

Denton County
Juli Luke
County Clerk

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ORDER

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STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

ORDINANCE NO. 2021-02

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND PHASE #1 ASSESSMENT ROLL FOR THE EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN PHASE #1 OF THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN PHASE #1 OF THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on March 20, 2020 a petition was submitted and filed with the City Secretary (the "City Secretary") of the City of Celina, Texas (the "City") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act"), requesting the creation of a public improvement district in the extraterritorial jurisdiction of the City; and

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

WHEREAS, on May 12, 2020, after due notice, the City Council of the City (the "City Council") held a public hearing in the manner required by law on the advisability of the public improvements and services described in the petition as required by Section 372.009 of the PID Act and made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2020-33R (the "Authorization Resolution") adopted by a majority of the members of the City Council, authorized and created the Edgewood Creek Public Improvement District (the "District") in accordance with its finding as to the advisability of the Authorized Improvements; and

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

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

WHEREAS, on December 8, 2020, the City Council adopted a resolution approving a preliminary service and assessment plan, including a proposed assessment roll for Phase #1 of the District; calling for a public hearing to consider an ordinance levying assessments on property within Phase #1 of the District (the "Assessments"); authorizing and directing the City Secretary of the City to file the proposed assessment roll for Phase #1 of the District and make

such assessment roll available for public inspection; authorizing and directing the publication of notice of a public hearing to consider the levying of the Assessments against the property within Phase #1 of the District (the "Levy and Assessment Hearing"); authorizing and directing the mailing of notice of the Levy and Assessment Hearing to owners of property liable for assessment; and directing related action; and

WHEREAS, on December 10, 2020 the City Secretary filed the Phase #1 Assessment Roll (defined below) and made the same available for public inspection; and

WHEREAS, the City Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Levy and Assessment Hearing on December 21, 2020 in *The Celina Record*, a newspaper of general circulation in the City and in the part of the City's extraterritorial jurisdiction in which the District is located; and

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

WHEREAS, the City Council opened the Levy and Assessment Hearing on January 12, 2021, and at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Phase #1 Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the estimated costs of the Authorized Improvements to be undertaken for the benefit of the Phase #1 Assessed Property (the "Phase #1 Projects"), the purposes of the Assessments, the special benefits of the Phase #1 Projects, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the City Council finds and determines that the Phase #1 Assessment Roll and the Edgewood Creek Public Improvement District Service and Assessment Plan, dated January 12, 2021, in a form substantially similar to the attached **Exhibit A**, which final form shall be approved by the City Manager and the City's land use attorney (the "Service and Assessment Plan"), and which is incorporated herein for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan and the assessment roll attached thereto as Appendix F (the "Phase #1 Assessment Roll"); and

WHEREAS, the City Council further finds that there were no objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the Actual Costs of the Phase #1 Projects (as described in the Service and Assessment Plan), the Phase #1 Assessment Roll, or the levy of the Assessments against the Phase #1 Assessed Property; and

WHEREAS, the owners (the "Landowners"), or their representatives, of the majority of the privately-owned and taxable property located within Phase #1 of the District, who are the persons to be assessed pursuant to this Ordinance, have previously indicated their approval

and acceptance of the Service and Assessment Plan, approval of the Phase #1 Assessment Roll, approval of this Ordinance, and approval of the levy of the Assessments against their property located within Phase #1 of the District; and

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

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

Section 1. Terms.

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

Section 2. Findings.

The findings and determinations set forth in the preambles hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section. The City Council hereby finds, determines, and ordains, as follows:

(a) The apportionment of the estimated costs of the Phase #1 Projects and the Administrative Expenses (as reflected in the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each assessed parcel within the Phase #1 Assessed Property will receive from the construction of the Phase #1 Projects identified in the Service and Assessment Plan, and is hereby approved;

(b) The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Phase #1 Projects;

(c) The Service and Assessment Plan apportions the estimated costs of the Phase #1 Projects to be assessed against the Phase #1 Assessed Property as Assessments and such apportionment is made on the basis of special benefits accruing to the property because of the Phase #1 Projects;

(d) All of the real property in Phase #1 of the District which is being assessed in the amounts shown in the Phase #1 Assessment Roll will be benefited by the Phase #1 Projects proposed to be constructed as described in the Service and Assessment Plan, and each assessed parcel of Phase #1 Assessed Property will receive special benefits in each year equal to or greater than each annual Assessment against such property and will receive special benefits during the term of the Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the estimated costs of Phase #1 Projects and Administrative Expenses set forth in the Service and Assessment Plan results in

imposing equal shares of the estimated costs of the Phase #1 Projects and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the estimated costs;

(f) The Service and Assessment Plan should be approved as the service plan and assessment plan for the District as described in Sections 372.013 and 372.014 of the PID Act;

(g) The Phase #1 Assessment Roll should be approved as Phase #1 Assessment Roll for the Phase #1 Assessed Property within the District;

(h) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the services and improvements needed and required for Phase #1 of the District; and

(i) A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

Section 3. Service and Assessment Plan.

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan for the District.

Section 4. Phase #1 Assessment Roll.

The Phase #1 Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Phase #1 Assessment Roll of the District.

Section 5. Levy and Payment of Assessments for Estimated Costs of the Phase #1 Projects.

(a) The City Council hereby levies an assessment on each parcel of Phase #1 Assessed Property (excluding Non-Benefitted Property, as described in the Service and Assessment Plan), as shown and described in the Service and Assessment Plan and the Phase #1 Assessment Roll, in the respective amounts shown on the Phase #1 Assessment Roll, as a special assessment on the properties set forth in the Phase #1 Assessment Roll.

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

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

(d) Each Assessment may be paid in a lump sum at any time or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

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

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

(g) The Administrative Expenses for Phase #1 Assessed Property shall be calculated and collected pursuant to the terms of the Service and Assessment Plan.

Section 6. Method of Assessment.

The method of apportioning the Actual Costs of the Phase #1 Projects and Administrative Expenses are set forth in the Service and Assessment Plan.

Section 7. Penalties and Interest on Delinquent Assessments.

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

Section 8. Prepayments of Assessments.

As provided in Section VI of the Service and Assessment Plan, the owner of any Phase #1 Assessed Property subject to an Assessment may prepay the Assessments levied by this Ordinance.

Section 9. Lien Priority.

The City Council and the Landowners intend for the obligations, covenants and burdens on the Landowners of each parcel of Phase #1 Assessed Property, including without limitation such Landowners' obligations related to payment of the Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the Landowners, as the owners of each parcel of Phase #1 Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. Appointment of Administrator and Collector of Assessments.

(a) Appointment of Administrator.

MuniCap, Inc., is hereby appointed and designated to initially serve, or until otherwise determined by the City Council, as the Administrator of the Service and Assessment Plan and of the Assessments levied by this Ordinance. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator's fees, charges and expenses for providing such service shall constitute an Administrative Expense.

(b) Appointment of Collector.

The Denton County Tax Assessor/Collector is hereby appointed and designated as the collector of the Assessments.

Section 11. Applicability of Tax Code.

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

Section 12. Filing in Land Records. The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and/or the Phase #1 Assessment Roll, to be recorded in the real property records of Denton County. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council.

Section 13. Severability.

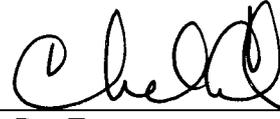
If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of the same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity or any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section 14. Effective Date.

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

PASSED AND ADOPTED, this the 12th day of January, 2021.

CITY OF CELINA, TEXAS



Mayor Pro Tem

ATTEST:



City Secretary

(City Seal)

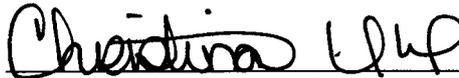


STATE OF TEXAS

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COUNTY OF COLLIN

This instrument was acknowledged before me on the 13 day of Jan, 2021 by Chad Anderson and Vicki Tarrant, Mayor Pro Tem and Secretary, respectively, of the City of Celina, Texas on behalf of said City.



Notary Public, State of Texas

(SEAL)

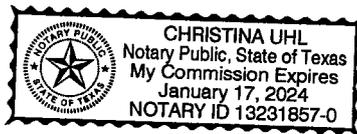


EXHIBIT A

Service and Assessment Plan

EDGEWOOD CREEK
PUBLIC IMPROVEMENT DISTRICT

CITY OF CELINA, TEXAS

PRELIMINARY SERVICE AND ASSESSMENT PLAN

January 12, 2021

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On May 12, 2020 (the “Creation Date”) the City Council (the “City Council”) of the City of Celina, Texas (the “City”) passed and approved Resolution No. 2020-33R approving and authorizing the creation of the Edgewood Creek Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in such public improvement district (the “Authorized Improvements”), all of which was located within the extraterritorial jurisdiction of the City at the time the PID was created.

The property in the PID is proposed to be developed in approximately three phases, and the PID will finance public improvements for each phase as each phase is developed. Assessments will be imposed on all property in the PID for the public improvements that benefit the entire PID and on the property in each phase for the public improvements to be constructed for the benefit of that phase.

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

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

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

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

B. Definitions

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

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

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

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

“Additional Interest” means the 0.50% additional interest rate charged on Assessments (if applicable) pursuant to Section 372.018 of the PID Act.

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

“Administrator” means the employee or designee of the City, identified in any indenture of trust relating to the Bonds or in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation

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

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Rolls attached hereto as Appendix E and Appendix F, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Additional Interest Component designated for the Additional Interest Reserve described in Section V of this Service and Assessment Plan, and (iii) the Administrative Expenses.

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

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

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

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

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

“Assessment Roll” means, as applicable, the Phases #2-3 Major Improvement Assessment Roll, the Phase #1 Assessment Roll or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

“Bonds” mean any bonds issued by the City in one or more series and secured in whole or in part by the Assessment Revenues.

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

“City” means the City of Celina, Texas.

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

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

“Development Agreement” means that certain “Development Agreement (Edgewood Creek)” by and between the City and Centurion American Acquisitions, LLC, a Texas limited liability company, and related to the Property effective October 8, 2020, as assigned to the Developer, and as the same may be amended from time to time.

“Developer” means MM Edgewood Creek, LLC, a Texas limited liability company.

“Future Phases” means Phases that are fully developed after Phase #1, as such areas are generally depicted in Appendix A. The Future Phases are subject to adjustment and are shown for example only.

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

“Homeowner Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a homeowner’s association.

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

“Lot Type” means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“Major Improvements” or “MI” mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

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

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

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

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

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

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

“Phase #1 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix F, as updated, modified or amended from time to time in accordance with the

procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phase #1 Bonds” mean those certain City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Edgewood Creek Public Improvement District Phase #1 Project) that are secured primarily by Phase #1 Assessment Revenues.

“Phase #1 Maximum Assessment Per Unit” means for Phase #1 an Assessment per unit for Phase #1 Improvements not to exceed \$29,766.63.

“Phase #1 Projects” mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Phase #1 Improvements .

