CITY COUNCIL SPECIAL MEETING
CITY HALL CONFERENCE ROOM
142 N. OHIO DRIVE
TUESDAY, MAY 28, 2019
5:30 PM

AGENDA

I. CALL TO ORDER:

II. PUBLIC HEARING AND ACTION:

1. The Celina City Council will hold a public hearing to consider testimony and act upon a resolution of the City of Celina, Texas authorizing and creating the Glen Crossing West Public Improvement District in accordance with Chapter 372 of the Texas Local Government Code. (Glen Crossing West PID Creation) (DeBuff)

2. Consider and act upon a resolution determining the costs of Neighborhood Improvement Area #3 improvements to be financed by the Sutton Fields II Public Improvement District; approving a preliminary service plan and assessment plan, including proposed Neighborhood Improvement Area #3 assessment roll; calling a special meeting and noticing a public hearing for June 11, 2019 to consider an ordinance levying assessments on property located within the Sutton Fields II Public Improvement District. (Sutton Fields II Costs Resolution) (DeBuff)

III. EXECUTIVE SESSION:

The Celina City Council will convene into Executive Session pursuant to Texas Government Code 551.071, Consultation with Attorney, on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Chapter.

A. Mustang Lakes Zoning Development Agreement and location of Prosper ISD School site.

B. The Cottages Development Agreement.

C. Glen Crossing West Development.

D. Kodiak Trenching and Boring LLC vs City of Celina and potential settlement.

Reconvene into Open Session

E. Consider and act upon any items discussed in Executive Session.

IV. ADJOURN:

City Council Chambers is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf, or hearing impaired, or readers of large print, are requested to contact the City Secretary's Office at 972-382-2682, or fax 972-382-3736 at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Chapter 551. "I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board at City Hall of the City of Celina, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time: ___________________ at ____ p.m. and remained so posted continuously for at least 72 hours prior to the scheduled time of said meeting."

Vicki Faulkner

Vicki Faulkner, TRMC
City Secretary, City of Celina, TX

____
Date Notice Removed

Administration
City of Celina, Texas

Memorandum

To:	**Honorable Mayor Terry and the Celina City Council**
From:	Paul DeBuff, Assistant to the City Manager
CC:	Jason Laumer, City Manager
Date:	May 28, 2019
Re:	Public Hearing & Resolution creating Glen Crossing West PID

Action Requested:
The Celina City Council will hold a public hearing to consider testimony and act upon a resolution of the City of Celina, Texas authorizing and creating the Glen Crossing West Public Improvement District in accordance with Chapter 372 of the Texas Local Government Code. (Glen Crossing West PID Creation) (DeBuff)

Background Information:
City Council accepted a petition to create the Glen Crossing West Public Improvement District (PID) for ±29.306 acres of land on April 9, 2019.

The proposed resolution authorizes the creation of the Glen Crossing West PID and provides for items associated with the PID.

Board Review/Citizen Input:
A public hearing on the advisability of creating the PID was opened on May 14, 2019, and closed on May 28, 2019.

Alternatives:
N/A

Financial Considerations:
The estimated total costs to design, acquire, and construct the Authorized PID Improvements, is $1,035,663, to be paid by the PID assessments.

Legal Review:
This resolution has been reviewed by the City Attorney.

Supporting Documents:
- Proposed resolution
- Public Hearing notice

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

RESOLUTION NO. ___________

A RESOLUTION OF THE CITY OF CELINA, TEXAS AUTHORIZING AND CREATING THE GLEN CROSSING WEST PUBLIC IMPROVEMENT DISTRICT IN ACCORDANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Celina, Texas (the "***City***"), is authorized under Chapter 372 of the Texas Local Government Code (the "***Act***"), to create a public improvement district within the corporate limits of the City; and

WHEREAS, on March 21, 2019, W/J CR 55, L.P., a Texas limited partnership, (the "***Petitioner***") submitted and filed with the City Secretary of the City a petition (the "***Petition***") requesting the establishment of a public improvement district for property within the corporate limits of the City; and

WHEREAS, the Petition requested the creation of the Glen Crossing West Public Improvement District (the "***District***"), which District is located within the corporate limits of the City and more particularly depicted in Exhibit A and described by metes and bounds in Exhibit B (the "***Property***") each attached hereto and incorporated herein for all purposes; and

WHEREAS, the City Council of the City (the "***City Council***") has investigated and determined that the facts contained in the Petition are true and correct; and

WHEREAS, after publishing notice in the *Celina Record*, newspaper of general circulation in the City, and mailing notice of the hearing, all as required by and in conformity with the Act, the City Council, ~~conducted~~ opened a public hearing on the advisability of the improvements on May 14, 2019 and continued the public hearing to May 29, 2019; and

WHEREAS, the City Council ~~completed and closed~~continued the public hearing on the advisability of the improvements on May ~~14~~28, 2019 and after all interested parties were given the opportunity to speak, the City Council closed the public hearing.

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

Section 1. The findings set forth in the recitals of this Resolution are found to be true and correct.

Section 2. The Petition submitted to the City by the Petitioner was filed with the City Secretary and complies with Section 372.005 of the Act.

Section 3. Pursuant to the requirements of the Act, including, without limitation, Sections 372.006, 372.009(a), and 372.009(b), the City Council, after considering the Petition and the evidence and testimony presented at the public hearing on May 14, 2019 hereby finds and declares:

(a) **Advisability of the Proposed Improvements**. It is advisable to create the District to provide the Authorized Improvements (as described below). The Authorized Improvements are feasible and desirable and will promote the interests of the City and will confer a special benefit on the Property.

(b) **General Nature of the Authorized Improvements.** The purposes of the District include the design, acquisition, construction, and improvement of public improvement projects authorized by the Act that are necessary for the development of the Property, which Authorized Improvements will include, but not be limited to: (i) water and wastewater system improvements, drainage improvements, roadway improvements, right-of-way acquisition, park and open space improvements, and other improvement projects; (ii) payment of expenses incurred in the establishment, administration and operation of the District; and, (iii) payment of expenses associated with financing such public improvement projects, which may include but are not limited to, costs associated with issuance and sale of revenue bonds secured by assessments levied against the Property (the "Authorized Improvements"). These Authorized Improvements promote the interests of the City and confer a special benefit upon the Property.

(c) **Estimated Costs of the Authorized Improvements and Apportionment of Costs.** The estimated total costs to design, acquire, and construct the Authorized Improvements, including payment of expenses to finance such public improvement projects such as eligible legal and financial fees and expenses incurred in the establishment, administration and operation of the District, is $1,035,663 which costs shall be paid by assessments levied on the Property within the District. The City will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the Property, and possible tax increment reinvestment zone revenue. No municipal property in the District shall be assessed. The developer of the Property (the "***Developer***") may also pay certain costs of the Authorized Improvements from other funds available to the Developer.

(d) **Boundaries of the District.** The District is proposed to include approximately 29.306 acres of land generally located in the area encompassed directly south of CR 55, north of CR 53, east of Private Road 5281, west of Glen Crossing Drive, directly adjacent to the east side of Doe Branch creek, and as more particularly depicted in Exhibit A attached hereto, and as more properly described in the metes and bounds described in Exhibit B attached hereto.

(e) **Proposed Method of Assessment.** The City shall levy an assessment on each parcel of the Property within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments, including interest, may be paid in full at any time, and certain assessments may be paid in annual installments, with interest. If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessments and must continue for a period necessary to retire the indebtedness for those Authorized Improvements (including interest).

(f) **Management of the District.** The District shall be managed by the City, with the assistance of a consultant, who shall, from time to time, advise the City regarding certain operations of the District.

(g) **Advisory Board.** The District shall be managed without the creation of an advisory body.

Section 4. The Glen Crossing West Public Improvement District is hereby authorized and created as a public improvement district under the Act in accordance with the findings of the City Council as to the advisability of the Authorized Improvements contained in this Resolution, the nature and the estimated costs of the Authorized Improvements, the boundaries of the District, the method of assessment, and the apportionment of costs as described herein; and the conclusion that the District is needed to fund such Authorized Improvements.

Section 5. Notice of this Resolution authorizing the District shall be given by publishing such notice once in the *Celina Record*, newspaper of general circulation in the City. Effective upon the publication of such notice, the District shall be established.

Section 6. This Resolution shall take effect immediately from and after its passage and publication as required by law.

PASSED, APPROVED AND ADOPTED on the 14th day of May, 2019.

ATTEST:

SEAN TERRY, MAYOR

VICKI FAULKNER, CITY SECRETARY

EXHIBIT A
PROPERTY DEPICTION

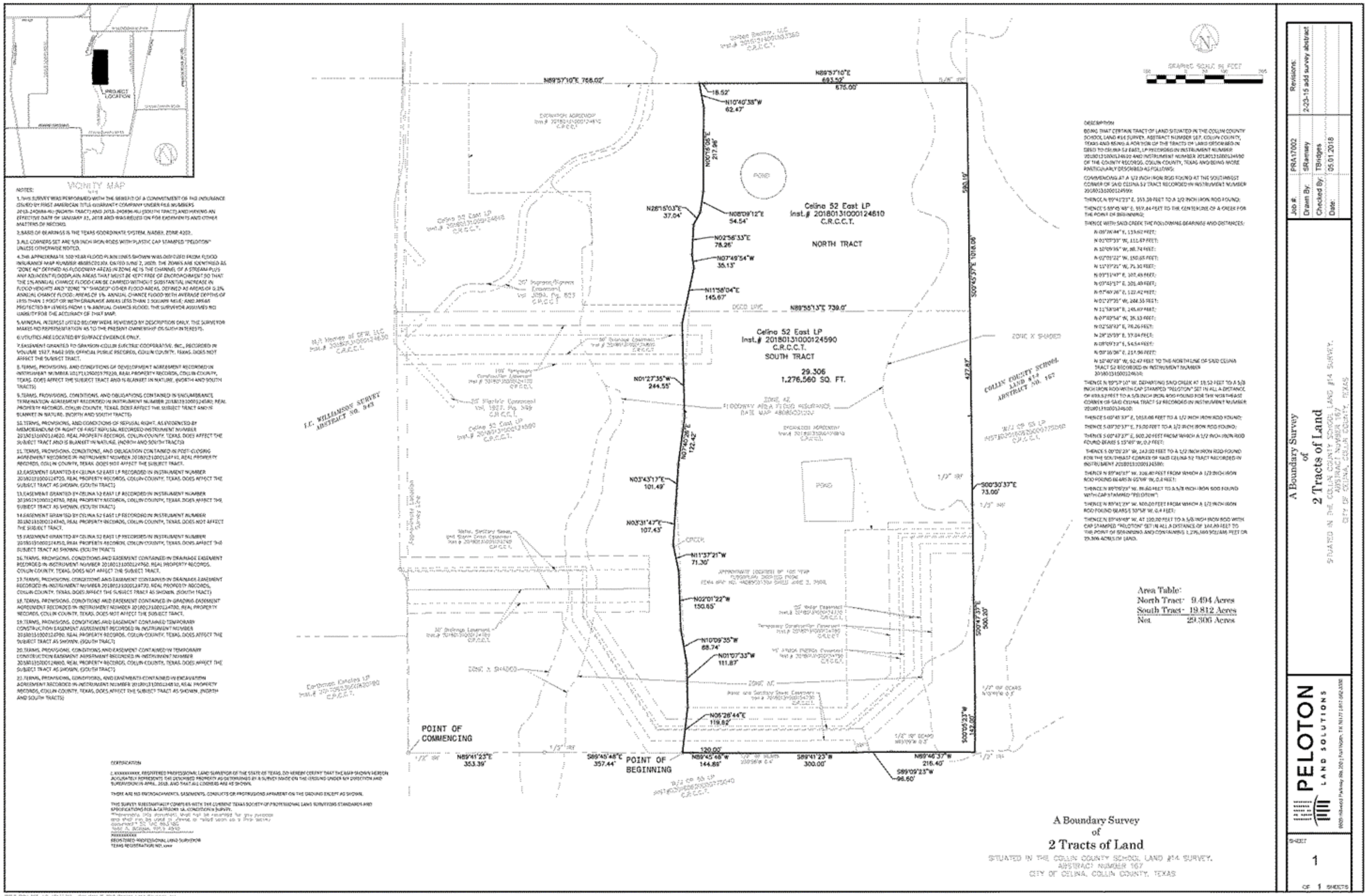

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EXHIBIT B

Metes and Bounds Description of the Property

(approximately 29.306 acres)

Legal description of the land:

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE COLLIN COUNTY SCHOOL LAND #14 SURVEY, ABSTRACT NUMBER 167, COLLIN COUNTY, TEXAS AND BEING A PORTION OF THE TRACTS OF LAND DESCRIBED IN DEED TO CELINA 52 EAST, LP RECORDED IN INSTRUMENT NUMBER 20180131000124610 AND INSTRUMENT NUMBER 20180131000124590 OF THE COUNTY RECORDS, COLLIN COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2 INCH IRON ROD FOUND AT THE SOUTHWEST CORNER OF SAID CELINA 52 TRACT RECORDED IN INSTRUMENT NUMBER 20180131000124590;

THENCE N 89°41'23" E, 353.39 FEET TO A 1/2 INCH IRON ROD FOUND;

THENCE S 89°45'48" E, 357.44 FEET TO THE CENTERLINE OF A CREEK FOR THE POINT OF BEGINNING;

THENCE WITH SAID CREEK THE FOLLOWING BEARINGS AND DISTANCES:

