas #2-5 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 Improvement Areas #2-5 currently impose ad valorem taxes on the property within Improvement Areas #2-5 and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Areas #2-5. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the property owners to pay the Assessments.

Pursuant to the Development Agreement, the maximum equivalent tax rate, including the Assessments, the MIA Assessments, the O&M Assessments and all overlapping taxing jurisdictions, cannot exceed \$3.15 per \$100 taxable assessed valuation. In the Development Agreement, the City has agreed to use TIRZ No. 2 Revenues generated from each lot within Improvement Areas #2-5, in an amount not to exceed the TIRZ No. 2 Maximum Annual Credit Amount, to offset a portion of such lot's Annual Installment of Assessment due each year. See "ASSESSMENT PROCEDURES — Assessment Amounts – TIRZ No.2 Annual Credit Amount." If the total overlapping tax rate in Improvement Areas #2-5 are higher than the overlapping tax rate in competitive projects, it may be more difficult to sell or lease property within Improvement Areas #2-5.

TIRZ No. 2 Annual Credit Amount and Marketing of the Development

The TIRZ No. 2 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraisal value in TIRZ No. 2 in any year. Any delay or failure by the Developer, Hovnanian Homes, Sachse Station Owner, PMB Retail 2, PMB MF or TRHS to develop Improvement Areas #2-5 may result in a reduced amount of the TIRZ No. 2 Revenue being available to credit the Assessments. TIRZ No. 2 Revenues generated from the captured appraised value for each Parcel in Improvement Areas #2-5 during the development of such Parcel will not result in a TIRZ No. 2 Annual Credit Amount which is sufficient to achieve the TIRZ No. 2 Maximum Annual Credit Amount. The TIRZ No. 2 Annual Credit Amount may not provide for the TIRZ No. 2 Maximum Annual Credit Amount until the second year that a home or commercial building on such Parcel is assessed. The ability of the TIRZ No. 2 Annual Credit Amount to provide for the TIRZ No. 2 Maximum Annual Credit Amount for Parcels within Improvement Areas #2-5 is dependent on the actual buildout values in Improvement Areas #2-5 meeting the projections for the estimated buildout value described in the Service and Assessment Plan. If the buildout values in Improvement Areas #2-5 do not reach the expected values, the TIRZ No. 2 Revenue will not be sufficient to produce the TIRZ No. 2 Maximum Annual Credit Amount. See "OVERLAPPING TAXES AND DEBT" and "APPENDIX C — Service and Assessment Plan."

If the City contributes the TIRZ No. 2 Revenues to the payment of the Improvement Areas #2-5 Improvements, the City will deposit less tax revenue into its general fund for use on public services, such as police and fire protection. Application of the TIRZ No. 2 Annual Credit Amount may affect the City's ability to provide for such basic services.

It is uncertain what impact, if any, the TIRZ No. 2 Annual Credit Amount application to the Annual Installments will have on the underwriting of residential mortgages. If the underwriter of residential mortgages does not recognize the TIRZ No. 2 Annual Credit Amount, it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

Depletion of Reserve Account

Failure of the owners of property within Improvement Areas #2-5 to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account 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 Account. The Indenture provides that if, after a withdrawal from the Reserve Account, the amount in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency, as described under “SECURITY FOR THE BONDS — Reserve Fund – Reserve Account Provisions” 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 consider 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 the Phase One ESAs performed on the 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.

100-Year Flood Plain

Approximately +/- 1 acre within Improvement Area #3 is located within an official FEMA 100-year flood plain as shown on the current Federal Emergency Management Agency’s Flood Insurance Rate Map Community Panel No. 0230K (the “Flood Plain”). No single-family lots will be developed within such acreage.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such

revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may exceed the Flood Plain.

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 strong winds, hurricanes, tropical storms, flooding, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City, including land within the District.

Exercise of Mineral Rights

As described herein under “THE DEVELOPMENT — Mineral Rights,” there are certain mineral rights reservations located within the District, including Improvement Areas #2-5, that are not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Dallas County.

The Developer does not expect the existence or exercise of any mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within Improvement Areas #2-5 to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

Bondholders’ Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, 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 City’s obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so 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 Improvement Areas #2-5 or sell property within Improvement Areas #2-5 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.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“Wasson”), the Texas Supreme Court (the “Court”) addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that “a city’s proprietary functions are not done pursuant to the ‘will of the people’” and protecting such municipalities “via the [S]tate’s immunity is not an efficient way to ensure efficient allocation of [S]tate resources.” While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state’s immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State 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. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted 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; the proceeds of any sale of property within Improvement Areas #2-5 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 Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including

taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in any event, including in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of Improvement Areas #2-5 subject to the Assessments, existing real estate and financial market conditions and other factors.

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.

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 State 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 State 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.

Tax-Exempt Status of the Bonds

Indentures contain covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or State level, may adversely affect the tax-exempt status of interest on the Bonds under federal or State law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions

and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

As further described in “TAX MATTERS” below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. In the past, the IRS has announced audit efforts focused in part on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures, parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

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.

Availability of Utilities

The progress of development within the District is also dependent upon NTMWD and the City of Garland providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater, respectively. If NTMWD or the City of Garland fail to supply water and wastewater services to the property in the District, the development of the land in the District, including Improvement Areas #2-5, could be adversely affected. See “THE DEVELOPMENT — Utilities.”

Mandatory Prepayment of MIA Assessment

True-Up of MIA Assessments if the Major Improvement Area Maximum Assessment per Net Acre Exceeded. Terms used in this subcaption and not otherwise defined herein, shall have the meaning assigned to such term in the Service and Assessment Plan.

The City will perform the Major Improvement Area True-Up: (1) when the Bonds are issued, and (2) when 20%, 40%, 60% and 80% of the MIA Assessments are allocated to Major Improvement Area Platted Properties to verify that the Major Improvement Area Remaining Property will have a MIA Assessment per net acre equal to or less than the Major Improvement Area Maximum Assessment Per Net Acre depicted on Exhibit M-4 of the Service and Assessment Plan. Whenever the Major Improvement Area True-Up is performed, the City shall calculate the outstanding MIA Assessment per net acre on the Major Improvement Area Remaining Parcel. If the outstanding MIA Assessment per net acre on the Major Improvement Area Remaining Parcel is below the Major Improvement Area Maximum Assessment Per Net Acre, then no further action is needed. However, if the outstanding MIA Assessment per net acre on the Major Improvement Area Remaining Parcel exceeds the Major Improvement Area Maximum

Assessment Per Net Acre, the [Developer] shall be obligated to make a Prepayment, plus accrued interest in a principal amount sufficient to reduce the outstanding MIA Assessment per net acre on the Major Improvement Area Remaining Parcel to the Major Improvement Area Maximum Assessment Per Net Acre prior to the City approving the Annual Service Plan Update for that year and prior to any future plats being filed. The City's approval of an Annual Service Plan Update or a plat without payment of such amounts does not eliminate the obligation of the owner of the Major Improvement Area Remaining Parcel to pay such amounts.

Prior to the filing of the last plat in the Major Improvement Area, the PID Administrator will ensure that the plat yields a uniform MIA Assessment per Lot Type in the Major Improvement Area, notwithstanding the Assessments [or any additional assessment on property in the Future Improvement Area].

Dependence Upon Developer and Other Landowners

As of September 6, 2022, the Developer, Hovnanian Homes, Sachse Station Owner, PMB Retail 2, PMB MF, Vaquero, TRHS and Gala Development had the obligation for payment of approximately 15.26%, 12.88%, 21.37%, 2.42%, 34.97%, 0.81%, 11.85% and 0.45% of the total Assessments, respectively. The ability of the applicable landowner 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. 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. See "THE DEVELOPER — Description of the Developer."