“Phase #1 Improvements” mean the Authorized Improvements which only benefit Phase #1 Assessed Property, which are described in Section III.C.

“Phase #1 Reimbursement Agreement” means that certain Edgewood Creek Public Improvement District Phase #1 Reimbursement Agreement expected to be dated by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of Authorized Improvements and the City agrees to reimburse the Developer for a portion of such Actual Costs funded by the Developer with interest as permitted by the PID Act.

“Phased PID Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Phase or in Phases. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels located within the Phase(s) in question.

“Phases #2-3” mean the property within the PID excluding Phase #1 which is to be developed subsequent to Phase #1 and generally depicted in Appendix A of this Service and Assessment Plan or any Annual Service Plan Update.

“Phases #2-3 Assessed Property” means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Phase #1.

“Phases #2-3 Major Improvement Maximum Assessment Per Unit” means for Phases #2-3 Major Improvements an Assessment per unit for Phases #2-3 Major Improvements not to exceed \$6,337.00.

“Phases #2-3 Major Improvements” mean the pro rata portion of the Major Improvements allocable to Phases #2-3, which are described in Section III.

“Phases #2-3 Major Improvement Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments levied against Phases #2-3 Assessed Property, or the Annual Installments thereof, for the Phase #2-3 Major Improvements.

“Phases #2-3 Major Improvement Assessment Roll” means the document included in this Service and Assessment Plan as Appendix E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phases #2-3 Major Improvement Bonds” mean those certain City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Edgewood Creek Public Improvement District Phases #2-3 Major Improvement Project) that are secured primarily by Phases #2-3 Major Improvement Assessment Revenues.

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

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

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

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

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

“TIRZ No. 12” means the Tax Increment Reinvestment Zone No. 12, City of Celina, Texas.

“TIRZ Credit” means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to Section VI of this Service and Assessment Plan.

“TIRZ Ordinance” means an ordinance adopted by the City Council authorizing the use of TIRZ Revenues for project costs under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to the Authorized Improvements as provided for in the Tax Increment Reinvestment Zone No. 12 Project Plan and Financing Plan (including amendments or supplements thereto).

“TIRZ Revenues” mean, for each year, the amounts paid by the City from the TIRZ No. 12 tax increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated each year by the Administrator in collaboration with the City, in accordance with Section VI of this Service and Assessment Plan.

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

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

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II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the City and contains approximately 246.54 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 847 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID.

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

**Table II-A
Proposed Development**

Proposed Development	Quantity	Measurement
Single-Family - 50 Ft	847	Units
Total	847	Units

B. PROPERTY INCLUDED IN PHASE #1 AND PHASES #2-3

Phase #1 consists of approximately 63 acres and is projected to consist of 301 single family residential units, to be developed as Phase #1, as further described in Section III. Phases #2-3 consist of approximately 184 acres and are projected to consist of approximately 546 residential units. A map of the property within Phase #1 and Phases #2-3 and depicting the boundaries of each proposed Phase is shown in Appendix A.

C. PROPERTY INCLUDED IN FUTURE PHASES

As Future Phases are developed, Phased PID Bonds may be issued for each new phase. In connection with the issuance of each new Phased PID Bonds, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) as shown for Phase #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix E and Appendix F.

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

III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian malls;
- (v) acquisition and installation of pieces of art;
- (vi) acquisition, construction, or improvement of libraries;
- (vii) acquisition, construction, or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
- (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x);
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
- (xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed in Section III.B and III.C. below and shown in the opinion of probable costs and on the diagrams included as Appendix

B for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. DESCRIPTIONS AND COSTS OF MAJOR IMPROVEMENTS

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of lots. Each of Phase #1 and Phases #2-3 will be proportionally allocated the costs of the Major Improvements, as shown on Table III-A below.

The Major Improvements descriptions are presented below as provided by the project engineer. The costs of the Major Improvements are shown in Table III-A. The costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Major Improvements follows:

Storm Drainage Improvements

The storm drainage improvement portion of the Major Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Major Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed according to Mustang Special Utility District (“MSUD”) and City standards and specifications and will be owned and operated by the MSUD.

Water Improvements

The water improvement portion of the Major Improvements consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to MSUD and City standards and specifications and will be owned and operated by the MSUD.

Roadway Improvements

The roadway improvement portion of the Major Improvements consists of the construction of entrance road improvements, including related paving, drainage, curbs, gutters, sidewalks,

retaining walls, signage, and traffic control devices, which benefit the Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Landscaping and Hardscaping

The landscaping improvement portion of the Major Improvements consists of landscaping and hardscaping.

Table III-A
Estimated Major Improvement Costs

Authorized Improvements	Total Major Improvement Costs	Phase #1 Allocated Amount	Phases #2-3 Allocated Amount
Road Improvements	\$610,000	\$216,777	\$393,223
Water Improvements	\$313,025	\$111,240	\$201,785
Sanitary Sewer Improvements	\$303,800	\$107,962	\$195,838
Storm Drainage Improvements	\$500,000	\$177,686	\$322,314
Landscaping & Retaining Walls	\$1,111,788	\$395,098	\$716,690
Other Soft and Miscellaneous Costs	\$1,163,232	\$413,380	\$749,852
Total Authorized Improvements	\$4,001,846	\$1,422,144	\$2,579,702

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the Total Authorized Improvements amount relating to Phase #1, and Phases #2-3 does not change.

C. DESCRIPTIONS OF PHASE #1 IMPROVEMENTS AND COSTS OF PHASE #1 PROJECTS

The Phase #1 Improvements descriptions are presented below as provided by the project engineer. The Phase #1 Projects include Phase #1's proportionate share of the costs of the Major Improvements and the costs of the Phase #1 Improvements. The costs of the Phase #1 Projects are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Phase #1 Improvements are as follows, and a description of the Major Improvements that are a portion of the Phase #1 Projects can be found in Section III-B above.

Storm Drainage Improvements

The storm drainage improvement portion of the Phase #1 Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Phase #1 Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Phase #1 Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Phase #1 Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and City standards and specifications and will be owned and operated by the MSUD.

Water Improvements

The water improvements portion of the Phase #1 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Phase #1 Assessed Property. The water improvements will be designed and constructed according to MSUD and City standards and will be owned and operated by the MSUD.

Road Improvements

The road improvement portion of the Phase #1 Improvements consists of the construction of road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Phase #1 Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Table III-B
Estimated Phase #1 Project Costs

Authorized Improvements	Proportional Share of Major Improvements	Phase #1 Improvement Costs	Total
Road Improvements	\$216,777	\$2,068,568	\$2,285,345
Water Improvements	\$111,240	\$549,505	\$660,745
Sanitary Sewer Improvements	\$107,962	\$799,169	\$907,131
Storm Drainage Improvements	\$177,686	\$779,297	\$956,983
Landscaping & Retaining Walls	\$395,098	\$0	\$395,098
Other Soft and Miscellaneous Costs	\$413,380	\$2,334,275	\$2,747,655
Total Authorized Improvements	\$1,422,144	\$6,530,815	\$7,952,958

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-B may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the Total Authorized Improvements amount does not change.

D. FUTURE PHASES

As Future Phases are developed and Phased PID Bonds are issued, this SAP will be amended to identify the specific Future Phase Improvements that confer a special benefit to the property inside each Future Phase (e.g. a Table III-C will be added to show the costs for the specific Authorized Improvements financed within the specific Future Phase being developed.)

IV. SERVICE PLAN

A. SOURCES AND USES OF FUNDS

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five year period. It is anticipated that it will take approximately 12 months to construct the Phase #2-3 Major Improvements and approximately 12 months for the Phase #1 Projects to be constructed. At some point after all or a portion of the Phase #2-3 Major Improvements and Phase #1 Projects are constructed, phase #2 will begin development. After phase #2 is developed, it is anticipated that phase #3 will begin development, with each Future Phase to be subsequently developed corresponding to the Service and Assessment Plan to be updated with that development.

The Actual Costs for Phases #2-3 Major Improvements plus costs related to the issuance of the Phases #2-3 Major Improvement Bonds and payment of expenses incurred in the establishment, administration and operation of the PID is \$3,460,000 as shown in Table IV-A. The Actual Costs for Phase #1 Projects plus costs related to the issuance of the Phase #1 Bonds and payment of expenses incurred in the establishment, administration and operation of the PID is \$8,959,757 as shown in Table IV-B. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

As Future Phases are developed in connection with the issuance of Phased PID Bonds, this Service and Assessment Plan will be amended (e.g. Table IV-C will be added for Phase #2, etc.).

The Phases #2-3 Major Improvement Bonds shown in Table IV-A are anticipated to be issued in 2021 and will be used to finance a portion of the costs of Phases #2-3 Major Improvements.

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Table IV-A
Estimated Sources and Uses – Phases #2-3 Major Improvement Area

Sources of Funds	Phases #2-3 Major Improvement Bonds
Par amount	\$3,460,000
Other funding sources	\$0
Total Sources	\$3,460,000
Uses of Funds	
<i>Major Improvements:</i>	
Road Improvements	\$393,223
Water Improvements	\$201,785
Sanitary Sewer Improvements	\$195,838
Storm Drainage Improvements	\$322,314
Landscaping & Retaining Walls	\$716,690
Other Soft and Miscellaneous Costs	\$749,852
<i>Subtotal</i>	<i>\$2,579,702</i>
<i>Bond Issuance Costs:</i>	
Cost of Issuance	\$206,440
Capitalized interest	\$287,708
Reserve Fund	\$247,350
Administrative Expense	\$35,000
Underwriters Discount	\$103,800
<i>Subtotal</i>	<i>\$880,298</i>
Total Uses	\$3,460,000

The Phase #1 Bonds are anticipated to be issued in 2021 and will be used to finance a portion of the costs of the Phase #1 Projects.

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Table IV-B
Estimated Sources and Uses – Phase #1

Sources of Funds	Phase #1		Total
	Phase #1 Bonds	Reimbursement Agreement	
Par amount	\$4,465,000	\$4,494,757	\$8,959,757
Other funding sources	\$0	\$0	\$0
Total Sources	\$4,465,000	\$4,494,757	\$8,959,757
Uses of Funds			
<i>Major Improvements:</i>			
Road Improvements	\$94,262	\$122,515	\$216,777
Water Improvements	\$48,371	\$62,869	\$111,240
Wastewater Improvements	\$46,945	\$61,017	\$107,962
Storm Drainage Improvements	\$77,264	\$100,422	\$177,686
Landscaping & Retaining Walls	\$171,801	\$223,297	\$395,098
Other Soft and Miscellaneous Costs	\$179,751	\$233,629	\$413,380
<i>Subtotal</i>	<i>\$618,394</i>	<i>\$803,750</i>	<i>\$1,422,144</i>
<i>Phase #1 Improvements:</i>			
Roadway Improvements	\$899,480	\$1,169,088	\$2,068,568
Water Improvements	\$238,942	\$310,563	\$549,505
Wastewater Improvements	\$347,505	\$451,665	\$799,169
Storm Drainage Improvements	\$338,863	\$440,434	\$779,297
Other Soft and Miscellaneous Costs	\$1,015,018	\$1,319,257	\$2,334,275
<i>Subtotal</i>	<i>\$2,839,808</i>	<i>\$3,691,007</i>	<i>\$6,530,815</i>
<i>Bond Issuance Costs:</i>			
Cost of Issuance	\$258,065	\$0	\$258,065
Capitalized interest	\$296,721	\$0	\$296,721
Reserve Fund	\$283,063	\$0	\$283,063
Administrative Expense	\$35,000	\$0	\$35,000
Underwriters Discount	\$133,950	\$0	\$133,950
<i>Subtotal</i>	<i>\$1,006,798</i>	<i>\$0</i>	<i>\$1,006,798</i>
Total Uses	\$4,465,000	\$4,494,757	\$8,959,757

As Future Phases are developed, additional Phased PID Bonds may be issued to finance the Authorized Improvements required for each new phase. Phased PID Bonds may also be issued in one or more series of Bonds.