N 06°28'44" E, 119.62 FEET;
N 01°07'33" W, 111.87 FEET;
N 10°09'35" W, 88.74 FEET;
N 02°01'22" W, 150.65 FEET;
N 11°37'21" W, 71.30 FEET;
N 03°31'47" E, 107.43 FEET;
N 03°43'17" E, 101.49 FEET;
N 07°40'26" E, 122.42 FEET;
N 01°27'35" W, 244.55 FEET;
N 11°58'04" E, 145.67 FEET;
N 07°49'54" W, 35.13 FEET;
N 02°58'33" E, 78.26 FEET;
N 28°15'03" E, 37.04 FEET;
N 08°09'12" E, 54.54 FEET;
N 00°16'06" E, 217.96 FEET;
N 10°40'38" W, 62.47 FEET TO THE NORTH LINE OF SAID CELINA TRACT 52 RECORDED IN INSTRUMENT NUMBER 20180131000124610;

THENCE N 89°57'10" W, DEPARTING SAID CREEK AT 18.52 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "PELOTON" SET IN ALL A DISTANCE OF 693.52 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID CELINA TRACT 52 RECORDED IN INSTRUMENT NUMBER 20180131000124610;

THENCE S 00°45'37" E, 1018.06 FEET TO A 1/2 INCH IRON ROD FOUND;

THENCE S 00°30'37" E, 73.00 FEET TO A 1/2 INCH IRON ROD FOUND;

THENCE S 00°47'37" E, 500.20 FEET FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS S 15°49' W, 0.3 FEET;

THENCE S 00°05'23" W, 142.00 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID CELINA 52 TRACT RECORDED IN INSTRUMENT 20180131000124590;

THENCE N 89°46'37" W, 216.40 FEET FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS N 65°09' W, 0.3 FEET;

THENCE N 89°09'23" W, 96.60 FEET TO A 5/8 INCH IRON ROD FOUND WITH CAP STAMPED "PELOTON";

THENCE N 89°41'23" W, 300.00 FEET FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS S 30°58' W, 0.4 FEET;

THENCE N 89°45'48" W, AT 120.00 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "PELOTON" SET IN ALL A DISTANCE OF 144.89 FEET TO THE POINT OF BEGINNING AND CONTAINING 1,276,560 SQUARE FEET OR 29.306 ACRES OF LAND, MORE OR LESS.

CITY OF CELINA, TEXAS
NOTICE OF PUBLIC HEARING REGARDING
THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT

Pursuant to Section 372.009(c) and (d) of the Texas Local Government Code, as amended, notice is hereby given that the City Council of the City of Celina, Texas ("Celina"), will hold a public hearing to accept public comments and discuss the petition (the "Petition"), filed by W/J CR 55, L.P., a Texas limited partnership (the "Owner"), requesting that Celina create the Glen Crossing West Public Improvement District (the "District") to include property owned by the Owner.

Time and Place of the Hearing. The public hearing will start at or after 5:00 p.m. on May 14, 2019 at 205 S. Colorado Street, Celina, Texas 75009.

General Nature of the Proposed Authorized Improvements. The purposes of the District include the design, acquisition, construction, and improvement of public improvement projects authorized by the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code, as amended (the "Act"), that are necessary for the development of the property within the District, which public improvements may include, but not be limited to: (i) water and wastewater system improvements, drainage improvements, roadway improvements, right-of-way acquisition, park and open space improvements, and other improvement projects; (ii) payment of expenses incurred in the establishment, administration and operation of the District; and, (iii) payment of expenses associated with financing such public improvement projects, which may include but are not limited to, costs associated with issuance and sale of revenue bonds secured by assessments levied against the Property (collectively, the "Authorized Improvements"). These Authorized Improvements shall promote the interests of the City and confer a special benefit on the Property.

Estimated Cost of the Authorized Improvements. The estimated cost to design, acquire and construct the Authorized Improvements, including eligible costs related to the establishment, administration and operation of the District and expenses associated with financing Authorized Improvements is $1,035,663.

Proposed District Boundaries. The District is proposed to include approximately 29.306 acres of land generally located in the area encompassed directly south of CR 55, north of CR 53, east of Private Road 5281, west of Glen Crossing Drive, directly adjacent to the east side of Doe Branch creek and, as more particularly described by a metes and bounds description available at Celina City Hall located at 142 N. Ohio Street, Celina, Texas 75009 and available for public inspection during regular business hours.

Proposed Method of Assessment. Celina shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments may be paid in full at any time (including interest and debt), and certain assessments may be paid in annual installments (including interest and debt). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessments and must continue for a period necessary to retire the indebtedness issued to finance or refinance those Authorized Improvements (including interest).

Proposed Apportionment of Cost between the District and Celina. Celina will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the District property and possible tax increment reinvestment zone revenue. No municipal property in the District shall be assessed. The Petitioner may also pay certain costs of the improvements from other funds available to it as developer of the District.

Administration
City of Celina, Texas

Memorandum

To:	**Honorable Mayor Terry and the Celina City Council**
From:	Paul DeBuff, Assistant to the City Manager
CC:	Jason Laumer, City Manager
Date:	May 28, 2019
Re:	Sutton Fields Costs Determining Resolution

Action Requested:
Consider and act upon a resolution determining the costs of Neighborhood Improvement Area #3 improvements to be financed by the Sutton Fields II Public Improvement District; approving a preliminary service plan and assessment plan, including proposed Neighborhood Improvement Area #3 assessment roll; calling a special meeting and noticing a public hearing for June 11, 2019 to consider an ordinance levying assessments on property located within the Sutton Fields II Public Improvement District. (Sutton Fields II Costs Resolution) (DeBuff)

Background Information:
On October 13, 2015, the City Council approved the creation of the Sutton Fields II Public Improvement District (PID), authorizing the issuance of up to $85 million in bonds for the District to finance public improvements, and adopted the PID's Service and Assessment Plan (SAP) on November 10, 2015. The SAP was then amended and readopted on August 28, 2018.

This resolution updates the SAP to reflect the Neighborhood Improvement Area #3 improvements in the approximate amount of $4,450,000, as referenced in Table V-E of the Preliminary Updated SAP. The resolution also calls a public hearing to be held on June 11, 2019.

Board Review/Citizen Input:
This item calls a public hearing on June 11, 2019 to consider an ordinance levying assessments on the property located in the Sutton Fields II PID.

Alternatives:
N/A

Financial Considerations:
This item has no impact on the City's budget. The anticipated levy and assessment amount for the Neighborhood Improvement Area #3 Improvements is approximately $4,450,000.

Legal Review:
This resolution has been reviewed by the City Attorney.

Supporting Documents:

- Proposed resolution & Service and Assessment Plan

Staff Recommendation:
Staff recommends approval.

CITY OF CELINA, TEXAS

RESOLUTION NO. ________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS DETERMINING THE COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #3 IMPROVEMENTS TO BE FINANCED BY THE SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #3 ASSESSMENT ROLL; CALLING A SPECIAL MEETING AND NOTICING A PUBLIC HEARING FOR JUNE 11, 2019 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #3 ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

RECITALS

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

WHEREAS, on October 13, 2015 the City Council conducted a public hearing to consider a petition received by the City on September 3, 2015 titled "Petition for the Creation of a Public Improvement District Within the City of Celina, Texas, for the Sutton Fields II Public Improvement District" requesting the creation of a public improvement district; and

WHEREAS, on October 13, 2015, the City Council approved Resolution No. 2015-51R (the "Authorization Resolution"), authorizing, establishing and creating the Sutton Fields II Public Improvement District (the "District"); and

WHEREAS, the City authorized the creation of the District and the issuance of up to $85,000,000.00 in bonds for the District to finance certain public improvements authorized by the Act for the benefit of the property within the District (the "Authorized Improvements"); and

WHEREAS, on November 10, 2015, the City Council adopted Ordinance No. 2015-54, which approved the District Service and Assessment Plan dated November 10, 2015 (the "2015 SAP"); and

WHEREAS, on August 28, 2018, the City Council adopted Ordinance No. 2018-46, which amended and restated the 2015 SAP (the "SAP"); and

WHEREAS, the property within the District is being developed in phases, of which Phase #2A includes approximately 22.8 acres ("Phase #2A") and Phase #2B includes approximately 54.8 acres ("Phase #2B") (Phase #2A and Phase #2B are collectively, "Neighborhood Improvement Area #3"); and

WHEREAS, the City desires to update the SAP to reflect the Neighborhood Improvement Area #3 Improvements (as defined in the Preliminary Updated SAP referenced below) and the construction of and development of Neighborhood Improvement Area #3 of the District; and

WHEREAS, the anticipated levy and assessment amount for the Neighborhood Improvement Area #3 Improvements is approximately $4,450,000.00, as referenced in Table V-E of the Preliminary Updated SAP; and

WHEREAS, the City Council and the City staff have been presented a "Sutton Fields II Public Improvement District Amended and Restated Service Plan Updated for Neighborhood Improvement Area #2 & Neighborhood Improvement Area #3" dated May 14, 2019 (the "Preliminary Updated SAP"), including the proposed assessment roll attached thereto as Appendix B-3 (the "Proposed Neighborhood Improvement Area #3 Assessment Roll"), a copy of the Preliminary Updated SAP is attached hereto as **Exhibit A** and is incorporated herein for all purposes; and

WHEREAS, the Preliminary Updated SAP sets forth the estimated total costs of the Neighborhood Improvement Area #3 Improvements to be financed by the District and the Proposed Neighborhood Improvement Area #3 Assessment Roll states the assessments proposed to be levied against each parcel of land in Neighborhood Improvement Area #3 of the District as determined by the method of assessment chosen by the City; and

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

WHEREAS, the Act requires that a public hearing (the "Assessment Hearing") be called to consider the Preliminary Updated SAP and proposed Neighborhood Improvement Area #3 assessments and requires the City Council to hear and pass on any objections to the Preliminary Updated SAP and proposed Neighborhood Improvement Area #3 assessments at, or on the adjournment of, the Assessment Hearing; and

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

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS AS FOLLOWS:

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

SECTION 2. THAT the City Council does hereby accept the Preliminary Updated SAP for the District, including the Proposed Neighborhood Improvement Area #3 Assessment Roll. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Preliminary Updated SAP.

SECTION 3. THAT the City Council hereby determines that the total costs of the Neighborhood Improvement Area #3 Improvements to be financed by the District are as set forth in Table III-C of the Preliminary Updated SAP, which costs include the payment of expenses incurred in the administration of the District or related to the issuance of any bonds.

SECTION 4. THAT the City Council's final determination and approval of the costs of the Neighborhood Improvement Area #3 Improvements shall be subject to and contingent upon City

Council approval of a final Updated SAP which will include final Neighborhood Improvement Area #3 Assessment Roll, after the properly noticed and held Assessment Hearing.

SECTION 5. THAT the Proposed Neighborhood Improvement Area #3 Assessment Roll states the assessment proposed to be levied against each parcel of land in Neighborhood Improvement Area #3 of the District as determined by the method of assessment chosen by the City in the Authorization Resolution and as more fully described in the Preliminary Updated SAP.

SECTION 6. THAT the City Council expressly defers the levy of assessments against property within future phases for phase-specific improvements that will benefit only the property within each subsequent phase until the date the costs of such phase-specific improvements can be determined with certainty as referenced in the Preliminary Updated SAP.

SECTION 7. THAT the City Council hereby authorizes and directs the filing of the Proposed Neighborhood Improvement Area #3 Assessment Roll with the City Secretary and the same shall be available for public inspection.

SECTION 8. THAT the City Council hereby authorizes, and calls, a meeting and a public hearing (the Assessment Hearing as defined above) to be held on *June 11, 2019 at 5:00 p.m. at 205 S. Colorado Street, Celina, Texas 75009*, at which the City Council shall, among other actions, hear and pass on any objections to the proposed assessments; and, upon the adjournment of the Assessment Hearing, the City Council will consider an ordinance levying the assessments as special assessments on Neighborhood Improvement Area #3 within the District (which ordinance shall specify the method of payment of the assessments).

SECTION 9. THAT the City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing to be held on *June 11, 2019*, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in a newspaper of general circulation in the City, on or before May 31, 2019 as required by Section 372.016(b) of the Act.

SECTION 10. THAT when the Proposed Neighborhood Improvement Area #3 Assessment Roll is filed with the City Secretary, the City Council hereby authorizes and directs the City Secretary to mail to owners of property liable for assessment notice of the Assessment Hearing to be held on *June 11, 2019*, on or before May 31, 2019, as required by Section 372.016(c) of the Act.

SECTION 11. THAT City staff is authorized and directed to take such other actions as are required (including, but not limited to, notice of the public hearing as required by the Texas Open Meetings Act) to place the public hearing on the agenda for the *June 11, 2019* meeting of the City Council.

SECTION 12. THAT this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED on this the 14th day of May, 2019.

ATTEST:

Chad Anderson, Mayor Pro-Tem

Vicki Faulkner, City Secretary

EXHIBIT A

UPDATED PRELIMINARY SERVICE AND ASSESSMENT PLAN

EXHIBIT B

CITY OF CELINA, TEXAS
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of Celina, Texas on *June 11, 2019 at 5:00 p.m. at 205 S. Colorado Street, Celina, Texas 75009*. The public hearing will be held to consider proposed assessments to be levied against the assessable property within the Sutton Fields II Public Improvement District (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The general nature of the proposed public improvements (collectively, the "Authorized Improvements") are: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (v) above; and (vii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (v) above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property.