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 THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted

cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P., serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. 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," including the alternative minimum tax on certain corporations. A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the subcaption "Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology," "Assessment Amounts" and "O&M Assessments"), "THE DISTRICT" (except for the subcaptions "District Collection and Delinquency of Assessments" and "Assessment Payer Concentration"), "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (except for the final paragraph thereof), "LEGAL MATTERS — Legal Opinions" (except for the final paragraph thereof), "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," and "APPENDIX B" and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to its knowledge, 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 the 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, the Reimbursement Agreement, the Development Agreement, 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”).

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by 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 Securities and Exchange Commission (the “Rule”), the City and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Issuer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of the Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of the Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Issuer 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 Disclosure Agreement of the Issuer. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Issuer. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Issuer or from any statement made pursuant to the Disclosure Agreement of the Issuer.

The City Compliance with Prior Undertakings

During the last five years, the City has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule.

The Developer

The Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Developer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding the Development and the Improvement Areas #2-5 Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX E-2 — Form of Disclosure Agreement of the Developer.” Under certain circumstances, the failure of the Developer to comply with its obligations under the Disclosure Agreement of the Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Developer 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 (i) prepare and provide certain updated information in report form to the Dissemination Agent and (ii) provide notices of certain specified events, only as provided in the Disclosure Agreement of the Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Developer or from any statement made pursuant to the Disclosure Agreement of the Developer.

The Developer's Compliance With Prior Undertakings

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

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of \$ _____ (the par amount of the Bonds, less an underwriting discount 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 page i hereof, and such initial offering prices may be changed from time to time by the Underwriter.

Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak" herein.

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 of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those 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

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities,

including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City’s account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City’s custodian of the banking deposits issued for the City’s account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above, clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City’s name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAAm” or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than ten (10) years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than “A” or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City’s name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the City’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived.” At least quarterly the City’s investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest City funds without express written authority from the City Council.

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between

the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed Wilmington 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.

In the Indenture, the City has agreed to compensate the Trustee from the amount collected each year for Annual Collection Costs and in the manner set forth in the Indenture for the Trustee's services as Trustee and as Paying Agent/Registrar; provided, however, notwithstanding anything in the Indenture to the contrary, the aggregate value of the Indenture and the compensation paid to the Trustee under the Indenture does not and shall not exceed the dollar limitation set forth in Section 2274.002(a)(2) of the Texas Government Code. The Trustee hereby agrees that the fees it is to be paid for any fiscal year will not cause the aggregate compensation received by the Trustee pursuant to the terms of the Indenture to exceed the limitation set forth in Section 2274.002(a)(2). See "BONDHOLDERS' RISKS — Successor Trustee" and "APPENDIX B — Form of Indenture."

In the Indenture, the Trustee agrees to submit to the City and/or the PID Administrator an annual report, no later than six months after each Bond Year (as defined in the Indenture), beginning with the Bond Year ending September 15, 2023, setting forth (i) the amount of fees the Trustee has received pursuant to the terms of the Indenture for the preceding Bond Year and (ii) the cumulative amount of fees paid to the Trustee pursuant to the terms of the Indenture to the date of such annual report. The cumulative amount of fees paid to the Trustee as of the date of each annual report will be included in the City Reports, as required under the Disclosure Agreement of the Issuer. See "APPENDIX B — Form of Indenture" and "APPENDIX E-1 — Form of Disclosure Agreement of the Issuer."

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.

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 nor 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.

Developer

The information contained in this Limited Offering Memorandum relating to the description of the Major Improvements generally and, in particular, the information included in the maps in the Limited Offering Memorandum and in the sections captioned "PLAN OF FINANCE — Development Plan," "— Financing Plan," "— Status of Lot Development" and "— Status of Vertical Construction," "OVERLAPPING TAXES AND DEBT — Owners' Association," "THE IMPROVEMENT AREAS #2-5 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," and "THE DEVELOPER," and, to the best of its knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Areas #2-5 Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "APPENDIX E-2" and "APPENDIX G" has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by 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. Integra Realty Resources – DFW has consented to the inclusion of the Appraisal herein.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the

City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than ninety (90) days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED 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 Bond Ordinance authorizing the issuance of the Bonds will approve the form and content of this Preliminary Limited Offering Memorandum, and any addenda, supplement or amendment hereto, and authorize its further use in the offering of the Bonds by the Underwriter.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

The following information has been provided for informational purposes only.

General Information

The City is located in Dallas County and Collin County, Texas, 20 miles northeast of downtown Dallas, on State Highway 78 and currently comprises approximately 9 square miles. The 2020 Census population for the City was 27,103, while the estimated 2022 population is 28,450.

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1956, and first adopted its Home Rule Charter in 1986. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers, who serve staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

Ten Largest Employers in the City (2021)

The ten largest employers in the City are set forth in the table below.

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Garland ISD	Education	478
Wal-Mart Supercenter	Retail	335
City of Sachse	Government	173
Wylie ISD	Education	145
Kroger	Grocery Store	105
FedEx Office Print & Ship	Retail	71
WalMart	Retail	65
Golden Chick	Fast Food	60
Assembly of God	Church	50
Whataburger	Fast Food	45

Source: City's audited financial statements.

Historical Employment in Dallas County

	<u>Average Annual</u>				
	<u>2022⁽¹⁾⁽²⁾</u>	<u>2021⁽²⁾</u>	<u>2020⁽²⁾</u>	<u>2019</u>	<u>2018</u>
Civilian Labor Force		1,372,277	1,322,606	1,364,652	1,336,810
Total Employed		1,295,698	1,219,627	1,317,507	1,286,399
Total Unemployed		76,579	102,979	47,145	50,411
Unemployment Rate		5.6%	7.8%	3.5%	3.8%

⁽¹⁾ Data through [] of 2022. **[Orrick to update closer to posting]**

⁽²⁾ The COVID-19 Pandemic has negatively affected travel, commerce, employment rates and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak."

Source: Texas Workforce Commission.

Dallas-Fort Worth-Arlington MSA – Regional Employment

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

City of Garland, TX Approximately 6 Miles from Sachse		City of Plano, TX Approximately 10 Miles from Sachse		City of Richardson, TX Approximately 14 Miles from Sachse		City of McKinney, TX Approximately 24 Miles from Sachse	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
Kraft Foods	796	Capital One Finance	5,023	State Farm Insurance	9,000	Raytheon Intelligence & Space	3,658
US Food Service	520	JP Morgan Chase	4,988	RISD	5,961	McKinney ISD	2,814
Atlas Copco	460	Toyota Motor North America, Inc.	3,815	University of Texas at Dallas	3,911	Collin County	1,915
SilverLine Window	425	Liberty Mutual Insurance Company	2,652	Blue Cross Blue Shield of Texas	3,100	Globe Life	1,600
Hatco (Resistol)	390	Ericsson	2,545	Genpact	2,500	City of McKinney	1,377
L3 Communications	350	AT&T Foundry	2,500	Geico	2,400	Encore Wire Corporation	1,325
Arrow Fabricated Tubing	340	PepsiCo	1,881	Raytheon	2,200	Independent Financial	866
Valspar	300	NTT Data, Inc.	1,794	RealPage	2,100	Collin College	748
KARLEE, Inc.	290	Frito-Lay	1,712	Cisco Systems	2,000	Baylor	700
General Dynamics	275	FedEx Office	1,186	Texas Instruments	1,800	Medical City McKinney	670

City of Frisco, TX Approximately 26 Miles from Sachse	
Employer	Employees
Frisco ISD	7,048
City of Frisco	1,630
Conifer	903
T-Mobile USA	900
Baylor Medical Center	663
Mario Sinacola & Sons Excavating	603
Oracle	500
IKEA Frisco	423
Baylor Scott White/Centennial Hospital	400
UT Southwestern/Texas Health Hospital	300

City of Dallas, TX Approximately 27 Miles from Sachse	
Employer	Employees
Dallas ISD	22,621
City of Dallas	13,000
AT&T Inc.	10,990
Medical City Dallas	10,800
Parkland Health & Hosp System	10,577
Texas Instruments Inc.	9,800
Dallas County Community College	8,230
Methodist Dallas Med Ctr	7,114
Dallas County	6,500
Childrens Health	6,355

Source: The individual City's 2021 audited financial statements.