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

Table IV-C
Annual Projected Costs and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds	Projected Phases #2-3 Major Improvement Annual Installments	Projected Phase #1 Annual Installments
2021	\$12,419,756	\$12,419,757	\$0	\$52,300	\$331,492
2022	\$0	\$0	\$0	\$53,000	\$331,293
2023	\$0	\$0	\$0	\$301,064	\$615,825
2024	\$0	\$0	\$0	\$298,380	\$612,563
2025	\$0	\$0	\$0	\$300,710	\$615,179
Total	\$12,419,756	\$12,419,757	\$0	\$1,005,454	\$2,506,353

The annual projected costs shown in Table IV-C are the annual expenditures relating to the Major Improvements shown in Table III-A, the Phase #1 Projects shown in Table III-B, and the costs associated with setting up the PID and bond issuance costs including reserves shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer. As Future Phases are developed, in association with issuing Phased PID Bonds for each Future Phase, this Table IV-C will be updated to identify the Authorized Improvements to be financed by each new series of the Phased PID Bonds and the projected indebtedness resulting from each additional series of the Phased PID Bonds.

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V. SERVICE PLAN

A. INTRODUCTION

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

The proposed bond issuance program entails a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Phase #1 Bonds and the Phases #2-3 Major Improvement Bonds anticipated to be issued in 2021, subsequent financings may be issued over the upcoming decade as the subsequent phases (Phase #2 and Phase #3) of the development are gradually constructed.

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

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt load at the VtL chosen for the development. In that case, the Developer will need to fund the additional infrastructure costs with cash at closing. This cash investment by the Developer for certain Authorized Improvements, if necessary, can be reimbursed by a subsequent parity lien bond financing, secured by the same special assessments, once the assessed property is partially or fully developed and the value has increased sufficiently to permit the issuance of the additional bonds in a prudent fashion.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Phases #2-3 Major Improvements and Phase #1 Projects shall be allocated as described on the following page:

1. The costs of the Major Improvements and portion of the Phase #1 Improvements shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The Major Improvement costs are proportionally allocated to the Phases #2-3 Assessed Property and the Phase #1 Assessed Property based on the ratio of total estimated number of units for the Phases #2-3 Assessed Property and the Phase #1 Assessed Property.
3. The Phases #2-3 Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2-3 Assessed Property based on the total estimated number of units for each Parcel.
4. The Phase #1 Projects costs are allocated to each Parcel within the Phase #1 Assessed Property based on the total estimated number of units for each Parcel.

Table V-A provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements.

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

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

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Major Improvements and Phase #1 Improvements, as applicable, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Phase #1 Assessed Property and Phases #2-3 Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Major Improvements and Phase #1 Improvements, as applicable, to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and

governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

As Future Phases are developed, in connection with the issuance of Phased PID Bonds this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

B. SPECIAL BENEFIT

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

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

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

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

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

The special assessments will repay financing that is on advantageous terms, as the Bonds issued to finance the Authorized Improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be the most beneficial means of doing so. As a result, the Authorized Improvements result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

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

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

C. ALLOCATION OF COSTS TO ASSESSED PROPERTY

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Major Improvement costs must be allocated throughout all Assessed Property in the District. Table V-A summarizes the allocation of Actual Costs for each type of Major Improvement. The costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Phase #1 is projected to contain 301 residential units. Phases #2-3 are projected to contain 546 residential units, resulting in a total projected number of units in the PID of 847. As a result, 35.54 percent of the Actual Costs of Major Improvements (i.e. $301 \div 847 = 35.54\%$) are allocated to the Phase #1 Assessed Property and 64.46 percent of the Actual Costs Major Improvements (i.e., $546 \div 847 = 64.46\%$) are allocated to the Phases #2-3 Assessed Property. The Phases #2-3 Major Improvement Bonds will fund the proportionate share of the Actual Costs of the Major Improvements allocated to Phases #2-3 and the Phase #1 Bonds and Phase #1 Reimbursement Agreement will fund Phase #1's proportionate share of the Actual Costs of the Major Improvements and the Phase #1 Improvements. One hundred percent (100%) of the Phase #1 Improvements are allocated to the Phase #1 Assessed Property.

**Table V-A
Allocation of Major Improvement Costs**

Authorized Improvement	Estimated Costs
Road Improvements	\$610,000
Water Improvements	\$313,025
Sanitary Sewer Improvements	\$303,800
Storm Drainage Improvements	\$500,000
Landscaping & Retaining Walls	\$1,111,788
Other Soft and Miscellaneous Costs	\$1,163,232
Total Major Improvements	\$4,001,846
Phase #1	
Projected total number of units	301
% of total units	35.54%
Proportionate Share of Costs	\$1,422,144
Phases #2-3	
Projected total number of units	546
% of total units	64.46%
Proportionate Share of Costs	\$2,579,702

D. ASSESSMENT METHODOLOGY

The costs of the Authorized Improvements may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized

Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

1. *Assessment Methodology for the Major Improvements for Phases #2-3*

For purpose of this Service and Assessment Plan, the City Council determined that the portion of the Major Improvement costs to be allocated to Phases #2-3 shall be allocated to the Phases #2-3 Assessed Property by spreading the entire Assessment for such improvements across the Parcels based on the estimated number of units anticipated to be developed on each Parcel.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated number of units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of units at the time residential Lots are platted to the total estimated number of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Assessment and Annual Installments for each Parcel or Lot located within Phases #2-3 is shown on the Phases #2-3 Major Improvement Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. *Assessment Methodology for Phase #1*

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Projects to be financed with the Phase #1 Bonds and Phase #1 Reimbursement Agreement, shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of units anticipated to be developed on each Parcel within Phase #1.

Based on the estimates of the costs of the Phase #1 Projects, as set forth in Table III-B, the City Council has determined that the benefit to Phase #1 Assessed Property of the Phase #1 Projects is at least equal to the Assessments levied on the Phase #1 Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated number of units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of units at the time residential Lots are platted to the total estimated number of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

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

3. *Assessment Methodology for Future Phases*

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

E. ASSESSMENTS

The Assessments for the Phases #2-3 Major Improvement Bonds, the Phase #1 Bonds, and the Phase #1 Reimbursement Agreement will be levied on each Parcel or Lot according to the Phases #2-3 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, as applicable. The Annual Installments for the Phases #2-3 Major Improvement Bonds, the Phase #1 Bonds, and the Phase #1 Reimbursement Agreement will be collected on the dates and in the amounts shown on the Phases #2-3 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, respectively, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

See Appendix D for Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

F. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on each Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

G. ADDITIONAL INTEREST RESERVE

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%) (the “Additional Interest”). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest Component of the Annual Installments allocated to fund a reserve to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs (the “Additional Interest Reserve”). The Additional Interest Reserve shall be funded until it reaches 5.50% of the outstanding Bonds unless otherwise stipulated in the Bond documents. Once the Additional Interest Reserve is funded in full, the City may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture.

H. TIRZ CREDIT

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues representing 47% of the City’s increments generated from each Parcel to offset a portion of such Parcel’s Assessments

(the “TIRZ Annual Credit Amount”). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to the Parcel then on deposit in the TIRZ No. 12 tax increment fund. The TIRZ Annual Credit Amount applicable to each Parcel shall be calculated as described under Section VI of this Service and Assessment Plan.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN PHASES #2-3

The Assessment and Annual Installments for each Assessed Property located within Phases #2-3 are shown on the Phases #2-3 Major Improvement Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Phases #2-3 Assessed Property in an amount sufficient to pay (i) principal and interest on the Phases #2-3 Major Improvement Bonds, (ii) to fund the Additional Interest Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2021 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2022). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN PHASE #1

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

The Annual Installments shall be collected from Phase #1 Assessed Property in an amount sufficient to pay (i) principal and interest on the Phase #1 Bonds and Phase #1 Reimbursement Agreement, (ii) to fund the Additional Interest Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis. As described in Section V.H., the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2021 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in

2022). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The number of units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

C. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE PHASES

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for phase #2, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

D. REALLOCATION OF ASSESSMENTS

1. Subdivision

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

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

Where the terms have the following meanings:

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

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

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

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

E. MANDATORY PREPAYMENT OF ASSESSMENTS

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

2. If at any time the Assessment per Unit on a Parcel exceeds the applicable Phase #1 Maximum Assessment per Unit or the Phases #2-3 Major Improvement Maximum Assessment per Unit calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Unit for the Parcel exceeds the applicable Phase #1 Maximum Assessment per Unit or the Phases #2-3 Major Improvement Maximum Assessment per Unit calculated in this Service and Assessment Plan.

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

F. REDUCTION OF ASSESSMENTS

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

would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

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

G. PAYMENT OF ASSESSMENTS

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

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

Each Assessment shall be paid with interest of no more than the lesser of the actual interest rate paid on the Bonds and/or related reimbursement agreement. The Phases #2-3 Major Improvement Assessment Roll sets forth for each year the Annual Installment for each Parcel within Phases #2-3 based on an interest rate of 4.750% for years 2021 through 2031, 5.250% for years 2032 through 2041, and 5.50% for years 2042 through 2050, and additional interest at the rate of 0.5% for the Additional Interest Reserve. The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel within Phase #1 based on an interest rate of 3.250% for years 2021 through 2026, 3.750% for years 2027 through 2031, 4.250% for years 2032 through 2041, and 4.50% for years 2042 through 2050 for the Phase #1 Bonds and 4.57% for the Phase #1 Reimbursement Agreement based on the Bond Buyer index for December 24, 2020, and an additional interest at the rate of 0.5% for the Additional Interest Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls, updated with the actual interest rates on the Bonds, are shown as Appendix E and Appendix F.

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

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

H. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall consider, 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. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture,

such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, including any existing deposits for a prepayment reserve and any applicable TIRZ Credits. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments 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 Annual Installments against such property as they become due and payable.