The total costs of the Neighborhood Improvement Area #3 Improvements that is proposed to be assessed against property within Neighborhood Improvement Area #3 of the District is $6,437,163.00. The total costs of Authorized Improvements to benefit future phases within the District cannot be determined with certainty at this time.

The boundaries of the District include approximately 622.779 acres of land generally located north of Parvin Road, east of FM 1385, south of FM 428, located within the City. The boundaries of Neighborhood Improvement Area #3 of the District include approximately 77.4 acres of land within the District, as more particularly described by a metes and bounds description is available at Celina City Hall and available for public inspection.

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

A copy of the Neighborhood Improvement Area #3 Assessment Roll relating to the Neighborhood Improvement Area #3 Improvements, which Neighborhood Improvement Area #3 Assessment

Roll includes the assessments to be levied against each parcel within Neighborhood Improvement Area #3 of the District for the Neighborhood Improvement Area #3 Improvements, is available for public inspection at the office of the City Secretary, 142 N. Ohio Drive, Celina, Texas 75009.

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT

CITY OF CELINA, TEXAS

AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN UPDATED FOR NEIGHBORHOOD IMPROVEMENT AREA #2 & NEIGHBORHOOD IMPROVEMENT AREA #3

August 28, 2018

As Updated for NIA #3 on ______, 2019

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT

AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN UPDATED FOR NEIGHBORHOOD IMPROVEMENT AREA #2 & NEIGHBORHOOD IMPROVEMENT AREA #3

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RECITALS

WHEREAS, this Service and Assessment Plan amends and restates that particular Sutton Fields PID II Service and Assessment Plan approved by the City Council on November 10, 2015 (the "Original SAP"); and

WHEREAS, certain terms used herein are defined in Section II; and

WHEREAS, on September 3, 2015, CADG Sutton Fields, LLC, a Texas limited liability company; owner of a majority of the real property petitioned the City for creation of a PID; and

WHEREAS, by Resolution 2015-51R adopted on October 13, 2015, after notice and a public hearing in the manner required by law, the City Council of the City of Celina, Texas approved a resolution authorizing the creation of the Sutton Fields II Public Improvement District (the "District") of the City of Celina; and

WHEREAS, on November 10, 2015, after notice and a public hearing conducted in the manner required by law, the City Council adopted Ordinance Nos. 2015-54 and 2015-56 approving the Sutton Fields II Public Improvement District Original SAP and Assessment Roll and the levy of assessments on property in the District; and

WHEREAS, the original plan of development contemplated the City to provide retail water and sewer service, the Developer had agreed to secure the water and wastewater certificates of convenience and necessity ("CCNs") from Mustang Special Utility District for an estimated cost of $3,300,000 as shown in the Major Improvements budget in the Original SAP and in connection with the securing of the CCN Certificate in order to provide water and wastewater services for the City, the Developer had agreed to purchase capacity for such services from Upper Trinity Regional Water District ("UTRWD") for an estimated cost of $800,000; and

WHEREAS, Mustang Special Utility District ("MSUD") held the certificates of convenience and necessity (the "CCNs") to provide retail water and sewer service to Tract A; and

WHEREAS, Aqua Texas ("Aqua") held the CCNs to provide retail water and sewer service to Tract B; and

WHEREAS, MSUD CCNs were decertified on July 16, 2015 and Aqua CCNs were decertified on March 22, 2016, in order to allow the City to provide retail water and sewer service to the Property; and

WHEREAS, the Developer and the City have agreed that the Property will receive water and sewer service from MSUD; and

WHEREAS, the MSUD, the City, and the Developer entered into that certain Facilities Agreement (the "Facilities_Agreement") anticipated to be effective on or about June 13, 2017, wherein MSUD has agreed to provide retail water and sewer service to the Assessed Property and, therefore, the CCNs and the UTRWD capacity included in the Original SAP are no longer required; and

WHEREAS, the City Council decided to amend and restate the Original SAP to, among other things, allow MSUD to provide retail water and sewer service to the Assessed Property; and

WHEREAS, the City and the Developer entered that certain Sutton Fields II Public Improvement District Neighborhood Improvement Area #1 Reimbursement Agreement, effective November 10, 2015 (the "Reimbursement Agreement"), to pay and reimburse the Developer for cost of Neighborhood Improvement Area #1 Improvements (as defined in the Reimbursement Agreement) plus interest; and

WHEREAS, the City and the Developer determined that due to the change in water and sewer service providers, the Developer will no longer expend the amount of $2,225,000.00 for the costs incurred in the construction of the Neighborhood Improvement Area #1 Improvements (as defined in the Reimbursement Agreement) for which the City would be obligated to reimburse the Developer; and

WHEREAS, the City Council approved the creation of *Reinvestment Zone Number Four, City of Celina, Texas* ("TIRZ No. 4"), on November 5, 2015; and

WHEREAS, the TIRZ Credit related to TIRZ No. 4 was amended to reduce the City's participation rate; and

WHEREAS, the City agrees to create a TIRZ to encompass the Neighborhood Improvement Areas #2-5 Assessed Property; and

WHEREAS, the Original SAP was amended and restated on August 28, 2018:

NOW THEREFORE, the Service and Assessment Plan is updated as follows:

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On October 13, 2015, (the "Creation Date") the City Council of the city of Celina, Texas (the "City") passed and approved Resolution No. 2015-51R approving and authorizing the creation of the Sutton Fields II Public Improvement District (the "PID") to finance the costs of certain public improvements for the benefit of property within the PID (the "Authorized Improvements"), which is located within the City of Celina, and within the Extraterritorial Jurisdiction (the "ETJ") of the City of Celina, Texas.

Certain development standards have been established for the property within the PID pursuant to the terms and conditions of that certain Amended and Restated Sutton Fields Facilities and Development Agreement dated June 13, 2017 ("the Development Agreement"). The property in the PID is proposed to be developed in approximately five phases, and the PID will finance Authorized Improvements for each phase as each phase is developed. Assessments will be imposed on all property in each phase for the Authorized Improvements to be provided for that phase.

Chapter 372 of the Texas Local Government Code, the "Public Improvement District Assessment Act" (as amended, the "PID Act"), governs the creation of public improvement districts within the State of Texas. The Sutton Fields II Service and Assessment Plan was prepared pursuant to 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 for the PID is described in more detail in Section VI.

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.

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

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 proposed Assessment Rolls for the PID is included as Appendix A, Appendix B-1, Appendix B-2 and Appendix B-3 of this Service and Assessment Plan. The Assessments as shown on the proposed

Assessment Rolls are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

Capitalized terms 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, as defined in the Construction, Funding and Acquisition Agreement, 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, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, County permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses. Actual Costs 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, as defined in the Construction, Funding and Acquisition Agreement, that has been reviewed and approved by the City. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

"**Administrative Expenses**" means the administrative, organization, maintenance and operation costs and expenses 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 PID Bonds, (v) issuing, paying and redeeming the PID Bonds (vii) investing or depositing of monies, (viii) complying with the PID Act and codes with respect to the PID Bonds, (ix) the Trustee fees and expenses relating to the PID Bonds, including other reasonable fees (x) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors (xi) 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 PID Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"Administrator" means the employee or designee of the City, identified in any indenture of trust relating to the PID Bonds or identified in any agreement approved by City Council, who shall have the responsibilities provided for herein and in the Service and Assessment Plan.

"Annual Installment" means, with respect to each Assessed Property, each annual payment of the: (i) Assessments (including the principal of and interest on), as shown on the Assessment Rolls attached hereto as **Appendix A**, **Appendix B-1,** **Appendix B-2** and **Appendix B-3** or in an Annual Service Plan Update, and calculated as provided in **Section VII** of this Service and Assessment Plan, (ii) Administrative Expenses, (iii) Prepayment reserve described in **Section V** of this Service and Assessment Plan, and (iv) Delinquency reserve described in **Section V** of this Service and Assessment Plan.

"Annual Service Plan Update" has the meaning set forth in **Section VI** of this Service and Assessment Plan.

"**As-Built Assessed Value**" means the estimated future assessed value of a parcel after construction.

"**Assessed Property**" means a Parcel, other than Non-Benefitted Property, of land located within the PID, described by metes and bounds, by lot and block number in a final subdivision plat recorded in the Official Public Records of the County, or by any other means determined by the County, against which an Assessment is levied by the Assessment Order in accordance with the Service and Assessment Plan.

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

"**Assessment Ordinance**" means each 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 Roll(s)" means the document(s) included in this Service and Assessment Plan as **Appendix A**, **Appendix B-1,** **Appendix B-2** and **Appendix B-3** as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual

Service Plan Update or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan.

"Authorized Improvements" means the public improvements identified in **Section III** herein and authorized under Section 372.003 of the PID Act, acquired, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

"Authorized Improvement Costs" mean the actual or budgeted costs, as applicable, of all or any portion of the Authorized Improvements.

"City" means City of Celina, Texas.

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

"Construction, Funding and Acquisition Agreement" means the (i) "Neighborhood Improvement Areas #2-5 Construction, Funding and Acquisition Agreement" between the City and the Developer relating to the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, dated as of November 10, 2015, which provides for the appointment, levying and collection of Assessments, the construction of the Neighborhood Improvement Areas #2-5 Major Improvements, the maintenance of the Neighborhood Improvement Areas #2-5 Major Improvements, the issuance of bonds and other matters related thereto, (ii) the "Neighborhood Improvement Area #1 Construction, Funding and Acquisition Agreement" between the City and the Developer relating to the Neighborhood Improvement Area #1 Bonds, dated as of November 10, 2015, which provides for the appointment, levying and collection of Assessments, the construction of the Neighborhood Improvement Area #1 Improvements, the maintenance of the Neighborhood Improvement Area #1 Improvements, the issuance of bonds and other matters related thereto, (iii) the "Neighborhood Improvement Area #2 Construction, Funding and Acquisition Agreement" between the City and the Developer dated as of August 28, 2018 and (iv) the "Neighborhood Improvement Area #3 Construction, Funding and Acquisition Agreement" between the City and the Developer dated as of _______, 2019.

"**County**" means Denton County, Texas.

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

"Developer" means CADG Sutton Fields, LLC, a Texas limited liability corporation.

"**Future Neighborhood Improvement Area"** means Neighborhood Improvement Areas that may be fully developed after Neighborhood Improvement Area #1, as such areas are generally depicted in **Table II-C**. The Future Neighborhood Improvement Areas are subject to adjustment and are shown for example only.

"Future Neighborhood Improvement Area Improvements" means those Authorized Improvements associated with any Future Neighborhood Improvement Area.

"Future Neighborhood Improvement Area Bonds" mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Future Neighborhood Improvement Area. In connection with the Future Neighborhood Improvement Area Bonds, Assessments will be levied only on Parcels located within the Future Neighborhood Improvement Area in question.

"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 established for the benefit of property owners within the PID.

"Indenture" means an indenture of trust, trust agreement, ordinance or similar document between the City and Trustee setting forth the terms and other provisions relating to a series of one or more PID Bonds, as modified, amended, and/or supplemented from time to time.

"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 Lot size and Lot width.

"Major Improvements" means both on-site and off-site Authorized Improvements which benefit all Assessed Property within the PID and described in **Section III**.

"Neighborhood Improvement Area #1" means the initial area to be developed within the PID as generally shown on the map on **Table II-B** consisting of approximately 130 acres**.**

"Neighborhood Improvement Area #1 Assessed Property" means any and all Parcels within Neighborhood Improvement Area #1 other than Non-Benefited Property and as shown in the Neighborhood Improvement Area #1 Assessment Roll against which an Assessment relating to the Neighborhood Improvement Area #1 Improvements is levied.

"**Neighborhood Improvement Area #1 Assessment Roll**" means the Assessment Roll covering the Neighborhood Improvement Area #1 included in this SAP as **Appendix A**, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Updates.

"Neighborhood Improvement Area #1 Bonds" means those certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series, 2015 (Sutton Fields II Public Improvement District

Neighborhood Improvement Area #1 Project)" that are secured by actual revenues received by or on behalf of the City from the collection of Assessments levied against Neighborhood Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Neighborhood Improvement Area #1 Improvements.

"**Neighborhood Improvement Area #1 Improvements**" means (i) the pro rata portion of the Major Improvements that benefit the entire PID allocable to the Neighborhood Improvement Area #1, and (ii) the Authorized Improvements which only benefit the Neighborhood Improvement Area #1 Assessed Property and are described in **Section III.B** hereto, and which are to be financed with Neighborhood Improvement Area #1 Bonds.

"**Neighborhood Improvement Area #1 Initial Parcel**" means the portion of all Parcels located within Neighborhood Improvement Area #1, which as of May 1, 2017 includes the following tax map identification numbers assigned by the Denton County Appraisal District: 52680, 52751, 52810, 52744, 52760, 52721.

"Neighborhood Improvement Area #2" or "NIA #2" means the property within the PID, being developed as Phase 1C, as depicted on the map in **Appendix D** consisting of approximately 45.4 acres within the PID.

"Neighborhood Improvement Area #2 Assessed Property" means, for any year, any and all Parcels within Neighborhood Improvement Areas #2 other than Non-Benefited Property.

"Neighborhood Improvement Area #2 Assessment Roll" means the Assessment Roll covering Neighborhood Improvement Areas #2 Improvements included in this SAP as **Appendix B-2**, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"**Neighborhood Improvement Area #2 Initial Parcel**" means the portion of all Parcels located within Neighborhood Improvement Areas #2, which as of July 1, 2018 includes the following tax map identification numbers assigned by the Denton County Appraisal District: 134236.