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APPENDIX B
FORM OF INDENTURE

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF THE ISSUER

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF THE DEVELOPER

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APPENDIX F

SUMMARY OF APPRAISAL OF IMPROVEMENT AREAS #2-5

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APPENDIX G
REIMBURSEMENT AGREEMENT



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	2. Consider a resolution calling a public hearing for the Regular City Council Meeting on October 17, 2022, to receive public input on a proposed amendment to Ordinance No. 3898, establishing Tax Increment Financing Reinvestment Zone number Two of the City of Sachse, Texas, as amended, relating to an increase in the percentage of the City's tax increment contribution to the tax increment fund.
Access	Public
Type	Action
Preferred Date	Sep 19, 2022
Absolute Date	Sep 19, 2022
Recommended Action	Approve a resolution calling a public hearing for the Regular City Council Meeting on October 17, 2022, to receive public input on a proposed amendment to Ordinance No. 3898, establishing Tax Increment Financing Reinvestment Zone number Two of the City of Sachse, Texas, as amended, relating to an increase in the percentage of the City's tax increment contribution to the tax increment fund.

Public Content

BACKGROUND

The ordinance creating Tax Increment Reinvestment Zone (TIRZ) No. 2 for The Station was approved by the City Council in 2018. That ordinance provides for a percentage contribution of the tax increment (being the difference in property taxes generated in 2018 and the current tax year). Pursuant to the Development Agreement between the City of Sachse and PMB Capital Investments (also executed in 2018), the City's tax increment contribution is to be used to buy-down the public improvement district assessments against property within the Zone. That arrangement indicates that the City will use a portion of the TIRZ No. 2 revenue to buy down the overall tax stack for properties within the Public Improvement District (PID) No. 1 to equal a rate of \$3.15. Since the City Council voted to adopt a lower tax rate of \$0.650416 per one hundred dollars (\$100) assessed valuation at its September 6, 2022 meeting relating to the 2022 tax year, this action is required to adjust the proportionate buy-down of the tax stack to remain consistent with the terms of the Development Agreement.

Jason Hughes, the City's Financial Advisor with Hilltop Securities and a representative from P3 Works, the City's PID consultant, will be available to answer any questions.

POLICY CONSIDERATIONS

The purpose of this item is to call a public hearing to consider changing the percentage of the City's tax increment to be contributed to the TIRZ funds from 50% to 55% that are used to buy-down the tax stack in the PID in response to the recently adopted tax rate of \$0.650416 per one hundred dollars (\$100) assessed valuation.

RECOMMENDATION

Approve a resolution calling a public hearing for the Regular City Council Meeting on October 17, 2022, to receive public input on a proposed amendment to Ordinance No. 3898, establishing Tax Increment Financing Reinvestment Zone number Two of the City of Sachse, Texas, as amended, relating to an increase in the percentage of the City's tax increment contribution to the tax increment fund.

[Presentation_TIRZ Public Hearing Item-September 19, 2022.pdf \(74 KB\)](#)

[Resolution_Calling Public Hearing Amending TIRZ #2 Contribution Rate \(2022\).pdf \(117 KB\)](#)

TIRZ Public Hearing Item

City Council

September 19, 2022



SACHSE

TIRZ #2 Overview

- Boundaries of TIRZ No. 2 run concurrent with that of the PID located at The Station
- Council authorized the creation of TIRZ No. 2 at its December 3, 2018, meeting
- Council authorized an amendment to the boundaries of TIRZ No. 2 to include an additional 14.933 acres



TIRZ #2 Item

- Resolution to call a public hearing to be conducted on October 17, 2022
- The purpose of this item is to consider adjusting the proportionate share of the buy-down arrangement established in the original development agreement to reflect the recently adopted lower tax rate.

Next Steps

- Staff recommends approval of the resolution calling a public hearing and authorizing associated notice
- Conduct the public hearing at the October 17, 2022, regular meeting to consider amending the TIRZ to reflect the recently adopted tax rate



RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, SETTING A PUBLIC HEARING UNDER SECTION 311.011 OF THE TEXAS TAX CODE REGARDING A PROPOSED AMENDMENT TO ORDINANCE NO. 3898 ESTABLISHING TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWO, CITY OF SACHSE, TEXAS, AS AMENDED, RELATING TO AN INCREASE IN THE PERCENTAGE OF THE CITY'S TAX INCREMENT CONTRIBUTION; AUTHORIZING THE ISSUANCE OF NOTICE BY THE CITY SECRETARY REGARDING THE PUBLIC HEARING; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Tax Increment Financing Reinvestment Zone Number Two, City of Sachse, Texas (the "Zone"), was established on December 3, 2018, pursuant to Ordinance No. 3898 and the Tax Increment Financing Act (Chapter 311, Texas Tax Code, as amended, or "the Act"); and

WHEREAS, Section 8 of Ordinance No. 3898 provides that the City will participate in the Zone by contributing into the Tax Increment Fund fifty percent (50%) of the City's Tax Increment from real property ad valorem taxes collected in the Zone for a period of thirty (30) years; and

WHEREAS, pursuant to the Final Project and Finance Plan relating to the Zone adopted by Ordinance No. 4000, funds from the Tax Increment Fund for the Zone are to be used to pay administrative costs relating to the operation and management of the Zone, and then used to be paid as a credit against the amount of assessments made against the property located within the Zone in accordance with the Sachse Public Improvement District No. 1; and

WHEREAS, the adoption of the ad valorem tax rate for Tax Year 2022 on September 3, 2022, will effectively result in a change in the contribution to the Tax Increment Fund described in Final Project and Finance Plan; and

WHEREAS, the City Council of the City of Sachse (the "City Council") desires to hold a public hearing in accordance with Section 311.011 of the Act to receive public input regarding an amendment to Ordinance No. 3898, as previously amended, to increase the City's percentage contribution of tax increment to the tax increment fund for the Zone; and

WHEREAS, in order to hold a public hearing regarding such amendment, notice must be given in a newspaper of general circulation in the city no later than the 7th day before the date of the hearing in accordance with Section 311.011 of the Act; and

WHEREAS, the City Council has determined to hold a public hearing on October 17, 2022, regarding the above-described amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. A public hearing is hereby called for October 17, 2022, at 6:30 p.m., at the Sachse City Hall, 3815-B Sachse Road, Sachse, Texas 75048, for the purpose of hearing any interested person speak for or against the proposed increase in the percentage of the City's tax

increment contribution to the tax increment fund for the Zone. Upon closing the public hearing, the City Council will consider the adoption of an ordinance amending the City's contribution of tax increment generated from the Zone to the Zone's tax increment fund.

SECTION 2. The City Secretary is hereby authorized and directed to cause a Notice of Public Hearing substantially in the form attached hereto as **Exhibit A** and incorporated herein by reference to be published in a newspaper of general circulation in the city no later than the 7th day before the date of the hearing on October 17, 2022.

SECTION 3. This resolution shall be in full force and effect from and after its passage and it is accordingly so resolved.

DULY RESOLVED by the City Council of the City of Sachse, Texas, on this the 19th day of September 2022.