I. SURPLUS FUNDS REMAINING IN THE PHASES #2-3 MAJOR IMPROVEMENT BOND ACCOUNT

If proceeds from the Phases #2-3 Major Improvement Bonds still remain after all of the Phases #2-3 Major Improvements are constructed and accepted by the City, the proceeds may be utilized in accordance with Section VI.F of this SAP.

J. SURPLUS FUNDS REMAINING IN THE PHASE # 1 BOND ACCOUNT

If proceeds from the Phase #1 Bonds and Phase #1 Reimbursement Agreement remain after all of the Phase #1 Projects , are constructed and accepted by the City, the proceeds may be utilized in accordance with Section VI.F of this SAP.

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VII. THE ASSESSMENT ROLL

A. PHASES #2-3 MAJOR IMPROVEMENT ASSESSMENT ROLL

The City Council has evaluated each Parcel within Phases #2-3 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within Phases #2-3.

The Phases #2-3 Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Phases #2-3 Major Improvements. Table VII-A summarizes the \$3,460,000 in special benefit received by the Phases #2-3 Assessed Property from the Phases #2-3 Major Improvements, a portion of the costs of the PID formation, and the Phases #2-3 Major Improvement Bond issuance costs. The par amount of the Phases #2-3 Major Improvement Bonds is \$3,460,000, which is equal to the benefit received by the Phases #2-3 Major Improvement Assessed Property. Accordingly, the total Assessment to be applied to all the Phases #2-3 Assessed Property is \$3,460,000 plus annual Administrative Expenses. The Assessment for each Phases #2-3 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Phases #2-3 Major Improvement Assessment Roll is attached hereto as Appendix E.

Table VII-A
Phases #2-3 Major Improvement Area
Special Benefit Summary

Special Benefit	Total Cost
Phases #2-3 Major Improvement Bonds	
<i>Total Authorized Improvements (a)</i>	\$2,579,702
PID Formation/Bond Costs of Issuance	
Cost of Issuance	\$206,440
Capitalized interest	\$287,708
Reserve Fund	\$247,350
Administrative Expense	\$35,000
Underwriters Discount	\$103,800
<i>PID Formation/Bond Cost of Issuance</i>	\$880,298
Total Special Benefit	\$3,460,000
Special Benefit	
Total Special Benefit	\$3,460,000
Projected Special Assessment	\$3,460,000
Excess Benefit	\$0

(a) See Table III-A for details.

B. PHASE #1 ASSESSMENT ROLL

The City Council has evaluated each Parcel in Phase #1 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Phase #1.

The Phase #1 Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Phase #1 Projects. Table VII-B summarizes the \$8,959,757 in special benefit received by the Phase #1 Assessed Property from the Phase #1 Projects, a portion of the costs of the PID formation, and the Phase #1 Bond issuance costs. The par amount of the Phase #1 Bonds and Phase #1 Reimbursement Agreement is \$8,959,757, which is equal to the benefit received by the Phase #1 Assessed Property. Accordingly, the total Assessment to be applied to all the Phase #1 Assessed Property is \$8,959,757 plus annual Administrative Expenses. The Assessment for each Phase #1 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Phase #1 Assessment Roll is attached hereto as Appendix F.

Table VII-B
Phase #1
Special Benefit Summary

Special Benefit	Total Cost
Phase #1 Bonds	
Phase #1 Reimbursement Agreement	
<i>Total Authorized Improvements (a)</i>	\$7,952,958
PID Formation/Bond Costs of Issuance	
Reserve Fund	\$258,065
Capitalized Interest	\$296,721
Underwriter's Discount/Underwriters Counsel	\$283,063
Cost of Issuance	\$35,000
Underwriters Discount	\$133,950
<i>PID Formation/Bond Cost of Issuance</i>	\$1,006,798
Total Special Benefit	\$8,959,757
Special Benefit	
Total Special Benefit	\$8,959,757
Projected Special Assessment	\$8,959,757
Excess Benefit	\$0

(a) See Table III-B for details.

C. FUTURE PHASE ASSESSMENT ROLL

As Future Phases are developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Phase (e.g. an appendix will be added as the Assessment Roll for Future Phase).

D. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phases #2-3 Major Improvement Assessment Roll and Phase #1 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.G of this Service and Assessment Plan.

Once Bonds are issued, the Assessment Rolls shall be updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Bonds. This update shall reflect the actual interest on the Bonds on which the Annual Installments shall be paid, any reduction in the Assessments, and any revisions in the Actual Costs to be funded by the Bonds and Developer funds.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

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

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

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

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

B. TERMINATION OF ASSESSMENTS

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

C. AMENDMENTS

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

The City Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels:(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

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

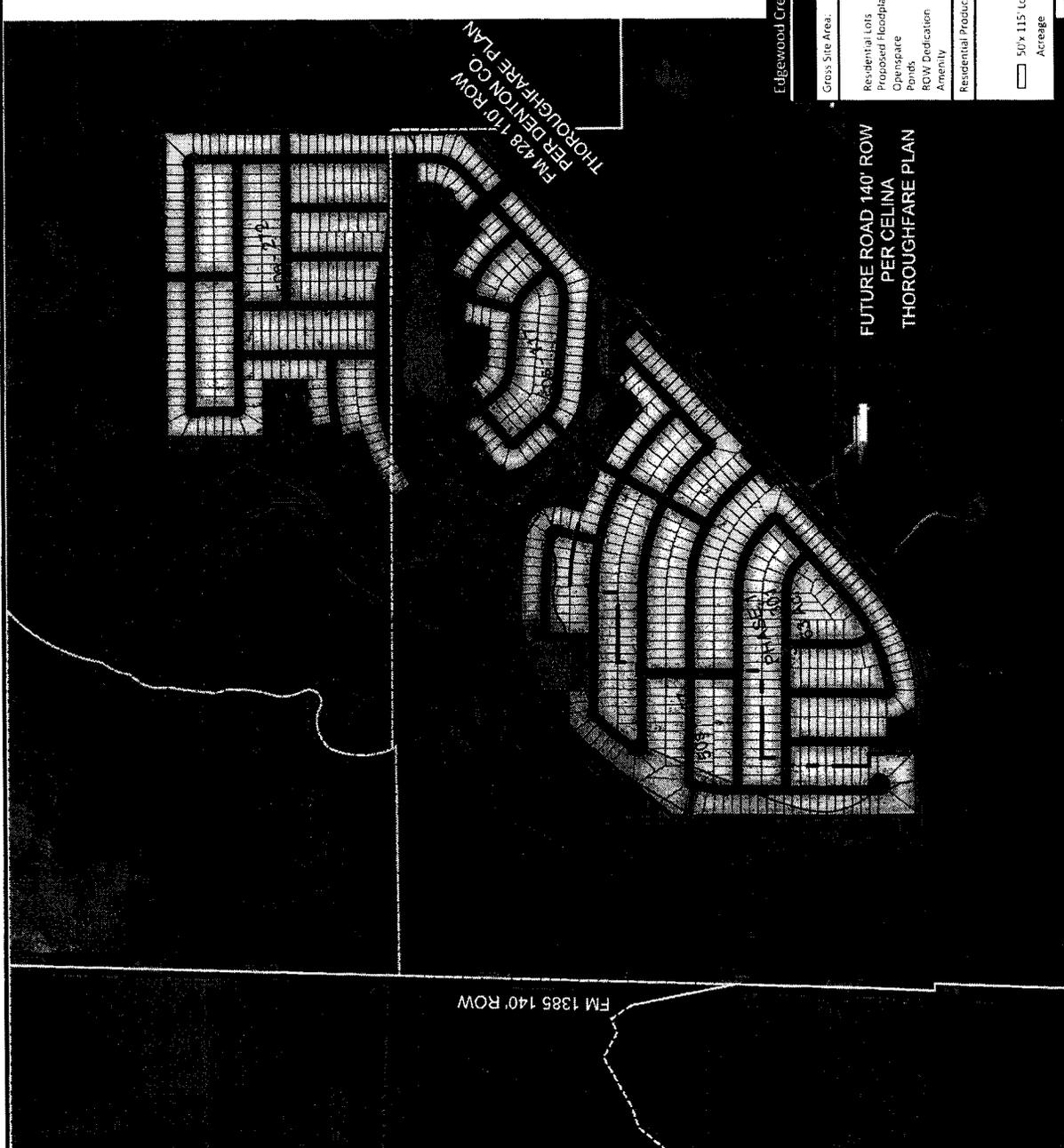
E. SEVERABILITY

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

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

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APPENDIX A
PID MAP



Edgewood Creek Concept Plan 19

DATA TABLE

Gross Site Area:		247 +/-	
Residential Lots	Acres	Gross %	
Proposed Floodplain	165	67%	
Open Space	45	18%	
Ponds	24	10%	
ROW Dedication	9	3%	
Amenity	2	1%	
	2	1%	
Residential Product Type:			
	PHASE 1	FUTURE	TOTAL
50' x 115' Lot	301	546	847
Acreage	63	184	247

APPENDIX B
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

COMMUNITY NAME: Edgewood Creek
 PHASES: Full Development
 CITY OR TOWN: Celina ETJ, Denton County

GROSS ACREAGE: 246.5
 NET ACREAGE: 182.5
 TOTAL LOTS: 847
 TOTAL DENSITY: 4.64
 CREATED BY: CH
 REVIEWED BY: AB
 CREATED: 09/25/20
 REVISED: 11/13/20