"Neighborhood Improvement Area #2 Improvements" means those Authorized Improvements that benefit the Neighborhood Improvement Areas #2, as described in **Section III.C** hereto, and which are to be financed with the Neighborhood Improvement Areas #2 Reimbursement Agreement.

"Neighborhood Improvement Area #2 Reimbursement Agreement" means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #2 Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #2 Improvements funded by the Developer with interest as permitted by the Act.

"Neighborhood Improvement Area #3" or "NIA #3" means the property within the PID, being developed as Phases 2A and 2B, as depicted on the map in **Appendix D** consisting of approximately 77.4 acres within the PID.

"Neighborhood Improvement Area #3 Assessed Property" means, for any year, any and all Parcels within Neighborhood Improvement Areas #3 other than Non-Benefited Property.

"Neighborhood Improvement Area #3 Assessment Roll" means the Assessment Roll covering Neighborhood Improvement Areas #3 Improvements included in this SAP as **Appendix B-3**, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"**Neighborhood Improvement Area #3 Initial Parcel**" means the portion of all Parcels located within Neighborhood Improvement Areas #3, which as of ________ includes the following tax map identification numbers assigned by the Denton County Appraisal District: __________.

"Neighborhood Improvement Area #3 Improvements" means those Authorized Improvements that benefit the Neighborhood Improvement Areas #3, as described in **Section III.C** hereto, and which are to be financed with the Neighborhood Improvement Areas #3 Reimbursement Agreement.

"Neighborhood Improvement Area #3 Reimbursement Agreement" means reimbursement agreement by and between the City and the Developer in which the Developer agrees to fund the Actual Costs of certain Neighborhood Improvement Area #3 Improvements and the City agrees to reimburse the Developer for the Actual Costs of those Neighborhood Improvement Area #3 Improvements funded by the Developer with interest as permitted by the Act.

"Neighborhood Improvement Areas #2-5" means the property within the PID, excluding the Neighborhood Improvement Area #1, as depicted on the map on **Table II-C** consisting of approximately 493 acres within the PID.

"Neighborhood Improvement Areas #2-5 Assessed Property" means, for any year, any and all Parcels within Neighborhood Improvement Areas #2-5 other than Non-Benefited Property.

"Neighborhood Improvement Areas #2-5 Assessment Roll" means the Assessment Roll covering Neighborhood Improvement Areas #2-5 Major Improvements included in this SAP as **Appendix B-1**, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"**Neighborhood Improvement Areas #2-5 Initial Parcel**" means the portion of all Parcels located within Neighborhood Improvement Areas #2-5, which as of May 1, 2017 includes the following tax map identification numbers assigned by the Denton County Appraisal District: 52680, 122875, 52751, 52810, 52744, 52760, 52721, 660188, 134236.

“Neighborhood Improvement Areas #2-5 Major Improvements” means those Major Improvements that benefit the entire PID that are allocable to Neighborhood Improvement Areas #2-5, as described in **Section III.C** hereto, and which are to be financed with the Neighborhood Improvement Areas #2-5 Major Improvement Bonds.

“Neighborhood Improvement Areas #2-5 Major Improvement Bonds” means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2015 (Sutton Fields II Public Improvement District Neighborhood Improvement Areas #2-5 Major Improvement Project) that are secured by Assessments levied on Neighborhood Improvement Areas #2-5 Assessed Property.

“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. Property identified as Non-Benefited Property is not assessed at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel. For Assessed Property that is converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, such property remains subject to the Assessments and the Assessments must be prepaid as provided for in **Section VII.E.2**.

“Parcel” or “Parcels” means a specific property within the PID identified by either a tax map identification number assigned by the Denton County Appraisal District for real property tax purpose, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of Denton County, or by any other means determined by the County.

“PID” means the Sutton Fields II Public Improvement District created by the City pursuant to Resolution 2015-51R on October 13, 2015.

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

“PID Bonds” means the bonds to be issued by the City, in one or more series, to finance the Authorized Improvements that confer special benefit on the property within the PID, which may include funds for any required reserves and amounts necessary to pay the PID Bond issuance costs, and to be secured by a pledge of the Assessments pursuant to the authority granted in the PID Act, for the purposes of (i) financing the costs of Authorized Improvements and related costs, and (ii) reimbursement for Actual Costs paid prior to the issuance of and payment for the PID Bonds. This term is used to collectively refer to the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, and the Future Improvement Area Bonds throughout this SAP.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional amounts due pursuant to the Indenture related to the PID Bonds and allowed by law, if any, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment and the PID Bonds secured by such Assessment.

"Public Property" means property, real property, right of way and easements located 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, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an exclusive use easement, or through a public utility easement.

"Service and Assessment Plan" or **"SAP"** means this Sutton Fields II Public Improvement District Service and Assessment Plan (as such plan is amended from time to time), to be initially adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the PID.

"Sutton Fields II" or "Project" means the approximately 622 acres of land located in this City and the ETJ of Celina, Texas. The project is contained within the area depicted on **Table II-A.**

"**TIRZ No. 4"** means the Tax Increment Reinvestment Zone No. 4, City of Celina, Texas.

"**TIRZ No. 8"** means the Tax Increment Reinvestment Zone No. 8, City of Celina, Texas.

"**TIRZ Credit"** means, for each Parcel, the prorated amount of TIRZ Revenues calculated pursuant to **Section V.N** of this Service and Assessment Plan.

"**TIRZ Ordinances**" means the ordinances 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. 4 Project Plan and Financing Plan (including amendments or supplements thereto) and the Tax Increment Reinvestment Zone No. 8 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. 4 tax increment fund and TIRZ No 8 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 V.M** of this Service and Assessment Plan.

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

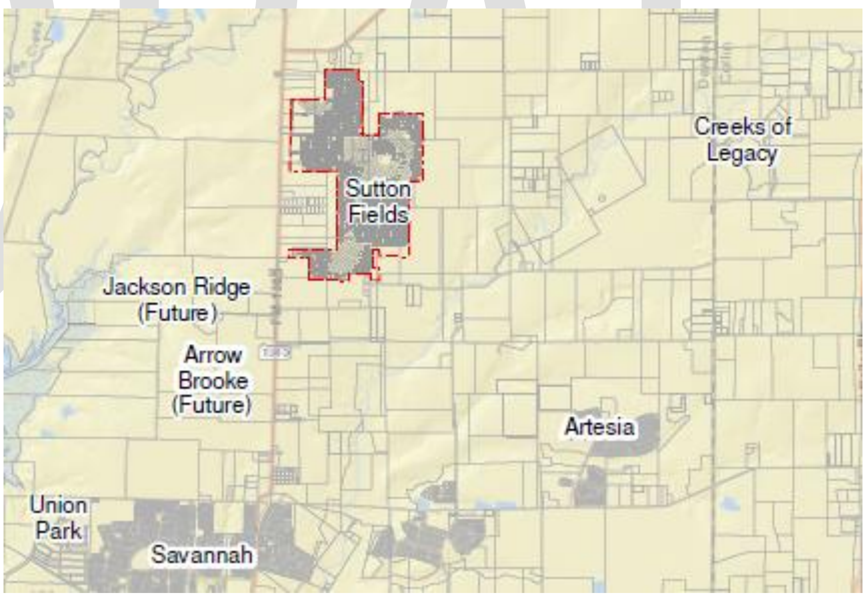
II. *PROPERTY INCLUDED IN THE PID*

A. PROPERTY INCLUDED IN THE PID

The PID is comprised of the property depicted and described by metes and bounds on Exhibit A to Resolution 2015-51R, as adopted by the City Council. The PID is located within the City's corporate limits and within the extraterritorial jurisdiction of the City and contains approximately 622 acres planned for the development of approximately 2,294 single family residential lots and includes the associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID.

A map of the property within the PID is shown in Table II-A. Legal descriptions for all Parcels within the PID are included in Appendix C.

TABLE II-A
PID Boundary Map

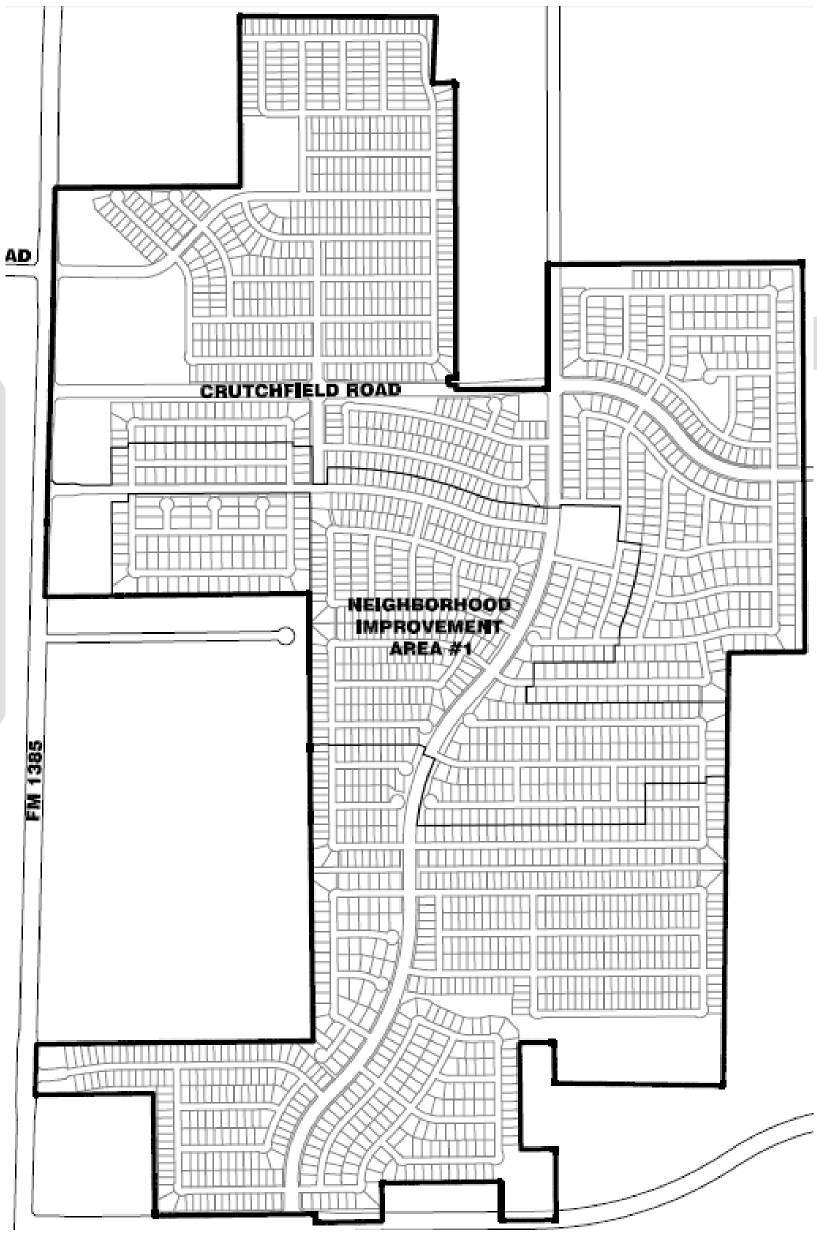


B. PROPERTY LOCATED IN NEIGHBORHOOD IMPROVEMENT AREA #1

The Neighborhood Improvement Area #1 contains approximately 130 acres. Neighborhood Improvement Area #1 is expected to be developed into approximately 515 single family residential lots.

A map of the property within the PID and Neighborhood Improvement Area #1 is shown in Table II-B.

<u>TABLE II-B</u>
PID Boundary Map

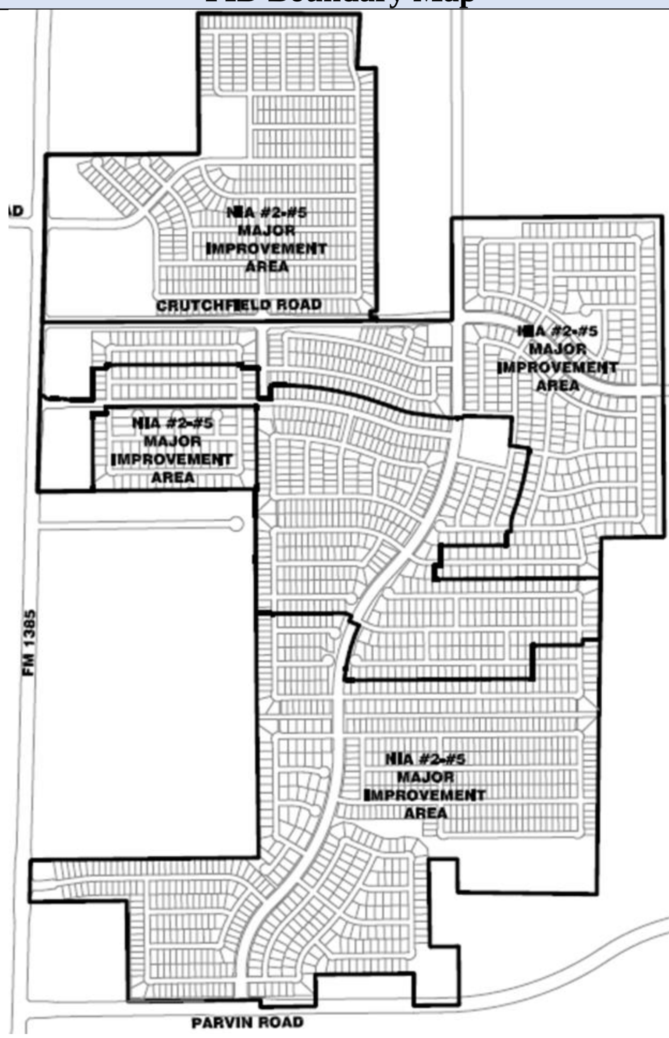


C. Property Located in Neighborhood Improvement Areas #2-5

Neighborhood Improvement Areas #2-5 contain approximately 493 acres. Neighborhood Improvement Areas #2-5 are expected to be developed in separate Future Neighborhood Improvement Areas containing, in total, approximately 1,730 single family residential lots. As Future Neighborhood Improvement Areas continue to be developed and Future Neighborhood Improvement Area Bonds are issued, the Assessment Plan will be amended to incorporate any applicable new information and a new table that depicts the impact of the applicable Future Neighborhood Improvement Area being developed.