CITY OF SACHSE, TEXAS

Jeff Bickerstaff
Mayor

ATTEST:

Leah K Granger
City Secretary

Exhibit A

**CITY COUNCIL OF THE CITY OF SACHSE, TEXAS
NOTICE OF PUBLIC HEARING
PROPOSED AMENDMENT TO
TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF SACHSE**

THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, WILL HOLD A PUBLIC HEARING AT 6:30 PM ON MONDAY, OCTOBER 17, 2022, IN THE CITY COUNCIL CHAMBERS LOCATED AT SACHSE CITY HALL, 3815-B SACHSE ROAD, SACHSE, TEXAS 75048, REGARDING AN AMENDMENT TO TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF SACHSE (“THE ZONE”), BY INCREASING THE PERCENTAGE OF THE CITY’S TAX INCREMENT GENERATED FROM THE ZONE TO THE ZONE’S TAX INCREMENT FUND. A MAP DEPICTING THE BOUNDARIES OF THE ZONE IS AVAILABLE FOR PUBLIC INSPECTION IN THE OFFICE OF THE CITY SECRETARY AT 3815-B SACHSE ROAD, SACHSE, TEXAS 75048. AT THE PUBLIC HEARING, ANY INTERESTED PERSON MAY SPEAK FOR OR AGAINST THE INCREASE IN THE PERCENTAGE OF THE CITY’S TAX INCREMENT GENERATED FROM THE ZONE TO THE ZONE’S TAX INCREMENT FUND. FOLLOWING THE PUBLIC HEARING, THE SACHSE CITY COUNCIL WILL CONSIDER ADOPTION OF AN ORDINANCE AMENDING ORDINANCE NO. 3898, AS AMENDED, BY INCREASING THE PERCENTAGE OF THE CITY’S TAX INCREMENT GENERATED FROM THE ZONE TO THE ZONE’S TAX INCREMENT FUND AND OTHER RELATED MATTERS.



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	3. Consider ending contractual support of fire and ambulance services with unincorporated areas of Dallas County upon contract expiration of September 30, 2022.
Access	Public
Type	Action, Discussion
Preferred Date	Sep 06, 2022
Absolute Date	Sep 06, 2022
Fiscal Impact	Yes
Dollar Amount	55,000.00
Budgeted	No
Budget Source	General Fund
Recommended Action	Approve terminating contractual support of fire and ambulance services with unincorporated areas of Dallas County upon contract expiration of September 30, 2022.
Goals	Meet the public safety needs of a growing citizen, student, and business population. Provide excellent government services to Sachse citizens.

Public Content

BACKGROUND

The City of Sachse has contractually provided fire and ambulance services to the Dallas County unincorporated areas, east of the city limits, for many years. At the time of the original agreement, this arrangement was very appropriate. However, due to growth by the cities of Wylie and Rowlett, the residents of this area are better served by other means. Existing fire stations and future station plans of these cities are much closer than Sachse resources. Additionally, as the incident numbers increase within the City of Sachse, it is prudent to make every effort to keep resources within city limits.

OVERVIEW

Currently, fire and ambulance services are contractually reimbursed based on type of call and responding resource. If it is an Emergency Medical Services (EMS) incident, the patient is also billed for transport services. The loss in revenue from these contracts and transports will be approximately \$55,000 annually. The City of Sachse will support fire and ambulance services based on mutual aid requests from either Rowlett, Wylie, or other entity contracted to provide these services.

POLICY CONSIDERATIONS

This is a decision to terminate contractual support of fire and ambulance services with unincorporated areas of Dallas County.

RECOMMENDATION

Staff recommends the termination of contractual support of fire and ambulance services with unincorporated areas of Dallas County upon contract expiration of September 30, 2022.

[Presentation_Dallas County Fire Ambulance Service Contracts.pdf \(826 KB\)](#)

Dallas County Fire and Ambulance Services Contracts

City Council
September 19, 2022



Overview

- Background
- Response Data
- Revenue
- Considerations/Recommendation

Background

- The City of Sachse has been providing fire and ambulance services to the unincorporated area of Dallas County
- The Sachse Fire-Rescue (SFR) Long Range Master Plan 2021, Recommendation 2D, states we should transition out of these contracts
- Based on the contract, the service area extends to Lake Ray Hubbard
- Incident Call Volume ranges from 105 to 125 annually
- SFR call volume continues to increase within Sachse city limits
- Simultaneous calls are becoming more common
- Consideration should be given to opt out of these agreements