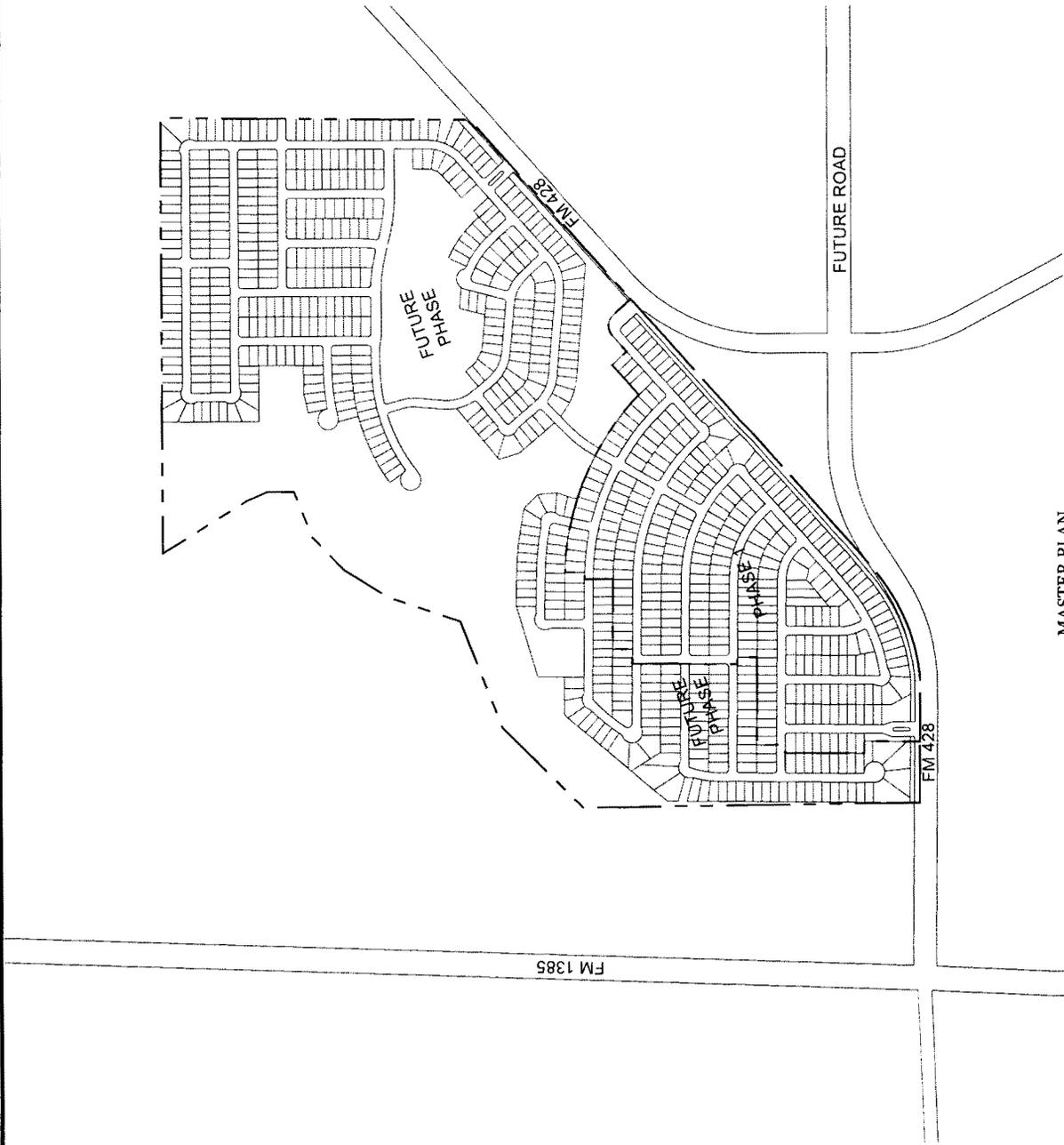


	TOTALS	PHASE 1	FUTURE
Direct Phase Costs			
1 Engineering	\$ 2,121,840	\$ 932,649	\$ 1,189,191
2 Grading Site Preparation	\$ 535,089	\$ 105,349	\$ 429,740
3 Water	\$ 1,918,798	\$ 549,505	\$ 1,369,293
4 Sanitary Sewer	\$ 2,375,579	\$ 799,169	\$ 1,576,410
5 Storm Drain	\$ 2,287,485	\$ 779,297	\$ 1,508,188
6 Street Improvements	\$ 6,523,050	\$ 1,959,568	\$ 4,563,482
7 Screening/Landscape/Ret Walls	\$ -	\$ -	\$ -
8 Dry Utilities	\$ 109,000	\$ 109,000	\$ -
9 MSUD Water & Sewer - Escrow	\$ -	\$ -	\$ -
10 Contingency 5%	\$ 777,664	\$ 256,277	\$ 521,387
11 District Formation Costs	\$ -	\$ -	\$ -
12 FM 428 Improvements	\$ -	\$ -	\$ -
13 ROW Acquisition	\$ 3,040,000	\$ 1,040,000	\$ 2,000,000
	<u>\$ 19,688,506</u>	<u>\$ 6,530,815</u>	<u>\$ 13,157,691</u>
Major Improvements Costs			
1 Engineering	\$ 1,038,809	\$ 422,192	\$ 616,617
2 Grading Site Preparation	\$ -	\$ -	\$ -
3 Water	\$ 906,449	\$ 313,025	\$ 593,424
4 Sanitary Sewer	\$ 818,135	\$ 303,800	\$ 514,335
5 Storm Drain	\$ 500,000	\$ 500,000	\$ -
6 Street Improvements	\$ 610,000	\$ 610,000	\$ -
7 Screening/Landscape/Ret Walls/ Trail	\$ 2,119,188	\$ 1,111,788	\$ 1,007,400
8 Dry Utilities	\$ -	\$ -	\$ -
9 MSUD Water & Sewer - Escrow	\$ -	\$ -	\$ -
10 Contingency 5%	\$ 375,229	\$ 163,040	\$ 212,189
11 District Formation Costs	\$ 578,000	\$ 578,000	\$ -
12 FM 428 Improvements	\$ 1,887,000	\$ -	\$ 1,887,000
13 ROW Acquisition	\$ -	\$ -	\$ -
	<u>\$ 8,832,811</u>	<u>\$ 4,001,846</u>	<u>\$ 4,830,965</u>
Private Costs			
1 Engineering	\$ 445,013	\$ 15,165	\$ 429,848
2 Grading Site Preparation	\$ 4,085,714	\$ 1,257,553	\$ 2,828,161
3 Water	\$ -	\$ -	\$ -
4 Sanitary Sewer	\$ -	\$ -	\$ -
5 Storm Drain	\$ -	\$ -	\$ -
6 Street Improvements	\$ -	\$ -	\$ -
7 Screening/Landscape/Ret Walls	\$ 2,820,814	\$ 1,001,800	\$ 1,819,014
8 Dry Utilities	\$ 1,119,794	\$ 421,400	\$ 698,394
9 MSUD Water & Sewer - Escrow	\$ 1,600,000	\$ 1,600,000	\$ -
10 Contingency 5%	\$ 484,817	\$ 214,796	\$ 270,021
11 District Formation Costs	\$ -	\$ -	\$ -
12 FM 428 Improvements	\$ -	\$ -	\$ -
13 City Assessment Fee	\$ 250,000	\$ 250,000	\$ -
14 Amenity Center Improvements	\$ 1,500,000	\$ 1,500,000	\$ -
15 Rollback Taxes	\$ 140,400	\$ 140,400	\$ -
	<u>\$ 12,446,551</u>	<u>\$ 6,401,113</u>	<u>\$ 6,045,438</u>
TOTALS	\$ 40,967,867	\$ 16,933,773	\$ 24,034,094
<i>per lot</i>	<i>\$ 48,368</i>	<i>\$ 56,258</i>	<i>\$ 44,018</i>
50' Lots	847	301	546
Total Lots	847	301	546