A map of the property within the Neighborhood Improvement Areas #2-5 is shown in Table II-C.

TABLE II-C
PID Boundary Map



Neighborhood Improvement Area #2 contain approximately 45.4 acres. Neighborhood Improvement Area #2 is expected to be developed into approximately 162 single family residential lots.

Neighborhood Improvement Area #3 contain approximately 77.4 acres. Neighborhood Improvement Area #3 is expected to be developed into approximately 368 single family residential lots.

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III. DESCRIPTION OF THE PUBLIC IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

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

372.003. Authorized Improvements

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

(b) A public improvement may include:

(i) landscaping;

(ii) erection of fountains, distinctive lighting, and signs;

(iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;

(iv) construction or improvement of pedestrian malls;

(v) acquisition and installation of pieces of art;

(vi) acquisition, construction, or improvement of libraries;

(vii) acquisition, construction, or improvement of off-street parking facilities;

(viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;

(ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;

(x) the establishment or improvement of parks;

(xi) projects similar to those listed in Subdivisions (i)-(x);

(xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;

(xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and

(xiv) payment of expenses incurred in the establishment, administration, and operation of the district; and

(xv) the development, rehabilitation, or expansion of affordable housing.

After analyzing the public improvements authorized by the PID Act, the City has determined that of the improvements authorized under the PID Act, it will undertake the Authorized Improvements more particularly described in Section III.B, Section III.C, Section III.D, Section III.E, and Section III.F herein for the benefit of the Property within the PID.

B. Descriptions and Costs of the Authorized Improvements that only Benefit Neighborhood Improvement Area #1

The Authorized Improvements that only benefit Improvement Area #1 are described below:

Neighborhood Improvement Area #1 Water Distribution System

This water portion of the Neighborhood Improvement Area #1 waterline improvements consists of constructing 8-inch water line, including associated and 8-inch gate valves. One-inch diameter water services will be provided to each of the 515 lots within Neighborhood Improvement Area #1. All associated waterline testing, trench safety and erosion protection during construction are included. These lines will be designed and constructed in accordance with Mustang Special Utility District (MSUD) standards and specifications and will be owned and operated by MSUD. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Neighborhood Improvement Area #1 and all 515 lots within Neighborhood Improvement Area #1.

Neighborhood Improvement Area #1 Sanitary Sewer

Neighborhood Improvement Area #1 wastewater improvements also include construction of 8" gravity sanitary sewer line that connects to the 10" gravity sewer main line. Construction includes connection at multiple points through concrete manholes. Services to individual lots are by 4" gravity sewer services. All lines will be designed and constructed in accordance with MSUD standards and specifications and will be owned and operated by MSUD. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Neighborhood Improvement Area #1 and each of the 515 lots within Neighborhood Improvement Area #1.

Neighborhood Improvement Area #1 Storm Drainage

The drainage portion of the Neighborhood Improvement Area #1 Improvements shall consist round concrete pipes, reinforced concrete boxes, inlets and rock riprap protection at outfalls. The main means of conveyance of storm drainage within Neighborhood Improvement Area #1 is within underground storm drain pipes. The roadway pavement section incorporates the use of curbs with integrated drainage inlets to control runoff and conveyance of storm-water throughout the drainage basins associated with Neighborhood Improvement Area #1. The system includes underground reinforced concrete pipe (RCP) with associated headwalls, safety end treatments, manholes and storm sewer energy dissipaters at the points of discharge. This project will be constructed to City standards and specifications and will be owned and operated by the City.

Neighborhood Improvement Area #1 Residential Streets

Roadway improvements within Neighborhood Improvement Area #1 include construction of concrete pavement and pavement subgrade. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each lot within Neighborhood Improvement Area #1. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. These projects will provide access to community roadways and state highways.

C. Descriptions and Costs of the Authorized Improvements

The original plan for the PID anticipated the City as a customer of Upper Trinity Regional Water District (UTRWD) providing water to the properties in the PID. This plan has since changed and currently, the PID is being developed with Mustang Special Utility District ("MSUD") as its retail provider of water. The Major Improvements originally anticipated to be constructed and updates to the Major Improvements because of the change are described below:

The Neighborhood Improvement Areas #2-5 Major Improvements are described below and their Actual Costs are shown in Table III-A. The Neighborhood Improvement Areas #2-5 Major Improvement Bonds will only pay for Neighborhood Improvement Areas #2-5's share of the Major Improvements (approximately 79% except for the Offsite Sewer Improvements which are approximately 74%) as shown within Table III-A. The Actual Costs to construct the Major Improvements including the Off-Site Major Improvements is $11,520,649. The Actual Costs to construct the Neighborhood Improvement Areas #2-5 Major Improvements minus the Off-Site Sewer Major Improvements allocated to Neighborhood Improvement Areas #2-5 and as shown in Table V-B, is $10,611,272. The Actual Costs shown in Table III-A may be revised through Annual Service Plan Updates.

The Actual Costs for the Neighborhood Improvement Areas #2-5 Major Improvements are to be funded both from the proceeds of the Neighborhood Improvement Areas #2-5 Major Improvement Bonds as described herein and from funds contributed by the Developer.

1. Detention Ponds

Drainage System

Project shall consist of the construction of one (1) retention/detention pond, including excavation to a depth of 15-feet and the associated drainage improvements for each pond. Underground reinforced concrete storm sewer pipes, inlets and rock riprap protection at outfalls will also be installed at each pond. This project will be constructed according to City standards and specifications and will be owned and operated by the City. The portion of these costs allocated to Neighborhood Improvement Areas #2-5 is $215,582.

Updates to the Drainage System Improvements:

According to Pettit Barazza, LLC (the "Project Engineer"), final design incorporated additional detention ponds, which are new projects. Storm drainage system associated with the detention ponds are included with these improvements and generally consists of reinforced concrete pipes and reinforced concrete boxes, along with headwalls and safety end treatments, erosion control such as riprap protection, and soil stabilization. The improvements were designed according to City and the Texas Department of Transportation (TxDOT). The City will maintain and operate the underground storm drainage system and a Homeowners' Association will maintain and operate the detention ponds.

2. Paving

A. Road "A" Improvements

The Roadway 'A' portion of the project consists of the construction of approximately 240 linear feet of 6-inch thick, 36-foot wide, concrete pavement with curb and gutter and 3,280 linear feet of 6-inch thick, 44-foot wide, concrete pavement with curb and gutter. The concrete will be 3,600 pounds per square inch (psi) strength. 17,978 square yards (sy) of pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This will provide access from FM 1385 into the Sutton Fields Amenity Center and rest of the development.

B. Updates to the Roadway "A" Improvements:

According to the Project Engineer, Roadway "A" was renamed as Fenwick Trail. In addition, the final design includes 6-inch lime stabilization and 5-foot wide sidewalk and round concrete pipes are also included in the contracted quantities for Fenwick Trail improvements.

C. Road "F" Improvements

The Roadway 'F' portion of the project consists of the construction of 4 lanes divided concrete pavement with curb and gutter. The pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This section is located within the project and provides north-south access to the entire development. The roadway improvements will be constructed according to City standards.

D. Updates to the Roadway "F" Improvements:

The Project Engineer provided the following updates to the Roadway "F" Improvements:

The City required a second point of access for the current phases, which required the extension of Sutton Fields Boulevard to the north and partial construction of the intersection at Crutchfield Road. The southern end of Sutton Fields Boulevard was also extended to the end of the lots developed and platted with the current phases. 4-lane divided concrete pavement and 6-inch stabilized subgrade are currently under contract. The north and south extension of Sutton Fields Boulevard is a new project, not included in the initial list of Authorized Improvements for the PID and will be constructed according to City standards.

E. Road C1 – Crutchfield Road

The improvement of one-half (1/2) of Crutchfield Road (Road C1), from FM 1385 east to the intersection of Sutton Fields Boulevard, was required by the City as a second point of access to the development through Sutton Fields Boulevard. The Roadway 'C1' portion of the project consists of the construction 4 lanes divided concrete pavement with curb and gutter. The pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This section is located within the project and provides east-west access to the entire development. The improvement of Crutchfield Road is a new project that was not included in the initial list of Authorized Improvements for the PID and will be constructed according to City standards.

F. Road B – Boleyn Avenue

The City required the additional improvement of Boleyn Avenue as a condition of approval. The Roadway 'B' portion of the project consists of the construction of, 4 lanes divided concrete pavement with curb and gutter. The pavement sub-grade will be lime stabilized and compacted. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. This section is located within the project and provides a north access to the entire development. The construction of Boleyn Avenue is a new project that was not included in the initial list of Authorized Improvements for the PID and will be constructed according to City standards.

G. FM 1385

The FM 1385 roadway portion of the project consists of the construction left and right turn lanes within FM 1385 to enhance traffic turning movement in and out of the development. These improvements will be constructed to TX DOT, Denton County and City standards. These Improvements will benefit the entire project.

H. Updates to the FM 1385 Improvements:

With the additional new project of Crutchfield Road (Road C1) Improvements by the City, an additional right turn lane was required. One (1) northbound right turn lane is being constructed at Fenwick Trail (Road A) and an additional one (1) northbound right turn lane at Crutchfield Road (Road C1) with the current phases. Both turn lanes consist of hot mix asphaltic concrete. The additional right turn lane is a new project that was not included in the initial list of Authorized Improvements for the PID.

As described above, MSUD will continue to provide water and wastewater services to the properties in the PID, as a result, CCNs are no longer required for the PID.

3. Offsite Water

A. Water Distribution System

The City is a customer of the Upper Trinity Regional Water District (UTRWD) and will receive wholesale treated water through a major transmission line from the UTRWD Tom Harpool water treatment plant. Therefore, there are no water treatment plant upgrades required.

There is an existing 36-inch water transmission line located along the Western boundary of the project. The proposed off-site improvements will consist of constructing a new delivery point/ meter station, a 0.25 MG Ground Storage Tank, a 1.0 MG Elevated Storage Tank and a Pump Station with the required pumps to provide adequate pressure to the system. The combination of the Elevated and Ground Storage Tanks will provide the adequate storage capacity required by TCEQ and will also provide the required pressures for the entire system. Approximately 11,000 linear feet of 12-inch water line will also be constructed as part of the water distribution system. All of the proposed improvements will benefit the Development. Additional waterline improvements will include connection to the existing water-main, installation of associated 12-inch valves, fire hydrants, ductile iron fittings, erosion control, trench safety and testing. All water improvements will be constructed to City standards and specifications and all improvements will be owned and operated by the City. These Improvements will benefit Neighborhood Improvement Areas #1-4.

B. Updates to the Offsite Water Distribution System Improvements:

The original plan for the PID anticipated the City as a customer of Upper Trinity Regional Water District (UTRWD) providing water to the properties in the PID. This plan has since changed and currently, the PID is being developed with MSUD as its retail provider of water. The transition from UTRWD to MSUD resulted in the addition of 12-inch water lines along the future Tudor Place, and downsizing the proposed 12-inch water line along Fenwick Trail to an 8-inch water line. Also, a 12-inch water line was extended along the additional length of Sutton Fields Boulevard required by the City in conjunction with the current phase. The additional 12-inch water lines are new projects that were not included in the initial list of Authorized Improvements for the PID.

C. *Elevated Storage Tank Engineering*

Engineering for the Elevated Storage Tank will start with NIA #1 to secure all necessary approvals, including TCEQ and the City. These Improvements will benefit the entire project.

D. *Updates to the Elevated Storage Tank:*

The elevated storage tank is no longer required because of the transition from UTRWD to MSUD. As a result, the water distribution system was redesigned to accommodate the new points of connection and the elevated storage tank is no longer required for the PID.

4. Offsite Sewer

A. *Sanitary Sewer*

The City is a customer city of the Upper Trinity Regional Water District (UTRWD) and will receive wastewater collection services by constructing a wastewater interceptor line and wastewater treatment services from the UTRWD collection point located at Parvin Road & Good Hope. UTRWD operates the Riverbend and Doe Creek wastewater treatment plants. The UTRWD treatment plant permit with the TCEQ has excess capacity to serve the Sutton Fields development. UTRWD is in the process of expanding both wastewater treatment plants.

This project consists of constructing 6-inch force main, associated lift station, 6,050 linear feet of 15-inch sanitary sewer gravity line, 1,250 linear feet of 12-inch sanitary sewer gravity line and 800 linear feet of 10-inch sanitary sewer gravity line generally flowing southeasterly along Parvin Road and connecting to the UTRWD collection point and Doe Creek/ Riverbend Wastewater Treatment Plants. Cutoff valves, air release valves will be constructed in accordance with City of Celina and TCEQ regulations. The gravity interceptor line will be designed to maintain the 3.0 fps minimum velocity. The line will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City. The portion of the acquisition of this and other related costs of the CCN allocated to Neighborhood Improvement Areas #2-4 is $909,377.