Response Data

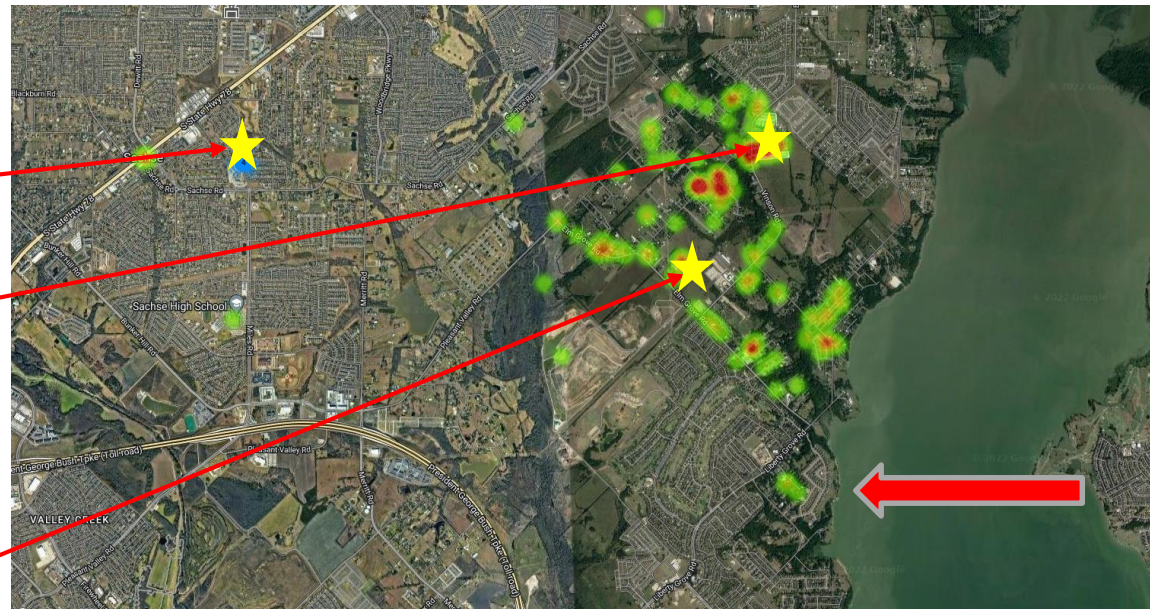
January 2021 to Present

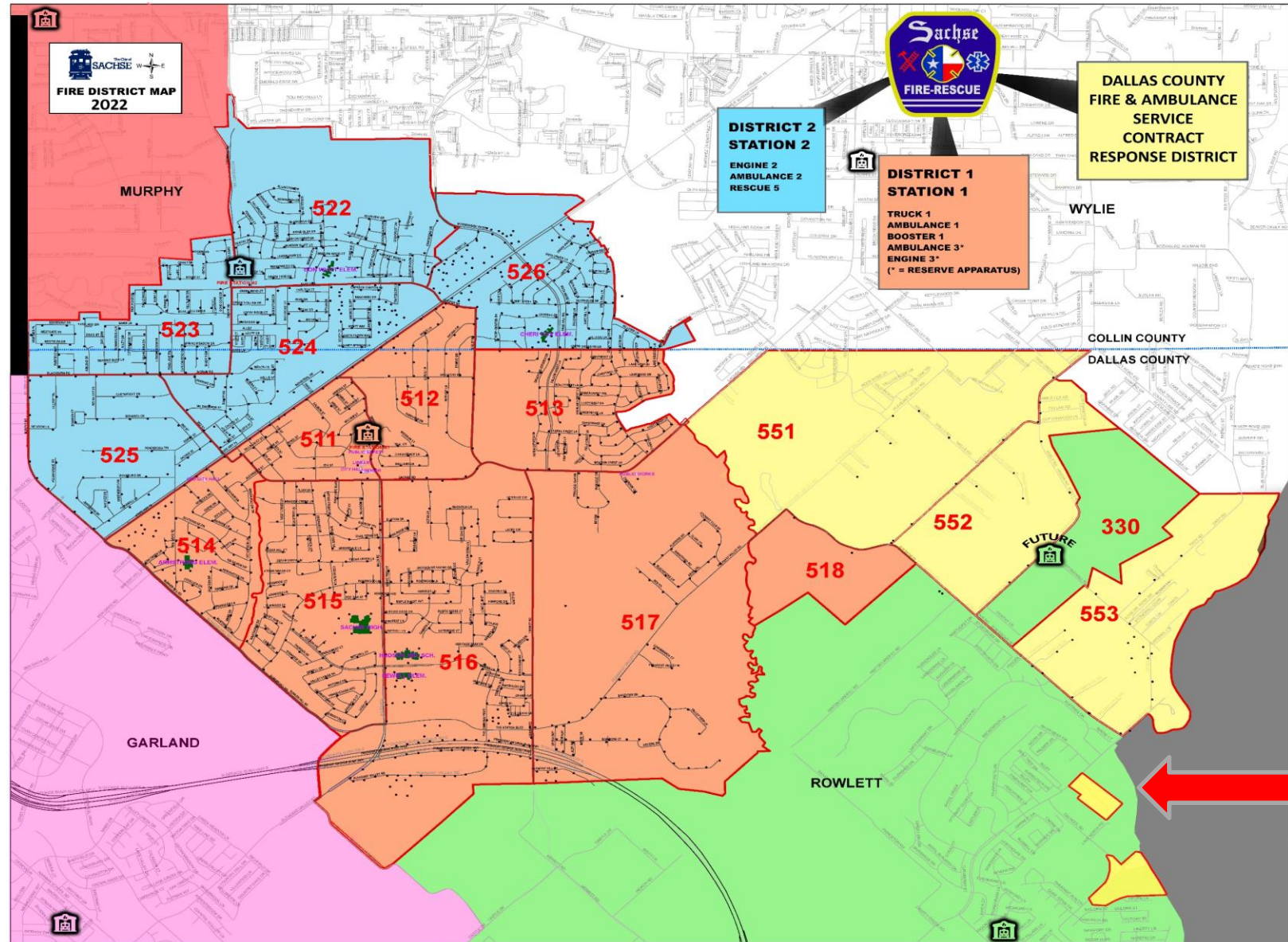
- A total of 186 incidents
 - 23% (39) of these incidents meet the 10-minute response time goal

Fire Station 1

11-minute response time

Future Rowlett Fire Station 6





The City of
SACHSE

EMS Calls – Average Total Call Time

- January 2021 to Present

102 EMS Incidents

17% < 30:59 Minutes

27% 31:00 – 1:00:59

49% 1:01:00 – 1:30:59

5% 1:31:00 – 2:59:59

These times do not
reflect travel time back
from the scene, or from
the hospital.



Revenue

- Revenue for 2021– \$45,704.34
 - Dallas County Contract – \$27,000
 - Emergicon Ambulance Billing – \$18,704.34
- New Contract Service Fee Increases
 - Fire Increase from \$450 to \$500
 - Ambulance Increase from \$500 to \$600
- FY 22/23 Estimated Revenue – \$54,800
 - Dallas County Contract – \$32,400
 - Emergicon Ambulance Billing – \$22,445.14



Considerations/Recommendation

Considerations

- Revenue Loss of approximately \$55,000 annually
- Increased unit availability as they remain within city limits
- Reduces road miles on ambulances and apparatus

Recommendation

- Enter into the agreement on a temporary basis to provide Dallas County the time needed to change providers
- When appropriate, discontinue the agreement



Questions?



The City of
SACHSE



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	4. Consider an ordinance authorizing certain Budget and Capital Improvement Program amendments pertaining to the Fiscal Year 2021-2022 Budget and Capital Improvement Program.
Access	Public
Type	Action, Discussion
Recommended Action	Approve an ordinance authorizing certain Budget and Capital Improvement Program amendments pertaining to the Fiscal Year 2021-2022 Budget and Capital Improvement Program.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

The Fiscal Year 2021-2022 Budget, including the 2021-2022 capital improvement program, were adopted by Council on September 7, 2021. Per Sachse Comprehensive Financial Management policy, based on projected revenues and expenditures/expenses for the current fiscal year, City Council may periodically amend the budget during the year if adjustments are required at the fund level. Several budget and capital improvement program amendments have been identified for the current fiscal year and shall become an attachment to the original Budget if approved by Council.

OVERVIEW

Budget or Capital Improvement Program adjustments are requested for the following funds or projects:

2022 Bond Construction Fund

Sachse residents voted to approve Propositions A, B, C, and D included on the November 2021 bond election ballot, authorizing \$54,035,000 in bond principal. The City anticipates selling bonds in three tranches, the first of which came from a 2022 General Obligation Bond sale generating \$18,035,000 in net proceeds. \$1,000,000 is requested for Bailey-Hooper Road (BP-21-B01) and \$350,000 is requested for the Animal Shelter (BP-21-D01). The remaining \$16,685,000 is included in the FY 2022-2023 Budget. Budget adjustments will be funded with 2022 General Obligation Bond revenue.

General Capital Projects Fund

Multiple General Capital Projects Fund projects are anticipated to exceed the originally adopted budget, primarily due to an unfavorable bidding climate. As mentioned during the project awarding, a budget adjustment would be forthcoming to correct the budget shortfall. Budget adjustments will be funded with unobligated/undesignated General Capital Projects Fund revenue, primarily received from prior year transfers from the General Fund.

Projects include:

- 5th Street/Sachse Road Widening - SH 78 to Miles (R-12-08). \$400,000 requested.
- Sachse Road - SH 78 to 5th Street (R-17-03a). Expenditure authority transfer of \$250,000 from R-17-03a to 5th Street Project (R-22-05)
- Signal Improvements - Construction (R-20-03). \$28,000 requested.
- Major Alley Rehabilitation - Multiple Locations (R-21-20). \$274,000 requested.
- 5th Street Projects (R-22-05). \$352,000 requested.
- Bailey-Hooper Road Overlay (R-22-06). \$275,000 requested.

In addition, \$2,000,000 of prior year unspent authority is requested as it was not originally reflected in the FY 2021-2022 General Capital Projects Fund budget.

Impact Fee Fund

Request to add \$15,000 budget for Ermine Roadway Impact Fee Grant expenditures per an October 2019 Economic Development Incentive Agreement not previously budgeted in FY 2021-2022. Budget adjustments will be funded with current year unbudgeted impact fee revenue.

Special Revenue Fund

Special Revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. CARES Act funds received in FY 2019-2020 were budgeted in the same year, however, unspent prior year funds remained unbudgeted in FY 2021-2022. \$274,000 in budget authority is requested to cover projected expenses. Budget adjustments will be funded from prior year revenue.

Street Maintenance Tax Fund

Capital project expenditure authority not needed for the following projects:

- Anthony Lane Rehabilitation (R-19-04). Reduce project authority by \$260,000 due to construction project savings.
- Coral Lane (R-19-07). Reduce project authority by \$30,000 due to construction project savings.

Utility Fund

Multiple Utility Fund projects are projected to exceed the originally adopted budget, primarily due to an unfavorable bidding climate. As mentioned during the project awarding, a budget adjustment would be forthcoming to correct the budget shortfall. Budget adjustments will be funded with unbudgeted Utility Fund revenue.

Projects include:

- Maxwell Creek Pump Station (W-14-01). \$155,000 requested.
- Public Works Pump Station Generator (W-21-05). \$280,000 requested.
- SCADA System Upgrades (W-22-07). \$140,000 requested.
- Westcreek-Sachse Road to Alexander (D-21-15). Expenditure authority transfer of \$100,000 to 5th Street Project (R-22-05).

Municipal Development District Fund

At the August 11, 2022, Municipal Development District (MDD) Board Meeting, the MDD Board made a recommendation to the City Council that Fiscal Year 2021-2022 and 2022-2023 available funding be appropriated to J.K. Sachse Park (P-22-04). Unbudgeted prior and current year sales tax and interest collections of \$315,000 are requested for J.K. Sachse Park (P-22-04) expenditures.

Attachment A - Budget Amendment to Capital Improvement Program Reconciliation provides a reconciliation of items by Fund requested for Budget amendment and/or Capital Improvement Program.