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT

APPENDIX C
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

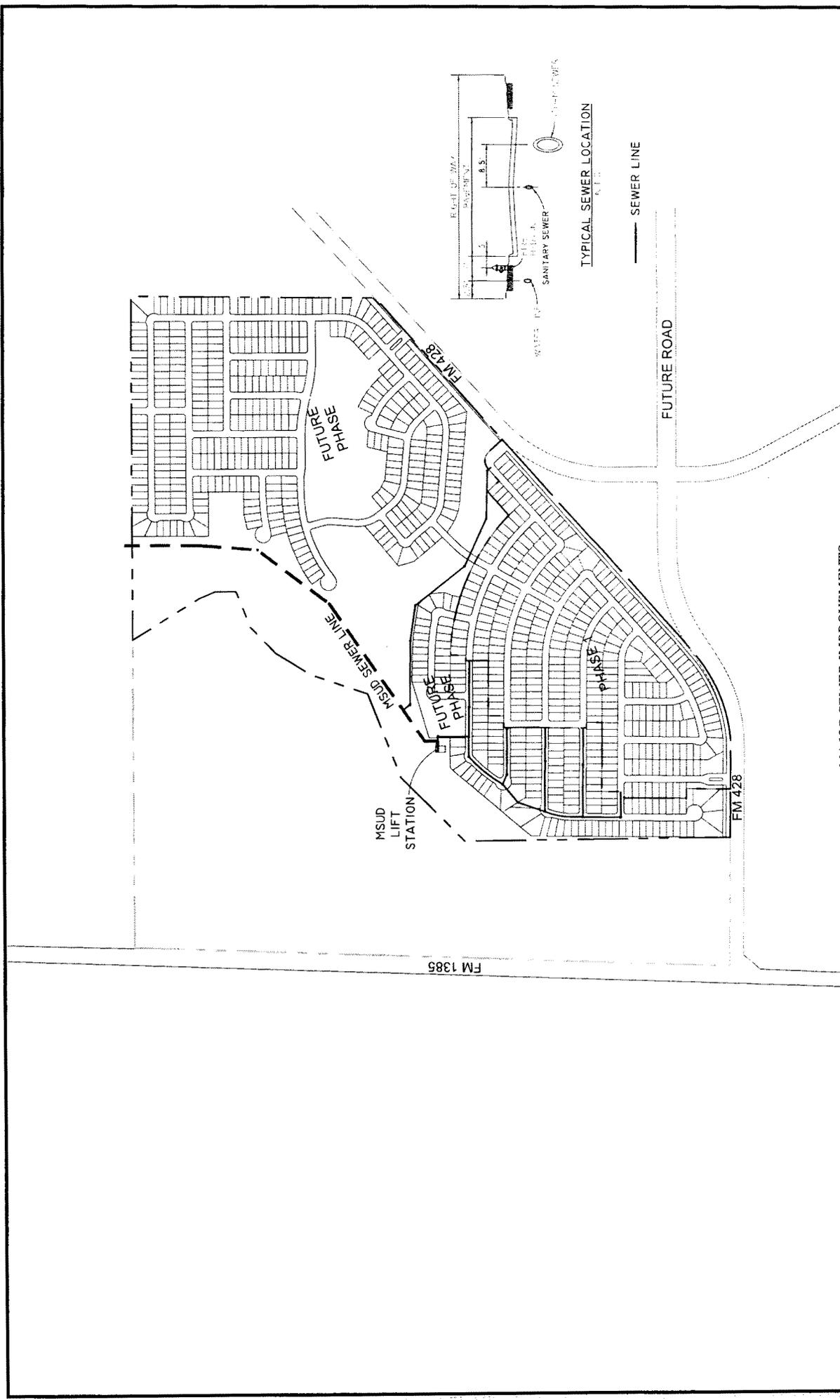




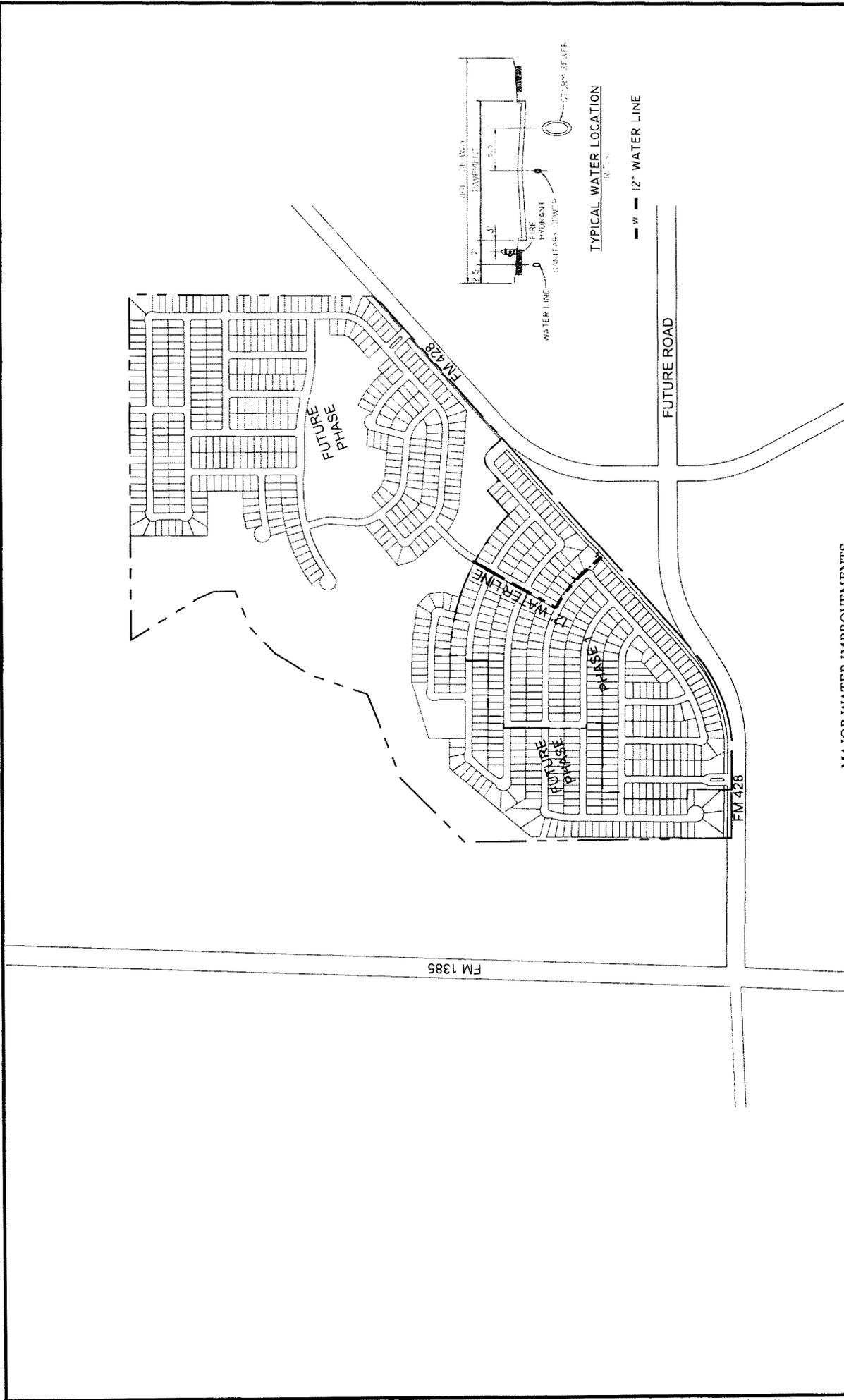
MASTER PLAN
EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
CELINA ETJ, DENTON COUNTY, TEXAS



DATE AUGUST 2025



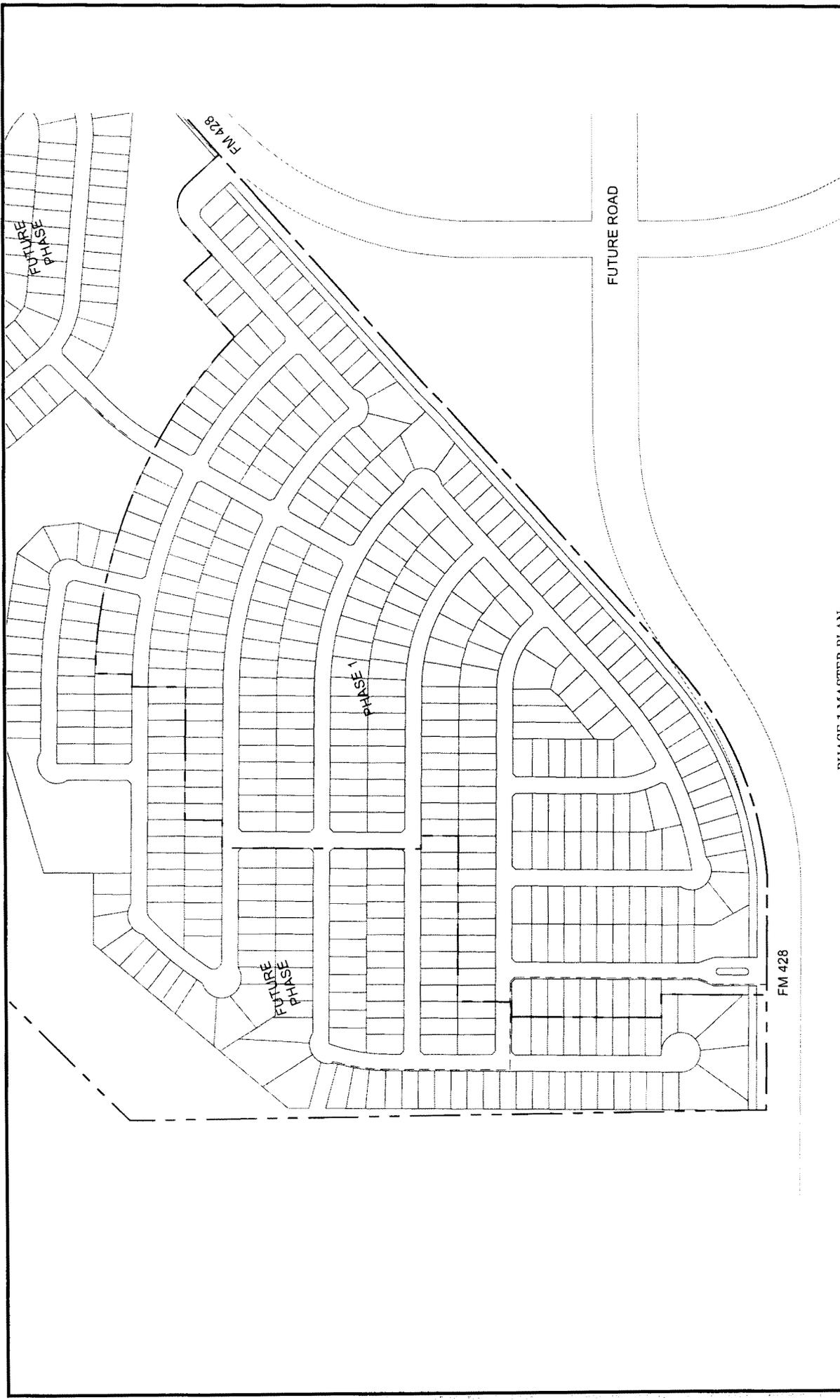
MAJOR SEWER IMPROVEMENTS
 EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
 CELINA ETJ, DENTON COUNTY, TEXAS



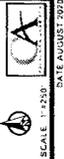
MAJOR WATER IMPROVEMENTS
 EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
 CELINA ETJ, DENTON COUNTY, TEXAS



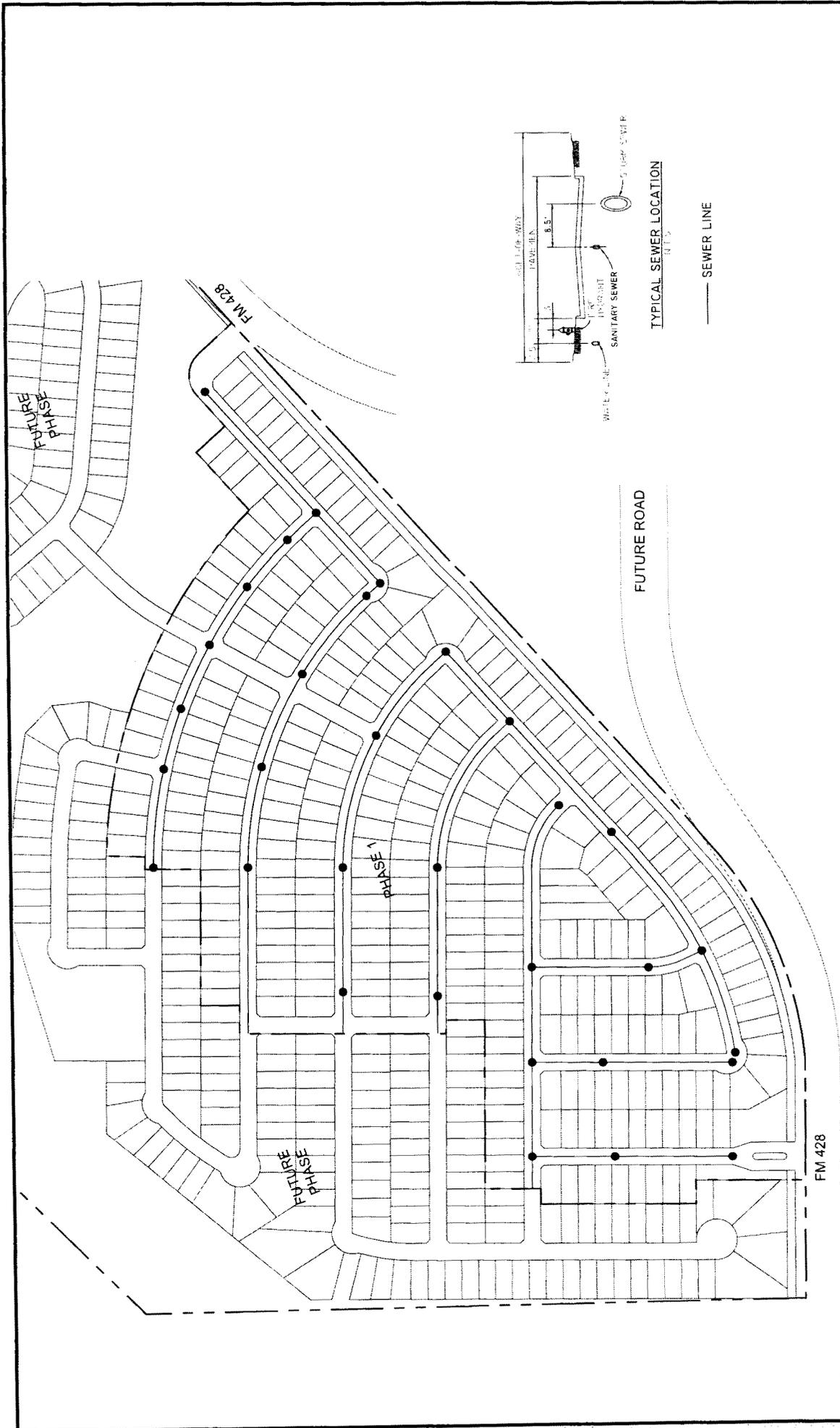
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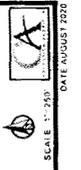
PHASE 1 MASTER PLAN
EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
CELINA ETJ, DENTON COUNTY, TEXAS