B. *Updates to the Offsite Sanitary Sewer System Improvements:*

The original plan for the PID anticipated the City as a customer of UTRWD providing wastewater collection services to the PID. This plan has since changed and currently, The PID is being developed with MSUD as its retail provider of wastewater collection services. As a result of this the transition from UTRWD to MSUD, the metering station at the UTRWD delivery point is no longer required because the offsite gravity sewer will connect into an existing MSUD gravity line. The contracted quantities for the offsite sewer also includes gravity sanitary sewer mains from 8-inch to 24-inch diameters, along with a concrete encasement for crossing under Doe Creek, and removal and replacement of existing MSUD gravity lines to facilitate outfall. It also includes removal and replacement of existing fences.

5. Right of Way, Open Space and Civic Site Land

Upon closing of the PID Bonds corresponding to the development of a certain number of lots, the City shall pay a certain amount for the acquisition of the right-of-way, open space and civic site land comprising approximately 71.3 acres.

TABLE III-A

Estimated Costs of Major Improvements and Neighborhood Area #1 Improvements

	Hard Costs	Soft Costs	Total Costs
Major Improvements			
Detention Ponds	$1,451,898	$261,342	$1,713,240
Paving Road A - Fenwick	$1,489,264	$268,068	$1,757,332
Paving Road F - Sutton Fields	$1,126,284	$202,731	$1,329,016
Paving - FM 1385	$401,140	$72,205	$473,345
Crutchfield Road	$861,119	$155,001	$1,016,121
Boleyn Paving - Road B	$222,703	$40,087	$262,789
ROW, open space land acquisition and park contribution	$6,500,000	$0	$6,500,000
Offsite water improvements	$860,759	$154,937	$1,015,695
Offsite sewer improvements	$2,378,990	$428,218	$2,807,208
Professional consulting, legal fees and additional debt service reserve funding	$0	$620,000	$620,000
Subtotal Major Improvements	*$15,292,158*	*$2,202,588*	*$17,494,746*
Neighborhood Improvement Area #1 Improvements			
Water distribution improvements	$1,321,380	$162,699	$1,484,079
Sewer collection improvements	$1,152,965	$174,878	$1,327,844
Storm sewer collection improvements	$2,280,820	$282,781	$2,563,601
Roadway improvements including site preparation	$3,205,063	$422,853	$3,627,916
Subtotal NIA #1 Improvements	*$7,960,229*	*$1,043,211*	*$9,003,440*
Total Authorized Improvements	**$23,252,386**	**$3,245,800**	**$26,498,186**

Note: Costs provided by Petitt Barraza, LLC. The amounts shown may be revised in Annual Service Plan Updates.

3

D. DESCRIPTIONS AND COSTS OF THE AUTHORIZED IMPROVEMENTS THAT ONLY BENEFIT NEIGHBORHOOD IMPROVEMENT AREA #2

The descriptions of the Neighborhood Improvement Area #2 Improvements are presented below and the estimated costs of the Neighborhood Improvement Area #2 Improvements are shown in Table III-B. The estimated costs shown in Table III-B may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with MSUD standards and specifications and will be owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist 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 in accordance with MSUD standards and specifications and will be owned and operated by MSUD.

Storm drainage collection system improvements:

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

TABLE III-B
Estimated Costs Neighborhood Improvement Area #2 Improvements

Authorized Improvements	Total Costs
Roadway improvements	$1,312,024
Water distribution improvements	$1,203,966
Sewer collection improvements	$413,815
Storm sewer collection improvements	$765,336
Other soft and miscellaneous costs	$328,594
Total Estimated Costs	**$4,023,734**

Note: The amounts shown may be revised in Annual Service Plan Updates.

E. Descriptions and Costs of the Authorized Improvements that only Benefit Neighborhood Improvement Area #3

The descriptions of the Neighborhood Improvement Area #3 Improvements are presented below and the estimated costs of the Neighborhood Improvement Area #3 Improvements are shown in Table III-C. The estimated costs shown in Table III-C may be revised in an Annual Service Plan Update as needed.

Roadway improvements:

The roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements:

The water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with MSUD standards and specifications and will be owned and operated by MSUD.

Sanitary sewer collection system improvements:

The sanitary sewer collection system improvements within the PID consist 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 in accordance with MSUD standards and specifications and will be owned and operated by MSUD.

Storm drainage collection system improvements:

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

TABLE III-C
Estimated Costs Neighborhood Improvement Area #2 Improvements

Authorized Improvements	Total Costs
Roadway improvements	$2,215,224
Water distribution improvements	$825,120
Sewer collection improvements	$679,260
Storm sewer collection improvements	$1,786,223
Other soft and miscellaneous costs	$931,336
Total Estimated Costs	**$6,437,163**

Note: The amounts shown may be revised in Annual Service Plan Updates.

The costs of the Authorized improvements shown above are estimates and may be updated in Annual Service Plan Updates. Savings from one line item may be applied to other line items or other Authorized Improvements specified in an Annual Service Plan Update or as otherwise approved by the City Council.

F. Descriptions and Costs of Future Neighborhood Improvement Area Improvements

Future Neighborhood Improvement Area Bonds may be issued in the future to fund Future Neighborhood Improvement Area Improvements, subject to the approval of the City Council. Should that occur, then in association with issuing Future Neighborhood Improvement Area Bonds, this Service and Assessment Plan will be amended to identify the Future Neighborhood Improvement Area Improvements as well as revising Table III-A.

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IV. FUTURE PID BONDS TEST

A. FUTURE NEIGHBORHOOD IMPROVEMENT AREA BONDS

The City has reserved the right to issue Future Neighborhood Improvement Area Bonds for any purpose permitted by the Act, including those described above, and in accordance with the conditions set forth below:

1. At least seventy five percent (75%) of the residential lots within the particular Future Neighborhood Improvement Area of the PID for which Authorized Improvements are financed by the Future Neighborhood Improvement Area Bonds must be under contract with merchant builders unaffiliated with the Developer.

2. The ratio of the appraised value of all of the land in the particular Future Neighborhood Improvement Area of the PID, based on an independent appraisal and assuming completion of the improvements within such phase to be financed with the proceeds of the Future Neighborhood Improvement Area Bonds to be issued, to the principal amount of the Future Neighborhood Improvement Area Bonds to be issued must be at least 3.0:1;

3. Construction contracts for at least 50% of the costs of the Authorized Improvements in such Future Neighborhood Improvement Area to be paid with proceeds of the applicable series of Future Neighborhood Improvement Area Bonds must be executed and ready to proceed; and

4. Construction of residences in all previously financed Neighborhood Improvement Areas taken as a whole must be at least twenty five percent (25%) complete or underway.

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V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the cost of the Authorized Improvements based on the special benefits conferred to each Parcel resulting from the Authorized Improvements. The PID Act provides that the costs of certain 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 PID Bond financings that are intended to finance the Authorized Improvements required for the Project. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Neighborhood Improvement Area #1 Area Bonds and the Neighborhood Improvement Areas #2-5 Major Improvement Bonds issued in 2015 and the Additional Neighborhood Improvement Area #1 Bonds, if issued, Future Neighborhood Improvement Area Bonds are to be issued over the upcoming decade as the four subsequent phases (phases #2, #3, #4 and #5, each corresponding to a Future Neighborhood Improvement Area) of the development are gradually constructed.

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

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of PID 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 can be reimbursed by a subsequent parity lien bond financing, secured by the same 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.

It is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Neighborhood Improvement Areas will receive from internal subdivision Authorized Improvements that will benefit each individual Future Neighborhood Improvement Area and that are to be financed with Future Neighborhood Improvement Area Bonds. Therefore, Parcels within Neighborhood Improvement Areas #2-5 were initially assessed for the special benefits conferred upon the Parcel because of the Major Improvements.

In connection with the levying of additional Assessments on Future Neighborhood Improvement Area Assessed Property, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel within a Future Neighborhood Improvement Area receives from the specific Authorized Improvements. Prior to Levying an additional Assessment on a Parcel located within Future Neighborhood Improvement Areas, 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, Neighborhood Improvement Area #1 Improvements, Neighborhood Improvement Area #2 Improvements and Neighborhood Improvement Area #3 Improvements, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Neighborhood Improvement Area #1 Assessed Property, the Neighborhood Improvement Area #2 Assessed Property, the Neighborhood Improvement Area #3 Assessed Property and the Neighborhood Improvement Areas #2-5 Assessed Property for such Authorized Improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Major Improvements, Neighborhood Improvement Area #1 Improvements, Neighborhood Improvement Area #2 Improvements and Neighborhood Improvement Area #3 Improvements to Parcels in a manner that results in equal shares of the Actual Costs of such Authorized 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.

B. Allocation of Costs of Authorized Improvements Only Benefiting Neighborhood Improvement Area #1

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #1, and these costs are allocated 100% to Neighborhood Improvement Area #1. The Actual Costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #1 are shown in Table V-A-1. The costs detailed in Table V-A-1 are subject to revision through the Annual Service Plan Updates.

C. Allocation of Costs of Authorized Improvements Only Benefiting Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #2, and these costs are allocated 100% to Neighborhood Improvement Area #2. The estimated costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #2 are shown in Table V-A-2. The costs detailed in Table V-A-2 are subject to revision through the Annual Service Plan Updates.

Some Authorized Improvements only provide special benefit to Parcels within Neighborhood Improvement Area #3, and these costs are allocated 100% to Neighborhood Improvement Area #3. The estimated costs of the Authorized Improvements that only provide a benefit to Neighborhood Improvement Area #3 are shown in Table V-A-3. The costs detailed in Table V-A-3 are subject to revision through the Annual Service Plan Updates.

D. Allocation of Costs of Major Improvements

The Major Improvements provide special benefit to all Assessed Property within the PID, and these costs are allocated between Neighborhood Area #1 and Neighborhood Improvement Areas #2-5 based on the estimated As-Built Assessed Value. The estimated costs of the Major Improvements are shown in Table V-A-1. The costs detailed in Table V-A-1 are subject to revision through the Annual Service Plan Updates.

E. Allocation of Costs Relating to Issuance of PID Bonds

The costs relating to the issuance of the Neighborhood Improvement Area #1 Bonds are allocated 100% to Neighborhood Improvement Area #1. The costs relating to issuing Neighborhood Improvement Area #2-5 Major Improvement Bonds is allocated 100% to Neighborhood Improvement Areas 2-5. Any costs associated with a Future Neighborhood Improvement Area Bond will be allocated 100% to that Future Neighborhood Improvement Area.

F. Allocation of Actual Costs of Future Neighborhood Improvement Area Improvements

As Future Neighborhood Improvement Areas continue to be developed and Future Neighborhood Improvement Area Bonds are issued, the Assessment Plan will be amended to reflect allocation of the cost of Authorized Improvements benefitting the Future Neighborhood Improvement Area.

G. Incorporation by Reference

The Recitals to this amended and restated Service and Assessment Plan are hereby incorporated by reference as if set forth in the body of this amended and restated Service and Assessment Plan and are made a part hereof for all purposes.

TABLE V-A-1
Allocation of Authorized Improvement Costs

			Neighborhood Improvement Area #1		Neighborhood Improvement Areas #2-5	
		Total Costs (a)	*% Allocation*	*Share of Costs*	*% Allocation*	*Share of Costs*
MAJOR IMPROVEMENTS						
Detention Ponds (b)		$1,713,240	20.81%	$356,525	79.19%	$1,356,714
Paving Road A - Fenwick (b)		$1,757,332	20.81%	$365,701	79.19%	$1,391,631
Paving Road F - Sutton Fields (b)		$1,329,016	20.81%	$276,568	79.19%	$1,052,447
Paving - FM 1385		$473,345	20.81%	$98,503	79.19%	$374,842
1/2 Crutchfield Road (b)		$1,016,121	20.81%	$211,455	79.19%	$804,666
ROW and Open Space Acquisition		$6,500,000	20.81%	$1,352,650	79.19%	$5,147,350
Boleyn Paving - Road B (b)		$262,789	20.81%	$54,686	79.19%	$208,103
Offsite Water		$1,015,695	20.81%	$211,366	79.19%	$804,329
Offsite Sewer (b)		$2,807,208	20.81%	$584,180	79.19%	$2,223,028
Professional consulting and legal fees		$620,000	20.81%	$129,022	79.19%	$490,978
	A	**$17,494,746**		**$3,640,657**		**$13,854,089**
AUTHORIZED IMPROVEMENTS ONLY BENEFITTING NEIGHBORHOOD IMPROVEMENT AREA #1						
Water		$1,484,079	100%	$1,484,079	0%	$0
Sewer		$1,327,844	100%	$1,327,844	0%	$0
Storm Sewer		$2,563,601	100%	$2,563,601	0%	$0
Roadway Improvements		$3,627,916	100%	$3,627,916	0%	$0
	B	**$9,003,440**		**$9,003,440**		**$0**
Subtotal - Major Improvements + Neighborhood Area #1 Improvements	*C=A+B*	*$26,078,186*		*$12,644,097*		*$13,854,089*
NEIGHBORHOOD IMPROVEMENT AREAS #2-5 BOND COSTS						
Debt Service Reserve Fund		$1,430,125	0%	$0	100%	$1,430,125
Capitalized Interest		$2,398,125	0%	$0	100%	$2,398,125
Cost of Issuance		$1,179,750	0%	$0	100%	$1,179,750
Underwriter's Discount		$437,266	0%	$0	100%	$437,266
	D	**$5,445,266**		**$0**		**$5,445,266**
NEIGHBORHOOD IMPROVEMENT AREA #1 BOND COSTS						
Debt Service Reserve Fund		$978,100	100%	$978,100	0%	$0
Capitalized Interest		$1,448,051	100%	$1,448,051	0%	$0
Cost of Issuance		$871,556	100%	$871,556	0%	$0
Underwriter's Discount		$300,434	100%	$300,434	0%	$0
	E	**$3,598,141**		**$3,598,141**		**$0**
Subtotal – Neighborhood Improvement Areas #2-5 Bond Cost + Neighborhood Improvement Area #1 Bond Cost	*F=D+E*	*$9,043,546*		*$3,598,141*		*$5,445,405*
TOTAL AUTHORIZED IMPROVEMENTS	***G=C+F***	**$35,541,732**		**$16,242,238**		**$19,299,494**

(a) See also Table III-A.