POLICY CONSIDERATIONS

According to Section 7.09 of the City Charter, "Under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the city council may, by a majority vote of the full membership, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be by ordinance, and shall become an attachment to the original budget."

RECOMMENDATION

Approve an ordinance authorizing certain Budget and Capital Improvement Program amendments pertaining to the Fiscal Year 2021-2022 Budget and Capital Improvement Program.

[Presentation_Budget Amendment FY 2021-2022.pdf \(261 KB\)](#)

[Attachment A-Budget Amendment to CIP Plan Reconciliation.pdf \(23 KB\)](#)

[Ordinance_Amending 2021-2022 Budget.pdf \(243 KB\)](#)

City of Sachse 2021-2022 Budget Amendments

City Council
September 19, 2022



Agenda

- Budget Adoption
- Budget Amendments – Policy & Recommended Action
- Requested Changes by Fund
- Recommended Action



Budget Adoption

- Budget Adoption – September 7, 2021
 - Budget Appropriation
 - Capital Improvement Program (CIP)
- Currently, no amendments to 2021-2022 budget



Budget Amendments

- Budget Amendment Policy
 - City Charter, Section 7.09
 - Based on projected revenues and expenditures
 - Amendment must be by ordinance
 - Amendment shall be attachment to original budget
- Recommended Action
 - Fund Appropriation
 - Required based on projected expenditures for current fiscal year
 - Staff indicated would bring forward budget amendments by fiscal year end
 - Capital Project Amendments
 - Adjustments to reflect project need
 - Staff indicated would bring forward amendments by fiscal year end



2022 Bond Construction Fund

- Sachse residents approved four November 2021 ballot propositions authorizing \$54 million in bond principal
- Budgets portion of first bond tranche
- Remaining \$18M bond proceeds budgeted in FY 2022-2023

Item	CIP No.	Budget Amendment	CIP Amendment
Bailey-Hooper Road	BP-21-B01	\$1,000,000	\$1,000,000
Animal Shelter	BP-21-D01	350,000	350,000
TOTAL		\$1,350,000	\$1,350,000



General Capital Projects Fund

- Capital projects anticipated to exceed originally adopted budget
- Unfavorable bidding climate, noted adjustment forthcoming

Item	CIP No.	Budget Amendment	CIP Amendment
5 th St/Sachse Road Widening – SH78 to Miles	R-12-08	\$400,000	\$400,000
Sachse Road – SH 78 to 5 th Street*	R-17-03a	(250,000)	(250,000)
Signal Improvements- Construction	R-20-03	28,000	28,000
Major Alley Rehab. – Multiple Locations	R-21-20	274,000	274,000
5 th Street Project	R-22-05	352,000	352,000
Bailey-Hooper Road Overlay	R-22-06	275,000	275,000
Prior Year Unspent Project Authority	-	2,000,000	-
TOTAL		\$3,079,000	\$1,079,000

**Transferred to 5th Street Project (R-22-05)*



Impact Fee Fund

- October 2019 Economic Development Incentive Agreement
- Sable Hills Estates Subdivision
- Developer installs sewer service
- City economic development grant to Developer

Item	CIP No.	Budget Amendment	CIP Amendment
Ermine Roadway Project Grant	-	\$15,000	-
TOTAL		\$15,000	-



Special Revenue Fund

- CARES Act funds received in 2019-2020
- Expenditures – medical supplies, hardware/software upgrades, building renovations
- Budget authority requested to cover FY 2021-2022 expenses

Item	CIP No.	Budget Amendment	CIP Amendment
CARES Act	-	\$274,000	-
TOTAL		\$274,000	-



Street Maintenance Tax Fund

- Project authority not needed

Item	CIP No.	Budget Amendment	CIP Amendment
Anthony Lane Rehabilitation	R-19-04	-	(\$260,000)
Coral Lane	R-19-07	-	(30,000)
TOTAL		-	(\$290,000)



Utility Fund

- Capital projects anticipated to exceed originally adopted budget
- Unfavorable bidding climate
- At project awarding, staff noted adjustment was forthcoming

Item	CIP No.	Budget Amendment	CIP Amendment
Maxwell Creek Pump Station	W-14-01	-	\$155,000
Public Works Pump Station Generator	W-21-05	-	280,000
SCADA System Upgrades	W-22-07	-	140,000
West Creek-Sachse Road to Alexander*	D-21-15	-	(100,000)
TOTAL		-	\$475,000

**Project Authority Transferred to 5th Street Project (R-22-05)*



Municipal Development District Fund

- MDD Board recommended available funds to J.K. Sachse Park
- Authority to spend available sales tax and interest collections

Item	CIP No.	Budget Amendment	CIP Amendment
J.K. Sachse Park Construction	P-22-04	\$315,000	\$315,000
TOTAL		\$315,000	\$315,000



Summary of Changes

- Amendments required for budget and Capital Improvement Program

Fund	Budget Amendment	CIP Amendment
2022 Bond Construction	\$1,350,000	\$1,350,000
General Capital Projects	3,079,000	1,079,000
Impact Fee	15,000	-
Special Revenue	274,000	-
Street Maintenance Tax	-	(290,000)
Utility	-	475,000
Municipal Development District	315,000	315,000
TOTAL	\$5,033,000	\$2,929,000



Recommended Action

- Approve an ordinance authorizing certain Budget and Capital Improvement Program amendments pertaining to the Fiscal Year 2021-2022 Budget and Capital Improvement Program



Attachment A
Budget Amendment to Capital Improvement Program Reconciliation

Fund / Item	CIP No.	Exhibit A	Exhibit B
		Budget Amendment	Capital Improvement Program
2022 Bond Construction Fund			
Bailey-Hooper Road	BP-21-B01	\$1,000,000	\$1,000,000
Animal Shelter	BP-21-D01	350,000	350,000
		1,350,000	1,350,000
General Capital Projects Fund			
5th Street/Sachse Road Widening - SH 78 to Miles	R-12-08	400,000	400,000
Sachse Road - SH 78 to 5th Street	R-17-03a	(250,000)	(250,000)
Signal Improvements - Construction	R-20-03	28,000	28,000
Major Alley Rehabilitation - Multiple Locations	R-21-20	274,000	274,000
5th Street Project	R-22-05	352,000	352,000
Bailey-Hooper Road Overlay	R-22-06	275,000	275,000
Prior Year Unspent Project Authority	-	2,000,000	-
		3,079,000	1,079,000
Impact Fee Fund			
Ermine Roadway Grant	-	15,000	-
		15,000	-
Special Revenue Fund			
CARES Act	-	274,000	-
		274,000	-
Street Maintenance Tax Fund			
Anthony Lane Rehabilitation	R-19-04	-	(260,000)
Coral Lane	R-19-07	-	(30,000)
		-	(290,000)
Utility Fund			
Maxwell Creek Pump Station	W-14-01	-	155,000
Public Works Pump Station Generator	W-21-05	-	280,000
SCADA System Upgrades	W-22-07	-	140,000
Westcreek-Sachse Road to Alexander	D-21-15	-	(100,000)
		-	475,000
Municipal Development District Fund			
J.K. Sachse Park Construction	P-22-04	315,000	315,000
		315,000	315,000
TOTAL		\$5,033,000	\$2,929,000

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF SACHSE, TEXAS ("CITY"), AUTHORIZING CERTAIN BUDGET AND CAPITAL IMPROVEMENT PROGRAM AMENDMENTS PERTAINING TO THE FISCAL YEAR 2021-2022 BUDGET AND CAPITAL IMPROVEMENT PROGRAM; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City is required by the City Charter to approve a budget amendment by ordinance and upon approval of such amendment shall become an attachment to the original budget; and

WHEREAS, a budget amendment has been prepared for certain appropriations and expenditures in the 2021-2022 Budget and submitted to the City Council for approval and a true and correct copy is attached as Exhibit A; and

WHEREAS, the Capital Improvement Program is adopted in conjunction with the adoption of the budget; and

WHEREAS, amendments to the Capital Improvement Program are attached as Exhibit B.