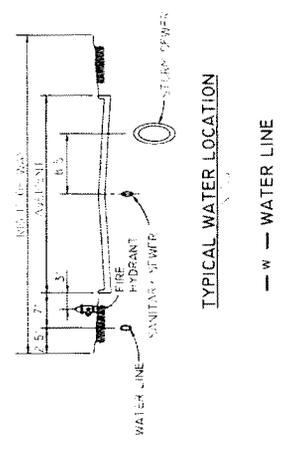
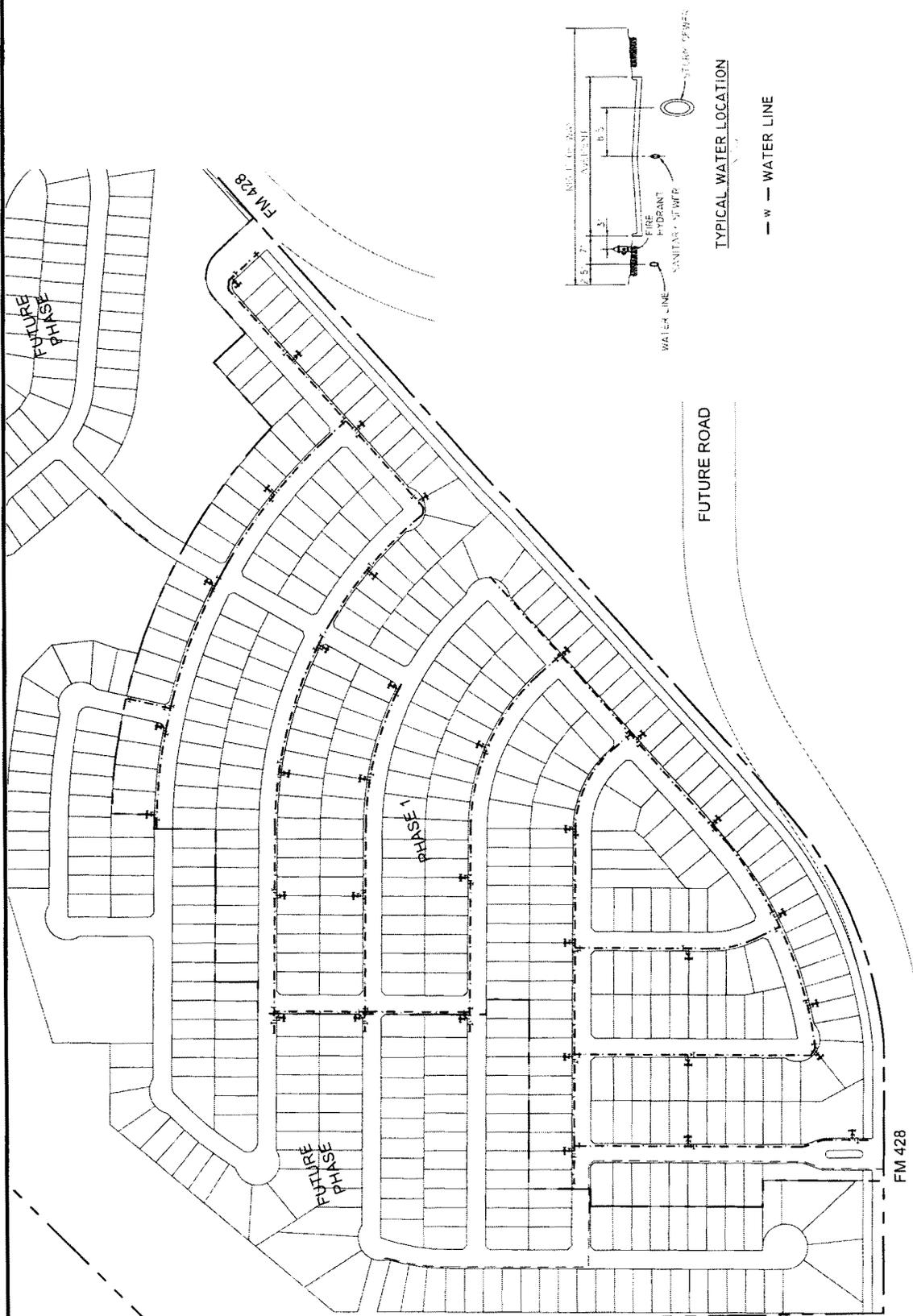
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DATE: AUGUST 1995



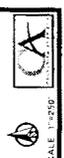
PHASE 1 SEWER IMPROVEMENTS
 EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
 CELINA ETJ, DENTON COUNTY, TEXAS

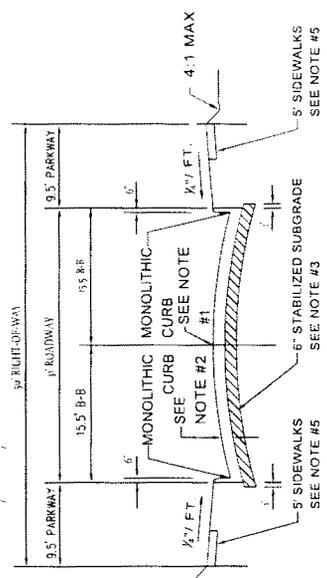
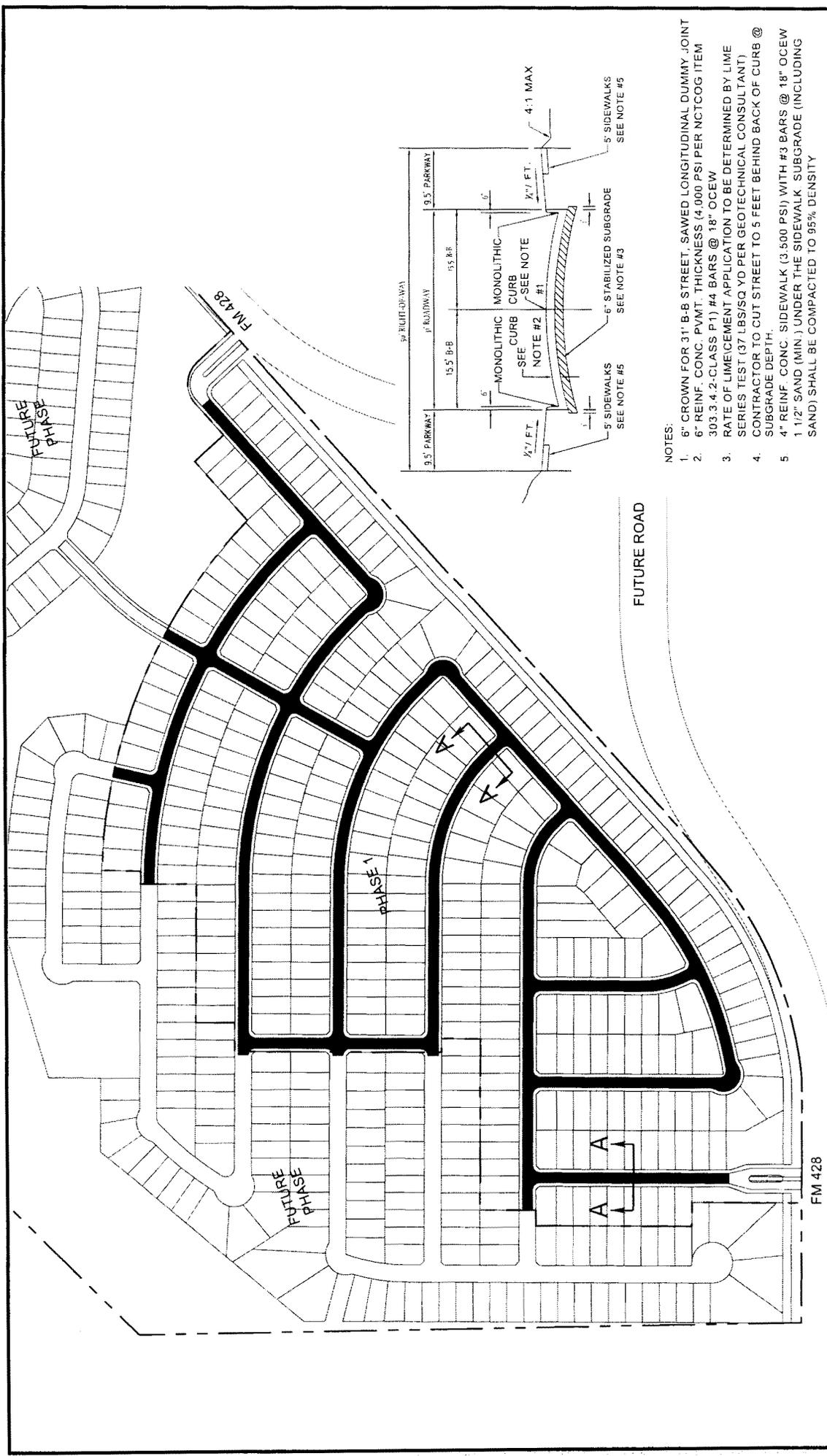


DATE: AUGUST 2020



PHASE 1 WATER IMPROVEMENTS
 EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
 CELINA, ETJ, DENTON COUNTY, TEXAS





NOTES:

1. 6" CROWN FOR 31' B-B STREET, SAWED LONGITUDINAL DUMMY JOINT
2. 6" REINF. CONC. PVMT, THICKNESS (4,000 PSI PER NCTCOG ITEM 303.3.4.2-CLASS P1) #4 BARS @ 18" OCEW
3. RATE OF LIME/CEMENT APPLICATION TO BE DETERMINED BY LIME SERIES TEST (37 LBS/SQ YD PER GEOTECHNICAL CONSULTANT)
4. CONTRACTOR TO CUT STREET TO 5 FEET BEHIND BACK OF CURB @ SUBGRADE DEPTH.
5. 4" REINF. CONC. SIDEWALK (3,500 PSI) WITH #3 BARS @ 18" OCEW 1 1/2" SAND (MIN.) UNDER THE SIDEWALK SUBGRADE (INCLUDING SAND) SHALL BE COMPACTED TO 95% DENSITY

TYPICAL 31'-A-A ROADWAY PAVING SECTION
SCALE: NTS

PHASE I ROAD IMPROVEMENTS
EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
CELINA ETJ, DENTON COUNTY, TEXAS



APPENDIX D
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE
EQUIVALENTS

A) Proposed Development

The following table shows the proposed residential units to be developed within the PID.

Table D-1
Proposed Development within the PID

Description	Proposed Development	
50 Ft Lots	847	units
	847	units

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

Table D-2
Proposed Development – Phase #1

Description	Proposed Development	
50 Ft Lots	301	units
	301	units

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

Table D-3
Proposed Development – Phases #2-3

Description	Proposed Development	
50 Ft Lots	546	units
	546	units

B) Allocation of Assessments to Lots within Phase #1

The total amount of the Phase #1 Bonds and Phase #1 Reimbursement Agreement, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$8,959,757. As shown above, there are a total of 301 residential units, resulting in an Assessment per Unit of \$29,766.63 (i.e. $\$8,959,757 \div 301 = \$29,766.63$).