(b) The costs shown are updated from what was presented in the original SAP. City Council has allowed the cost overruns to be included in the NIAs #2-5 Actual Cost, but the cost overruns are not permitted in the NIA #1 Actual Cost and will be covered by the Developer.

The estimated costs of the Neighborhood Improvement Area #2 Improvements that only provide a benefit to Neighborhood Improvement Area #2 are shown in Table V-A-2.

TABLE V-A-2
Allocation of Authorized Improvement Costs

		Neighborhood Improvement Area #2	
	Total Costs (a)	***% Allocation***	***Share of Costs***
AUTHORIZED IMPROVEMENTS ONLY BENEFITTING NEIGHBORHOOD IMPROVEMENT AREA #2			
Roadway improvements	$1,312,024	100%	$1,312,024
Water distribution improvements	$1,203,966	100%	$1,203,966
Sewer collection improvements	$413,815	100%	$413,815
Storm Sewer collection improvements	$765,336	100%	$765,336
Other soft and miscellaneous costs	$328,594	100%	$328,594
Total Authorized Improvements	**$4,023,734**		**$4,023,734**

The estimated costs of the Neighborhood Improvement Area #3 Improvements that only provide a benefit to Neighborhood Improvement Area #3 are shown in Table V-A-3.

TABLE V-A-3
Allocation of Authorized Improvement Costs

		Neighborhood Improvement Area #3	
	Total Costs (a)	***% Allocation***	***Share of Costs***
AUTHORIZED IMPROVEMENTS ONLY BENEFITTING NEIGHBORHOOD IMPROVEMENT AREA #2			
Roadway improvements	$2,215,224	100%	$2,215,224
Water distribution improvements	$825,120	100%	$825,120
Sewer collection improvements	$679,260	100%	$679,260
Storm Sewer collection improvements	$1,786,223	100%	$1,786,223
Other soft and miscellaneous costs	$931,336	100%	$931,336
Total Authorized Improvements	**$6,437,163**		**$6,437,163**

H. Determination of Special Benefit and Assessments

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

Neighborhood Improvement Area #1

a) The Neighborhood Improvement Area #1 Improvement costs allocated to Neighborhood Improvement Area #1 equals $16,242,238; and

b) The Neighborhood Improvement Area #1 Assessed Property receives special benefit from the Neighborhood Improvement Area #1 Improvements; and

c) The Neighborhood Improvement Area #1 Initial Parcel consists of all property in Neighborhood Improvement Area #1, therefore the Neighborhood Improvement Area #1 Initial Parcel will be allocated 100% of the Neighborhood Improvement Area #1 Assessments, which equal $11,560,000 as shown on the Neighborhood Improvement Area #1 Assessment Roll attached hereto as Appendix A; and

d) The Assessed Property receives a direct and special benefit from the Authorized improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-B.

TABLE V-B
Neighborhood Improvement Area #1 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #1 Improvements (a)	$12,644,097
Reserve Fund	$978,100
Capitalized Interest	$1,448,051
Cost of Issuance (b)	$871,556
Underwriter's Discount/Underwriter Counsel	$300,434
Subtotal Special Benefit	*$16,242,238*
Assessments	
Assessments securing Neighborhood Improvement Area #1 Bonds	$11,560,000
Excess Benefits	**$4,682,238**

(a) See Table V-A for details
(b) Includes cost of issuance plus developer's counsel, SAP consultant, and appraisal costs.

Neighborhood Improvement Areas #2-5

a) The Neighborhood Improvement Areas #2-5 Improvement costs allocated to Neighborhood Improvement Areas #2-5 equals $19,299,494; and

b) The Neighborhood Improvement Area #2-5 Assessed Property receives special benefit from the Neighborhood Improvement Areas #2-5 Improvements; and

c) The Neighborhood Improvement Areas #2-5 Initial Parcel consists of all property in Neighborhood Improvement Areas #2-5, therefore the Neighborhood Improvement Areas #2-5 Initial Parcel will be allocated 100% of the Neighborhood Improvement Areas #2-5 Assessments, which equal $16,825,000 as shown on the Neighborhood Improvement Areas #2-5 Assessment Roll attached hereto as Appendix B-1; and

d) The Assessed Property receives a direct and special benefit from the Authorized improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-C.

TABLE V-C
Neighborhood Improvement Areas #2-5 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #2-5 Improvements (a)	$13,854,089
Reserve Fund	$1,430,125
Capitalized Interest	$1,179,750
Cost of Issuance (b)	$437,266
Underwriter's Discount/Underwriter Counsel	$437,266
Subtotal Special Benefit	*$19,299,494*
Assessments	
Assessments securing Neighborhood Improvement Area #1 Bonds	$16,825,000
Excess Benefits	**$2,474,494**

(a) See Table V-A for details
(b) Includes cost of issuance plus developer's counsel, SAP consultant, and appraisal costs.

<u>Neighborhood Improvement Area #2 and Neighborhood Improvement Area #3</u>

a) The Neighborhood Improvement Area #2 Improvement costs allocated to Neighborhood Improvement Area #2 equals $4,023,734; and

b) The Neighborhood Improvement Area #2 Assessed Property receives special benefit from the Neighborhood Improvement Area #2 Improvements; and

c) The Neighborhood Improvement Area #2 Initial Parcel consists of all property in Neighborhood Improvement Area #2, therefore the Neighborhood Improvement Area #2 Initial Parcel (or Parcel or Parcels subsequently subdivided from it) will be allocated 100% of the Neighborhood Improvement Area #2 Assessments, which equal $1,905,000 as shown on the Neighborhood Improvement Area #2 Assessment Roll attached hereto as Appendix B-2; and

d) The Assessed Property receives a direct and special benefit from the Authorized improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-D.

TABLE V-D
Neighborhood Improvement Area #2 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #2 Improvements (a)	$4,023,734
Assessments	
Assessments securing Neighborhood Improvement Area #2 Reimbursement Agreement	$1,905,000
Excess Benefits	**$2,118,734**

(a) See Table III-B for details

e) The Neighborhood Improvement Area #3 Improvement costs allocated to Neighborhood Improvement Area #3 equals $6,437,163; and

f) The Neighborhood Improvement Area #3 Assessed Property receives special benefit from the Neighborhood Improvement Area #3 Improvements; and

g) The Neighborhood Improvement Area #3 Initial Parcel consists of all property in Neighborhood Improvement Area #3, therefore the Neighborhood Improvement Area #3 Initial Parcel (or Parcel or Parcels subsequently subdivided from it) will be allocated 100% of the Neighborhood Improvement Area #3 Assessments, which equal $4,450,000 as shown on the Neighborhood Improvement Area #3 Assessment Roll attached hereto as Appendix B-3; and

h) The Assessed Property receives a direct and special benefit from the Authorized improvements, and this benefit is equal to or greater than the amount of the Assessments, as shown on Table V-E.

TABLE V-E
Neighborhood Improvement Area #3 Special Benefit and Assessment

Special Benefit	
Neighborhood Improvement Area #3 Improvements (a)	$6,437,163
Assessments	
Assessments securing Neighborhood Improvement Area #3 Reimbursement Agreement	$4,450,000
Excess Benefits	**$1,987,163**

(b) See Table III-B for details

At the time the City Council approved the SAP, the Developer owned 100% of the Assessed Property. The Developer has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Developer has ratified, confirmed, accepted, agreed to and approved: (i) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Ordinance; (ii) the SAP and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property.

The City Council has determined that funding the Actual Costs through the PID is beneficial to the City. The Authorized Improvements result in a special benefit to the Assessed Property, and such special benefit exceeds the amount of the Assessment. This conclusion is supported by the information provided to the City Council regarding the PID.

I. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, updates to the Assessment Roll and the Annual Service Plan Update to reflect changes such as (i) the identification of each Parcel or Lot (ii) the Assessment for each 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 VII.G** of this Service and Assessment Plan.

The Service and Assessment Plan Update shall reflect the actual interest on the PID 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 PID Bonds and Developer funds.

J. Future Neighborhood Improvement Area Assessment Roll

As Future Neighborhood Improvement Areas are developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within Future Neighborhood Improvement Areas (e.g., an Appendix will be added as the Assessment Roll for Neighborhood Improvement Area #4, etc.).

K. Assessments and Annual Installments

The Assessments for the PID Bonds will be levied on each Parcel or Lot according to the Assessment Roll. The Annual Installments for the PID Bonds will be collected on the dates and in the amounts shown on the Assessment Roll, subject to any revisions made during an Annual Service Plan Update.

L. 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 or Lot based on the amount of outstanding Assessment remaining on the

Parcel or Lot. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which will be revised based on actual costs incurred in Annual Service Plan Updates. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administration Expenses.

M. Excess Interest Rate

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the PID Bonds by no more than one half of one percent (0.50%), (the "Excess Interest Rate"). To the extent funds are available under the applicable Indenture, forty percent (40.0%) of the funds generated by the Excess Interest Rate (0.20%) will initially fund the Prepayment Reserve. To the extent funds are available under the applicable Indenture, the remaining sixty percent (60.0%) balance of the funds generated by the Excess Interest Rate (0.30%) will initially fund the Delinquency Reserve.

N. Prepayment Reserve

As stated, a portion of the funds generated by the Excess Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which PID Bonds are actually redeemed ("the **Prepayment Reserve**"). To the extent funds are available under the applicable Indenture, the Prepayment Reserve shall be funded each year until it reaches 1.5% of the par amount of the PID Bonds, but in no event will the annual collections be more than 0.20% higher than the actual interest rate paid on the PID Bonds. If the PID Act is subsequently amended to allow prepayment of an Assessment to include all applicable interest from the date of prepayment through and including the date of the regularly scheduled PID Bond payments to be charged upon the prepayment of the Assessment, the 0.20% allocated to fund the associated interest charged between the date of prepayment of the Assessment and the date on which PID Bonds are actually prepaid may be eliminated. If in a given year the additional reserve is fully funded at 1.5% of the par amount of the PID Bonds, the City and the Developer can allocate the Prepayment Reserve Component of the Excess Interest Rate collected during that year to the Delinquency Reserve or to pay Administrative Expenses as set forth in the Indenture.

O. Delinquency Reserve

A portion of the funds generated by the Excess Interest Rate will be allocated to offset any possible delinquent payments. To the extent funds are available under the applicable Trust Indenture, this additional reserve (the "**Delinquency Reserve**") shall be funded each year up to 4.0% of the par amount of the PID Bonds, but in no event will the annual collection of the Delinquency Reserve be more than 0.30% higher than the actual interest rate paid on the PID Bonds. If in a given year the additional reserve is fully funded at 4.0% of the par amount of the PID Bonds, the City and the Developer shall allocate the Delinquency Reserve component of the Excess Interest Rate collected to the redemption of PID Bonds as set forth in the Indenture.

P. TIRZ CREDIT

The City has agreed to use TIRZ Revenues from TIRZ No. 4 generated from property within Neighborhood Improvement Area #1 Assessed Property to offset a portion of the Annual Installment on the Neighborhood Improvement Area #1 Assessed Property and has agreed to use TIRZ Revenues from TIRZ No. 8 generated from property within Neighborhood Improvement Areas #2-5 Assessed Property to offset a portion of the Annual Installment on the Neighborhood Improvement Areas #2-5 Assessed Property, respectively, (the "TIRZ Credit"). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel.

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VI. SERVICE PLAN

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five-year period. It is anticipated that it will take approximately 12 months for the Neighborhood Improvement Area #1 Improvements to be constructed and approximately 12 months for the Neighborhood Improvement Areas #2-5 Improvements to be constructed. 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 as an "Annual Service Plan Update."

The projected Annual Installments for the Neighborhood Improvement Area #1 Bonds , the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, the Neighborhood Improvement Area #2 Reimbursement Agreement and the Neighborhood Improvement Area #3 Reimbursement Agreement are shown on Appendix A, Appendix B-1 and Appendix B-2, respectively. The projected annual installments are subject to revision and shall be updated in the Annual Service Plan Update as necessary.

The estimated costs for Neighborhood Improvement Area #1 Improvements plus the costs related to the issuance of the Neighborhood Improvement Area #1 Bonds and payment of expenses incurred in the establishment, administration and operation of the PID is $16,242,238 as shown in Table VI-A-1. The estimated costs for Neighborhood Improvement Areas #2-5 Major Improvements plus costs related to the issuance of the Neighborhood Improvement Areas #2-5 Bonds, and payment of expenses incurred in the establishment, administration and operation of the PID is $19,299,494 as shown in Table VI-A on the following page.