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

SECTION 1. Pursuant to the City Charter requirements of the City of Sachse, Texas, in the year 2021-2022, a Budget Amendment attached as Exhibit A is hereby authorized and approved.

SECTION 2. Pursuant to the City Charter requirements of the City of Sachse, Texas, in the year 2021-2022, an amendment to the Capital Improvement Program attached as Exhibit B is hereby authorized and approved.

SECTION 3. This Ordinance shall take effect immediately from and after its passage as the law in such cases provides.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas this the 19th day of September, 2022.

APPROVED:

Jeff Bickerstaff
Mayor

DULY ENROLLED:

Leah K Granger
City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr.
City Attorney

Exhibit "A"
City of Sachse
Budget Fiscal Year Beginning October 1, 2021

Fund	2021-2022		
	Adopted Budget	Amendments	Amended Budget
General Fund	\$21,503,823	-	\$21,503,823
<u>Other Governmental Funds</u>			
2022 Bond Construction Fund	-	1,350,000	1,350,000
General Capital Projects Fund	1,950,000	3,079,000	5,029,000
Debt Service Fund	7,092,318	-	7,092,318
Impact Fee Fund	1,300,000	15,000	1,315,000
Special Revenue Fund	935,500	274,000	1,209,500
Street Maintenance Tax Fund	530,000	-	530,000
Vehicle/Equipment Replacement Fund	2,035,334	-	2,035,334
<u>Internal Service Funds</u>			
Health Insurance Fund	1,762,965	-	1,762,965
<u>Enterprise Funds</u>			
Utility Fund	13,300,583	-	13,300,583
<u>Component Units</u>			
Economic Development Corporation	627,204	-	627,204
Municipal Development District	1,449,000	315,000	1,764,000
Total City Budget	\$52,486,727	\$5,033,000	\$57,519,727

Exhibit "B"
2021-2022 Capital Improvement Program

EXPENDITURES

CIP No.	Project	Estimated Capital Project Cost	Budget Thru FY 20-21	FY 21-22 Budget	21-22 Amendments	Budget Thru FY 21-22
Streets						
R-12-08	5th Street/Sachse Road Widening - SH 78 to Miles ^(U)	6,702,100	6,302,100	-	400,000	6,702,100
R-12-13	Merritt Road Re-alignment & Widening ^(U)	6,000,000	5,000,000	-	-	5,000,000
R-13-03	Pleasant Valley Road ^(U)	300,000	300,000	-	-	300,000
R-17-03a	Sachse Road - SH 78 to 5th Street*	-	250,000	-	(250,000)	-
R-19-02	Brookview Drive - Phase 1	60,000	60,000	-	-	60,000
R-19-03	Hilltop Trail & Meadow Lane Rehabilitation ^(U)	600,000	300,000	300,000	-	600,000
R-19-04	Anthony Lane Rehabilitation ^(U)	200,000	230,000	230,000	(260,000)	200,000
R-19-07	Coral Lane ^(C/SC)	50,000	80,000	-	(30,000)	50,000
R-20-03	Signal Improvements - Construction ^(U)	1,423,395	1,395,395	-	28,000	1,423,395
IF-21-01	Roadway Impact Fee Study ^(U)	50,000	50,000	-	-	50,000
R-21-02	Hudson Drive ^(U)	3,000,000	400,000	1,300,000	-	1,700,000
R-21-04	Bunker Hill (The Station Blvd.)	1,650,000	1,650,000	-	-	1,650,000
R-21-20	Major Alley Rehabilitation - Multiple Locations ^(U)	946,000	672,000	-	274,000	946,000
R-21-21	2021 Asphalt Roadway Improvements	63,500	63,500	-	-	63,500
R-21-23	Eastview Drive - Pleasant Valley to End	-	-	-	-	-
R-22-01	2022 Alley Projects	950,000	-	650,000	-	650,000
R-22-05	5th Street Project*	3,000,000	-	-	352,000	352,000
R-22-06	Bailey-Hooper Road Overlay	275,000	-	-	275,000	275,000
Subtotal Streets		27,069,995	16,752,995	2,480,000	789,000	20,021,995

Water

W-12-15	Southwest Water Tower Construction ^(C/SC)	2,000,000	2,000,000	-	-	2,000,000
W-14-01	Maxwell Creek Pump Station ^(U)	5,765,000	310,000	-	155,000	465,000
W-14-02	12-inch WL Pleasant Valley from Eastview to Ben Road ^(U)	450,000	450,000	-	-	450,000
W-14-07	8-inch WL 3rd Street from SH 78 to Ingram	80,000	80,000	-	-	80,000
W-14-08	8-inch WL Cartwright from 3rd Street to Big Valley	50,000	50,000	-	-	50,000
IF-21-01	Roadway Impact Fee Study ^(U)	50,000	50,000	-	-	50,000
W-21-05	Public Works Pump Station Generator ^(U)	680,000	200,000	200,000	280,000	680,000
W-21-06	Sachse Road Upsize ^(C/SC)	360,000	360,000	-	-	360,000
W-21-07	5th Street District Improvements	450,000	450,000	-	-	450,000
W-21-08	Hilltop Trail/Meadow Lane Utility Rehab	450,000	200,000	-	-	200,000
W-22-07	SCADA System Upgrades	140,000	-	-	140,000	140,000
Subtotal Water		10,475,000	4,150,000	200,000	575,000	4,925,000

* Project authority transferred from Sachse Road - SH 78 to 5th Street (R-17-03a) and Westcreek-Sachse Road to Alexander (D-21-15) to 5th Street Project (R-22-05).

Sewer

SS-12-09	Southeast Sewer Expansion: Trunk Line A from Sachse Rd to SE Lift Station ^(U)	5,000,000	5,000,000	-	-	5,000,000
SS-12-12	8-inch trunk line on south side of PGBT to Line "C" ^(U)	90,000	90,000	-	-	90,000
SS-12-13	8-inch trunk line on north side of PGBT to Line "C" ^(U)	260,000	260,000	-	-	260,000
SS-12-14	Line "D" - 10-inch trunk line from south of PGBT to MRLS	-	-	-	-	-
SS-12-15	8-inch mains (East-West) connecting to Line "D"	-	-	-	-	-
SS-12-16	8-inch branch line north of PGBT to Line "C" ^(U)	172,000	172,000	-	-	172,000
SS-12-18	Line "E" - 10-inch trunk line from Line "G" along south City Limits	-	-	-	-	-

Exhibit "B"
2021-2022 Capital Improvement Program

CIP No.	Project	Estimated Capital Project Cost	Budget Thru FY 20-21	FY 21-22 Budget	21-22 Amendments	Budget Thru FY 21-22
SS-17-02	8-inch Main - Anthony Lane from Williford Road to Bailey Road ^(U)	802,000	375,000	427,000	-	802,000
SS-18-01	Ingram Road Sewer Relief	200,000	200,000	-	-	200,000
IF-21-01	Roadway Impact Fee Study ^(U)	50,000	50,000	-	-	50,000
SS-21-09	Sachse Road Sewer Upsize ^(U)	60,000	60,000	-	-	60,000
SS-21-10	Sable Hills Lift Station Expansion	1,101,000	101,000	1,000,000	-	1,101,000
SS-21-11	Hilltop Trail/Meadow Lane Utility Rehab	2,450,000	200,000	-	-	200,000
SS-21-12	Sewer Rehab Hwy 78 at Old City Hall	249,000	249,000	-	-	249,000
Subtotal Sewer		10,434,000	6,757,000	1,427,000	-	8,184,000

Drainage

D-17-15	Vicksburg Drainage Easement ^(U)	451,409	451,409	-	-	451,409
D-21-15	Westcreek-Sachse Road to Alexander ^{(C/SC)*}	100,000	100,000	-	(100,000)	-
D-22-02	Third Garland Connection Creek Stabilization ^(U)	1,575,000	-	75,000	-	75,000
D-22-03	Sachse South Drainage Study ^(U)	75,000	-	75,000	-	75,000
Subtotal Drainage		7,701,409	551,409	150,000	(100,000)	601,409