Table D-4 on the following page sets forth the Assessment per dwelling unit within Phase #1.

Table D-4
Assessment Per Unit – Phase #1

Description	Planned No. of Units	Assessment per Unit	Total Assessments
50 Ft Lots	301	\$29,766.63 per dwelling unit	\$8,959,757
Total	301		\$8,959,757

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

Table D-5
Projected Leverage – Phase #1

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit¹	Leverage (Lot Value)	Leverage (Home Value)
50 Ft Lots	301	\$45,500	\$300,000	\$29,766.63	1.53	10.08

¹ – Amounts are rounded to the nearest dollar amount.

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

Table D-6
Estimated Tax Rate Equivalent per unit – Phase #1

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
50 Ft Lots	301	\$45,500	\$300,000	\$2,061	\$4.53	\$0.69

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

C) Allocation of Phases #2-3 Major Improvement Assessments to Lot Types in Phases #2-3

The total amount of the Phases #2-3 Major Improvement Bonds, which represents the total Assessment to be allocated on all Parcels within Phases #2-3, is \$3,460,000. As shown above, there are a total of 546 residential units, resulting in an Assessment per Unit of \$6,337.00 (i.e. \$3,460,000 ÷ 546 = \$6,337.00).

Table D-7 on the following page sets forth the Assessment per dwelling unit for within Phases #2-3.

Table D-7
Assessment Per Unit – Phases #2-3 Major Improvements

Description	Planned No. of Units	Assessment per Unit	Total Assessments
50 Ft Lots	546	\$6,337.00 per dwelling unit	3,460,000
Total	546		3,460,000

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within Phases #2-3 is shown in Table D-8 below.

Table D-8
Projected Leverage – Phases #2-3 Major Improvements

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit ¹	Leverage (Lot Value)	Leverage (Home Value)
50 Ft Lots	546	\$45,500	\$300,000	\$6,337.00	7.18	47.34

¹ – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within Phases #2-3 is shown in Table D-9 below.

Table D-9
Estimated Tax Rate Equivalent per unit – Phases #2-3 Major Improvements

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
50 Ft Lots	546	\$45,500	\$300,000	\$547.55	\$1.20	\$0.18

The Assessment and Annual Installments for each Parcel or Lot located within Phases #2-3 is shown on the Phases #2-3 Major Improvement Assessment Roll, attached as Appendix F, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

APPENDIX E
PROPOSED PHASES #2-3 MAJOR IMPROVEMENT ASSESSMENT ROLL

Appendix E
Proposed Phases #2-3 Major Improvement Assessment Roll

Parcel Units Assessment	All Parcels 546 \$3,460,000
--	--

Year ¹	Principal	Interest	Administrative Expenses ²	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment ³
9/30/2021	\$0	\$105,358	\$35,000	\$17,300	\$0	(\$105,358)	\$52,300
9/30/2022	\$0	\$182,350	\$35,700	\$17,300	\$0	(\$182,350)	\$53,000
9/30/2023	\$65,000	\$182,350	\$36,414	\$17,300	\$0	\$0	\$301,064
9/30/2024	\$65,000	\$179,263	\$37,142	\$16,975	\$0	\$0	\$298,380
9/30/2025	\$70,000	\$176,175	\$37,885	\$16,650	\$0	\$0	\$300,710
9/30/2026	\$70,000	\$172,850	\$38,643	\$16,300	\$0	\$0	\$297,793
9/30/2027	\$75,000	\$169,525	\$39,416	\$15,950	\$0	\$0	\$299,891
9/30/2028	\$80,000	\$165,963	\$40,204	\$15,575	\$0	\$0	\$301,741
9/30/2029	\$80,000	\$162,163	\$41,008	\$15,175	\$0	\$0	\$298,346
9/30/2030	\$85,000	\$158,363	\$41,828	\$14,775	\$0	\$0	\$299,966
9/30/2031	\$90,000	\$154,325	\$42,665	\$14,350	\$0	\$0	\$301,340
9/30/2032	\$90,000	\$150,050	\$43,518	\$13,900	\$0	\$0	\$297,468
9/30/2033	\$95,000	\$145,325	\$44,388	\$13,450	\$0	\$0	\$298,163
9/30/2034	\$100,000	\$140,338	\$45,276	\$12,975	\$0	\$0	\$298,589
9/30/2035	\$105,000	\$135,088	\$46,182	\$12,475	\$0	\$0	\$298,744
9/30/2036	\$110,000	\$129,575	\$47,105	\$11,950	\$0	\$0	\$298,630
9/30/2037	\$115,000	\$123,800	\$48,047	\$11,400	\$0	\$0	\$298,247
9/30/2038	\$120,000	\$117,763	\$49,008	\$10,825	\$0	\$0	\$297,596
9/30/2039	\$130,000	\$111,463	\$49,989	\$10,225	\$0	\$0	\$301,676
9/30/2040	\$135,000	\$104,638	\$50,988	\$9,575	\$0	\$0	\$300,201
9/30/2041	\$140,000	\$97,550	\$52,008	\$8,900	\$0	\$0	\$298,458
9/30/2042	\$145,000	\$90,200	\$53,048	\$8,200	\$0	\$0	\$296,448
9/30/2043	\$155,000	\$82,225	\$54,109	\$7,475	\$0	\$0	\$298,809
9/30/2044	\$165,000	\$73,700	\$55,191	\$6,700	\$0	\$0	\$300,591
9/30/2045	\$170,000	\$64,625	\$56,295	\$5,875	\$0	\$0	\$296,795
9/30/2046	\$180,000	\$55,275	\$57,421	\$5,025	\$0	\$0	\$297,721
9/30/2047	\$190,000	\$45,375	\$58,570	\$4,125	\$0	\$0	\$298,070
9/30/2048	\$200,000	\$34,925	\$59,741	\$3,175	\$0	\$0	\$297,841
9/30/2049	\$210,000	\$23,925	\$60,936	\$2,175	\$0	\$0	\$297,036
9/30/2050	\$225,000	\$12,375	\$62,155	\$1,125	(\$247,350)	\$0	\$53,305
Total	\$3,460,000	\$3,546,895	\$1,419,883	\$337,200	(\$247,350)	(\$287,708)	\$8,228,920

1 – The 9/30/XX dates represent the fiscal year end for the Bonds

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

3- Annual Installments are calculated assuming an interest rate of 4.750% for years 2021 through 2031, 5.250% for years 2032 through 2041, and 5.50% for years 2042 through 2050 on the Bonds plus the Additional Interest and Administrative Expenses.

APPENDIX F
PROPOSED PHASE #1 ASSESSMENT ROLL

Appendix F
Proposed Phase #1 Assessment Roll

**Parcel
Units
Assessment**

**All Parcels
301
\$8,959,757**

Year¹	Principal & Interest²	Principal & Interest³	Administrative Expenses⁴	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment
9/30/2021	\$108,658	\$274,167	\$35,000	\$22,325	\$0	(\$108,658)	\$331,492
9/30/2022	\$188,063	\$273,268	\$35,700	\$22,325	\$0	(\$188,063)	\$331,293
9/30/2023	\$283,063	\$274,023	\$36,414	\$22,325	\$0	\$0	\$615,825
9/30/2024	\$279,975	\$273,596	\$37,142	\$21,850	\$0	\$0	\$612,563
9/30/2025	\$281,888	\$274,031	\$37,885	\$21,375	\$0	\$0	\$615,179
9/30/2026	\$278,638	\$274,284	\$38,643	\$20,875	\$0	\$0	\$612,439
9/30/2027	\$280,388	\$275,354	\$39,416	\$20,375	\$0	\$0	\$615,532
9/30/2028	\$281,450	\$275,195	\$40,204	\$19,850	\$0	\$0	\$616,699
9/30/2029	\$282,325	\$275,854	\$41,008	\$19,300	\$0	\$0	\$618,487
9/30/2030	\$278,013	\$276,284	\$41,828	\$18,725	\$0	\$0	\$614,849
9/30/2031	\$278,700	\$276,485	\$42,665	\$18,150	\$0	\$0	\$616,000
9/30/2032	\$279,200	\$277,458	\$43,518	\$17,550	\$0	\$0	\$617,726
9/30/2033	\$278,888	\$277,157	\$44,388	\$16,925	\$0	\$0	\$617,358
9/30/2034	\$278,363	\$278,627	\$45,276	\$16,275	\$0	\$0	\$618,541
9/30/2035	\$277,625	\$278,778	\$46,182	\$15,600	\$0	\$0	\$618,184
9/30/2036	\$276,675	\$279,654	\$47,105	\$14,900	\$0	\$0	\$618,334
9/30/2037	\$275,513	\$280,210	\$48,047	\$14,175	\$0	\$0	\$617,945
9/30/2038	\$279,138	\$280,446	\$49,008	\$13,425	\$0	\$0	\$622,017
9/30/2039	\$277,338	\$281,363	\$49,989	\$12,625	\$0	\$0	\$621,314
9/30/2040	\$275,325	\$281,914	\$50,988	\$11,800	\$0	\$0	\$620,027
9/30/2041	\$278,100	\$283,099	\$52,008	\$10,950	\$0	\$0	\$624,157
9/30/2042	\$275,450	\$282,873	\$53,048	\$10,050	\$0	\$0	\$621,421
9/30/2043	\$277,125	\$284,282	\$54,109	\$9,125	\$0	\$0	\$624,641
9/30/2044	\$278,350	\$285,233	\$55,191	\$8,150	\$0	\$0	\$626,924
9/30/2045	\$279,125	\$285,727	\$56,295	\$7,125	\$0	\$0	\$628,273
9/30/2046	\$274,450	\$286,765	\$57,421	\$6,050	\$0	\$0	\$624,686
9/30/2047	\$274,550	\$288,299	\$58,570	\$4,950	\$0	\$0	\$626,369
9/30/2048	\$274,200	\$289,286	\$59,741	\$3,800	\$0	\$0	\$627,027
9/30/2049	\$278,400	\$289,724	\$60,936	\$2,600	\$0	\$0	\$631,660
9/30/2050	\$276,925	\$288,613	\$62,155	\$1,325	(\$283,063)	\$0	\$345,955
Total	\$8,085,896	\$8,402,049	\$1,419,883	\$424,875	(\$283,063)	(\$296,721)	\$17,752,919

1 – The 9/30/XX dates represent the fiscal year end for the Bonds

2- Annual Installments are calculated assuming an interest rate of 3.250% for years 2021 through 2026, 3.750% for years 2027 through 2031, 4.250% for years 2032 through 2041, and 4.50% for years 2042 through 2050 on the Phase #1 Bonds.

3- Annual Installments are calculated assuming an interest rate of 4.57% on the Phase #1 Reimbursement Agreement.

4- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.