Parks & Trails

P-17-04	Joe Stone Park Restroom ^(U)	110,000	110,000	-	-	110,000
T-17-02	Sachse Road/5th Street Trail ^(U)	150,000	150,000	-	-	150,000
T-17-04	Muddy Creek Trail - Sachse Rd to Pleasant Valley Rd ^(U)	695,000	695,000	-	-	695,000
T-17-05	Joe Stone Loop Trail	90,000	90,000	-	-	90,000
P-21-16	J.K. Sachse Park Concept Plan and Design ^(U)	249,000	249,000	-	-	249,000
P-22-04	J.K. Sachse Park Construction ^(U)	6,929,750	-	1,449,000	315,000	1,764,000
Subtotal Parks & Trails		8,223,750	1,294,000	1,449,000	315,000	3,058,000

Bond Proposition 2021

BP-21-A01	Sachse Road Phase 2	14,675,000	-	-	-	-
BP-21-A02	Sachse Road Phase 3	8,710,000	-	-	-	-
BP-21-B01	Streets & Roads - Bailey-Hooper Road	10,660,000	-	-	1,000,000	1,000,000
BP-21-B02	Streets & Roads - West Creek	7,170,000	-	-	-	-
BP-21-B03	Streets & Roads - Williford Road	2,820,000	-	-	-	-
BP-21-C01	Neighborhood Package	5,000,000	-	-	-	-
BP-21-D01	Animal Shelter	5,000,000	-	-	350,000	350,000
Subtotal Bond Proposition 2021		54,035,000	-	-	1,350,000	1,350,000

TOTAL CAPITAL IMPROVEMENT PROGRAM		118,059,154	29,505,404	5,706,000	2,929,000	38,140,404
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* Project authority transferred from Sachse Road - SH 78 to 5th Street (R-17-03a) and Westcreek-Sachse Road to Alexander (D-21-15) to 5th Street Project (R-22-05).

LEGEND

^(C/SC) - Project Complete, or Substantially Complete
^(U) - Project Underway



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	5. Consider a resolution authorizing the submittal of an Office of the Governor Bullet Resistant Shield Grant application, and name Chief Bryan Sylvester as the authorizing official to accept the grant, if awarded.
Access	Public
Type	Action, Discussion
Fiscal Impact	Yes
Dollar Amount	52,099.60
Budgeted	No
Budget Source	Grant Funds
Recommended Action	Approve a resolution authorizing the submittal of an Office of the Governor Bullet Resistant Shield Grant application, and name Chief Bryan Sylvester as the authorizing official to accept the grant, if awarded.

Public Content

BACKGROUND

The State of Texas has authorized approximately fifty million dollars (\$50M) to be awarded through the Bullet Resistant Shield Grant Program to municipal and independent school district police departments for the purchase of bullet resistant shields.

The Sachse Police Department currently has two of these shields which are in need of replacement and desires to expand procurement to seven shields in total to be disbursed throughout the patrol fleet.

OVERVIEW

The Sachse Police Department is requesting Fifty-Two Thousand, Ninety-Nine and 60/100 Dollars (\$52,099.60) for a total of seven bullet resistant shields through the grant program. Assistant Chief Baxter will provide an overview of the grant and the intended purpose.

POLICY CONSIDERATIONS

A resolution from the governing body is required as a component of the grant process.

RECOMMENDATION

Approve a resolution authorizing the submittal of an Office of the Governor Bullet Resistant Shield Grant application, and name Chief Bryan Sylvester as the authorizing official to accept the grant, if awarded.

[Presentation_State Shield Grant.pdf \(326 KB\)](#)

[Resolution_Approving Grant Submission Re Bullet Resistant Shield Grant Program.pdf \(73 KB\)](#)

Office of the Governor

Bullet Resistant Shield Grant Program

City Council
September 19, 2022



Background

- The Office of the Governor has authorized specific funding in support of school safety.
- Approximately fifty million dollars (\$50M) has been allocated for law enforcement agencies to purchase portable ballistic shields.
- The department currently has two shields and is desiring to increase this number to seven (7) total that will be deployed throughout the patrol fleet.
- Staff has completed the application process and seeks Council authorization via resolution to accept the grant if awarded.



Grant Application

- Direct funding, 100%, no match required.
- The shields will be Vanguard L, Level III with viewport and light.
- Each shield costs \$7,442.80 for a total of \$52,099.60.



Recommendation

- Staff recommends approval of the resolution authorizing the submittal of an Office of the Governor Bullet Resistant Shield Grant application, and name Chief Bryan Sylvester as the authorizing official to accept the Grant if awarded.



Honor
Integrity



Respect
Compassion



RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING THE SUBMISSION OF A GRANT APPLICATION ON BEHALF OF THE SACHSE POLICE DEPARTMENT TO THE OFFICE OF THE GOVERNOR, PUBLIC SAFETY OFFICE, TO REQUEST FUNDING UNDER THE BULLET-RESISTANT SHIELD GRANT PROGRAM FY2023, IN THE TOTAL AMOUNT OF FIFTY-TWO THOUSAND, NINETY-NINE AND 60/100 DOLLARS (\$52,099.60), FOR THE PURCHASE OF SEVEN (7) BULLET-RESISTANT SHIELDS TO BE UTILIZED BY SACHSE POLICE OFFICERS; AUTHORIZING SACHSE POLICE CHIEF BRYAN SYLVESTER TO ACT AS THE AUTHORIZED OFFICIAL ON THE GRANT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Sachse finds it in the best interest of the residents of Sachse to submit a grant application on behalf of the Sachse Police Department to the Office of the Governor, Public Safety Office, to request funding in the total amount of Fifty-Two Thousand, Ninety Nine and 60/100 Dollars (\$52,099.60), under the Bullet-Resistant Shield Grant Program, for the purchase of seven (7) bullet-resistant shields to be utilized by Sachse Police Officers; and

WHEREAS, the City Council agrees that in the event of loss or misuse of the Office of the Governor funds, the City Council assures that the funds will be returned to the Office of the Governor in full.

WHEREAS, the City Council designates Police Chief Bryan Sylvester as the City's authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the Grant on behalf of the City of Sachse.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The City Council of the City of Sachse approves submission of the grant application to the Office of the Governor to request funding under the Bullet-Resistant Shield Grant Program in the total amount of Fifty-Two Thousand, Ninety-Nine and 60/100 Dollars for the purchase of seven (7) bullet-resistant shields to be utilized by Sachse Police Officers.

SECTION 2. Sachse Police Chief Bryan Sylvester shall act as the authorized official on the Grant and shall have the power to apply for, accept, reject, alter, or terminate the Grant on behalf of the City of Sachse.

SECTION 3. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas,
this the 19th day of September, 2022.

CITY OF SACHSE, TEXAS

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, City Secretary
(09-08-2022:TM 131392)



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	F. Executive Session
Subject	1. The City Council shall convene into Executive Session pursuant to the Texas Government Code, Section §551.074: Personnel Matters, regarding the review of the City Attorney.
Access	Public
Type	Closed Session

Public Content

BACKGROUND

According to Section 4.04 of the Sachse Home Rule Charter, the City Council appoints and determines compensation for the City Attorney and special or additional counsel as necessary.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Conduct Executive Session as appropriate.



Agenda Item Details

Meeting	Sep 19, 2022 - City Council Meeting
Category	G. Regular Agenda Items/Meeting Closing
Subject	1. Take action as a result of Executive Session pursuant to the Texas Government Code, Section §551.074: Personnel Matters: Regarding the review of the City Attorney.
Access	Public
Type	Action, Discussion
Recommended Action	Take action as a result of Executive Session pursuant to the Texas Government Code, Section §551.074: Personnel Matters: Regarding the review of the City Attorney.

Public Content