TABLE VI-A
Sources and Uses of Funds

	Neighborhood Improvement Area #1	Neighborhood Improvement Area #2-5
SOURCES OF FUNDS		
Gross Bond Amount	$11,560,000	$16,825,000
Developer's Advance (a)	$2,581,645	$437,266
Other funding sources (b)	$2,100,592	$2,037,228
	$16,242,238	**$19,299,494**
USES OF FUNDS		
Authorized Improvements (c)	$12,644,097	$13,854,089
Debt Service Reserve Fund	$978,100	$1,430,125
Capitalized Interest	$1,448,051	$2,398,264
Costs of Issuance (d)	$871,556	$1,179,750
Underwriter's Discount	$300,434	$437,266
	$16,242,238	**$19,299,494**

(a) The amounts represent the Developer deposits at the time of bond issuance.

(b) The other funding sources represent projected costs of Authorized Improvements to be paid by the Developer in excess of the bond proceeds and Developer deposits at bond closing.

(c) *See Table V-A for details.*

(d) Includes cost of issuance plus developer's counsel, SAP consultant, and appraisal costs.

The estimated costs for Neighborhood Improvement Area #2 Improvements is $4,023,734 as shown in Table VI-B below.

TABLE VI-B
Sources and Uses of Funds

	Neighborhood Improvement Area #2
SOURCES OF FUNDS	
NIA #2 Reimbursement Agreement	$1,905,000
Other funding sources (a)	$2,118,734
	$4,023,734
USES OF FUNDS	
Authorized Improvements (b)	**$4,023,734**

(a) The other funding sources represent projected costs of Neighborhood Improvements Area #2 to be funded by the Developer in excess of the Assessments for Neighborhood Improvements Area #2.

(b) See Table III-B for details

The estimated costs for Neighborhood Improvement Area #3 Improvements is $6,437,163 as shown in Table VI-C below.

TABLE VI-C
Sources and Uses of Funds

	Neighborhood Improvement Area #2
SOURCES OF FUNDS	
NIA #3 Reimbursement Agreement	$4,450,000
Other funding sources (a)	$1,987,163
	$6,437,163
USES OF FUNDS	
Authorized Improvements (b)	**$6,437,163**

(a) The other funding sources represent projected costs of Neighborhood Improvements Area #3 to be funded by the Developer in excess of the Assessments for Neighborhood Improvements Area #3.

(b) See Table III-C for details

The annual projected costs and annual projected indebtedness is shown by Table IV-D. 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 VI-D
Annual Projected Costs and Annual Projected Indebtedness

Year	Annual Projected Costs	Annual Projected Indebtedness	Other Funding Sources
2015	$35,541,732	$28,385,000	$7,156,732
2016	$0	$0	$0
2017	$0	$0	$0
2018	$4,023,734	$1,905,000	$2,118,734
2019	$6,437,163	$4,450,000	$1,987,163
2020	$0	$0	$0
2021	$0	$0	$0
2022	$0	$0	$0
Total	**$46,002,629**	**$34,740,000**	**$11,262,629**

The annual projected costs shown in Table VI-D are the annual expenditures relating to the Authorized Improvements shown in Tables III-A, III-B and III-C, the costs associated with creating the PID and costs of issuing the Series 2018 Bonds, including reserves shown in Table IV-A. The difference between the annual projected cost and the annual projected indebtedness represents an amount funded by the Developer, which may be reimbursed with the proceeds of Future Neighborhood Improvement Area Bonds to the extent available.

VII. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE NEIGHBORHOOD IMPROVEMENT AREA #1

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

The Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Neighborhood Improvement Area #1 Bonds, to fund the prepayment reserve and delinquency reserve described in Section VI, and to cover Administrative Expenses of Neighborhood Improvement Area #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to such Parcel in Neighborhood Improvement Area #1. The TIRZ Credit for each Parcel shall be as described in Section V.N, and shall be as provided for in Section VII.C below:

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE NEIGHBORHOOD IMPROVEMENT AREAS #2-5

The Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Areas #2-5 are shown on the Neighborhood Improvement Areas #2-5 Assessment Roll, attached as Appendix B-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Neighborhood Improvement Areas #2-5 Major Improvement Bonds, to fund the prepayment reserve and delinquency reserve described in Section VI, to cover Administrative Expenses of Neighborhood Improvement Areas #2-5.

C. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE NEIGHBORHOOD IMPROVEMENT AREA #2 AND NEIGHBORHOOD IMPROVEMENT AREA #3

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

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Area #2 Reimbursement Agreement, and to cover

Administrative Expenses of Neighborhood Improvement Area #2.

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

The Annual Installments shall be collected in an amount sufficient to pay the debt obligations under the Neighborhood Improvement Area #3 Reimbursement Agreement, and to cover Administrative Expenses of Neighborhood Improvement Area #3.

D. TIRZ Credit for Parcels Located in Neighborhood Improvement Area #1

The Annual Installment for each Parcel in Neighborhood Improvement Area #1 shall be calculated by taking into consideration any TIRZ Credit applicable to such Parcel.

The TIRZ Credit for each Parcel in Neighborhood Improvement Area #1 in any given year shall be determined by the TIRZ Revenues collected within TIRZ No. 4 in the preceding year (i.e., TIRZ Revenues collected in 2016 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2017).

E. TIRZ Credit for Parcels Located in Neighborhood Improvement Areas #2-5

The Annual Installment for each Parcel in Neighborhood Improvement Areas #2-5 shall be calculated by taking into consideration any TIRZ Credit applicable to such Parcel.

The TIRZ Credit for each Parcel in Neighborhood Improvement Areas #2-5 in any given year shall be determined by the TIRZ Revenues collected within TIRZ No. 8 in the preceding year (i.e., TIRZ Revenues collected in 2017 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2018).

F. Amount of Assessments and Annual Installments for Parcels Located Within Future Neighborhood Improvement Areas

As Future Neighborhood Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Neighborhood Improvement Areas (e.g., an Appendix will be added as the Assessment Roll for Neighborhood Improvement Areas #4, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

G. Reallocation of Assessments for Parcels Located Within the PID

1. Upon Division Prior to Recording of Subdivision Plat

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

A = B x (C ÷ D)

Where the terms have the following meanings:

A = the Assessment for the new divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the estimated As-Built Assessed Value of the new divided Assessed Property
D = the sum of the As-Built Assessed Value for all of the new divided Assessed Properties

The calculation of the As-Built Assessed Value of an Assessed Property shall be performed by the Administrator based on information from the City, the Developer, third party consultants, the Official Public Records of Denton County, Texas, and any other relevant source of information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive.

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

A = [B x (C ÷ D)]/E

Where the terms have the following meanings:

A = the Assessment for the new subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the estimated As-Built Assessed Value of all new subdivided Lots with same Lot Type
D = the sum of the estimated As-Built Assessed Value for all of the new subdivided Lots excluding Non-Benefitted Property
E= the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an estimated As-Built Assessed Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact future as-built Lot value and any other information available to the Developer. The calculation of the estimated As-Built Lot value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Developer, homebuilders, third party consultants, and/or the Official Public Records of Denton County, Texas regarding the Lot.

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

3. Upon 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.

H. MANDATORY PREPAYMENT OF ASSESSMENTS

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

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

I. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of PID Bonds have been completed and Actual Costs for such Authorized Improvements are less than the Actual Costs used to calculate the Assessments securing such series of PID Bonds,

resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of PID Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of PID 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 PID Bond proceeds being available to redeem PID 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 PID Bonds, including interest on the PID Bonds and Collection Costs, 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 estimated build out value of each Parcel or Lot, 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 PID Bonds, including interest on the PID Bonds and Collection Costs. The Principal Portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the PID Bonds is equal to the outstanding principal amount of the PID Bonds.

3. If after all Authorized Improvements to be funded with a series of PID Bonds have been completed and the Actual Costs for the Authorized Improvements are less than the Budgeted Costs used to calculate the Assessments securing the PID Bonds, resulting in excess Bond proceeds, then the City Council may reduce the Assessment securing the PID Bonds for each Assessed Property on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. The Assessments shall not be reduced to an amount less than the related outstanding series of PID Bonds.

4. Similarly, if the City does not undertake some of the Authorized Improvements with the PID Bonds then the City Council may reduce the Assessment securing the PID Bonds for each Assessed Property pro-rata to reflect only the Actual Costs that were expended. The Assessments shall not be reduced to an amount less than the related outstanding series of PID Bonds.

5. The City Council may apply excess PID Bond proceeds to the redemption of the respective PID Bonds.

J. Payment of Assessments

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time in accordance the PID Act. The Payment shall include all Prepayment Costs. If prepayment in full will result in redemption of PID Bonds, the payment amount shall be reduced from any proceeds from the Debt Service Reserve Fund applied to the redemption pursuant to the Indenture, net of any other costs applicable to the redemption of PID 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 upon payment.

(c) Upon payment in full of an Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the related 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. The City shall provide the owner of the affected Assessed Property a recordable "Notice of PID Assessment Termination."

(d) At the option of the Parcel owner, the Assessment on any Parcel may be paid in part in an amount equal to the amount of prepaid Assessments plus Prepayment Costs with respect thereto. Upon the payment of such amount 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. The partial Assessment payment will be used to redeem the bonds.

2. Payment of Annual Installments

The Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the Act authorizes the City to collect interest and collection costs on the outstanding Assessment. An Annual Installment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which includes interest on the outstanding Assessment and Administrative Expenses.

The Annual Installments as listed on the Assessment Rolls for Neighborhood Improvement Area #1 in Appendix A and Neighborhood Improvement Areas #2-5 in Appendix B-1 have been calculated using an interest rate on the Neighborhood Improvement Area #1 Bonds of 7.25% and an interest rate on the Neighborhood Improvement Areas #2-5 Major Improvement Bonds of 8.25%, respectively.

The Annual Installments as listed on the Assessment Roll for Neighborhood Improvement Area #2 in Appendix B-2 are calculated using 6.25% interest rate. Each Neighborhood Improvement Area #2 Assessment shall be paid with interest based on an interest rate of 6.25% per annum for years 1 through 5 and 6.25% per annum following the fifth Annual Installment. Each Assessment shall be paid at a rate not to exceed five hundred basis points above the highest average index rate for tax-exempt bond reported in a daily or weekly bond index approved by the City and reported in the month prior to the establishment of the Neighborhood Improvement Area #2 Assessments and continuing for a period of five years from such date. Such rate shall then adjust and shall not exceed two hundred basis points above the bond index rate described above and shall continue until the Neighborhood Improvement Area #2 Assessments are paid in full. The index approved by the City is the Bond Buyer Index for which the highest average rate during August 2018 was 4.48%. The City has determined that the Phases #2-3 Assessments shall bear interest at the interest rate of 6.25% per annum for years 1 through 5 and 6.25% per annum following the fifth Annual Installment, which rates are equal to or less than the initial maximum allowable rate of interest of 9.48% for years 1 through 5 and equal to the maximum allowable rate of interest following the fifth Annual Installment, which would be 6.48%. Furthermore, the principal and interest component of the Annual Installments may not exceed the amounts shown on the Neighborhood Improvement Area #2 Assessment Roll, which is updated with the applicable interest rate on the Neighborhood Improvement Area #2 Reimbursement Agreement as shown in Appendix B-2. The Annual Installments may not exceed the amounts shown on the Assessment Rolls except pursuant to any amendment or update to the SAP.

The Annual Installments as listed on the Assessment Roll for Neighborhood Improvement Area #3 in Appendix B-3 are calculated using an estimated 6.25% interest rate. Each Neighborhood Improvement Area #3 Assessment shall be paid with interest based on an estimated interest rate of 6.25% per annum for years 1 through 5 and 6.25% per annum following the fifth Annual Installment. Each Assessment shall be paid at a rate not to exceed five hundred basis points above the highest average index rate for tax-exempt bond reported in a daily or weekly bond index approved by the City and reported in the month prior to the establishment of the Neighborhood Improvement Area #3 Assessments and continuing for a period of five years from such date. Such rate shall then adjust and shall not exceed two hundred basis points above the bond index rate described above and shall continue until the Neighborhood Improvement Area #3 Assessments are paid in full. The index approved by the City is the Bond Buyer Index for which the highest average rate during ______ 2019 was ____%. The City has determined that the Neighborhood Improvement Area #3 Assessments shall bear interest at an estimated interest rate of 6.25% per annum for years 1 through 5 and 6.25% per annum following the fifth Annual Installment, which rates are equal to or less than the initial maximum allowable rate of interest of ____% for years 1 through 5 and equal to the maximum allowable rate of interest following the fifth Annual Installment, which would be _____%. Furthermore, the principal and interest component of the Annual Installments may not exceed the amounts shown on the Neighborhood Improvement Area #3 Assessment Roll, which is updated with the applicable interest rate on the Neighborhood Improvement Area #3 Reimbursement Agreement as shown in Appendix B-3. The Annual Installments may not exceed the amounts shown on the Assessment Rolls except pursuant to any amendment or update to the SAP.

The Annual Installments shall be reduced to equal the actual costs of repaying the PID 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. If additional Assessments are levied on the Project by the City, the Annual Installments will be adjusted to reflect the changes.

The City reserves and shall have the right and option to refund the PID 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 Installment so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding PID Bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding PID Bonds, and such refunding PID Bonds shall constitute "PID Bonds" for purposes of this Service and Assessment Plan.

K. Collection of Annual Installments

The Administrator shall, no less frequently than annually, prepare and submit to the City Council for its approval, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Assessed Property. Administrative Expenses shall be allocated among Assessed Properties in proportion to the amount of the Annual Installments for the Assessed Property. Each Annual Installment shall be reduced by any credits applied under the Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, and existing deposits for a prepayment reserve. Annual Installments may be collected by the City (or such entity to whom the City directs) in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies in the same manner and at the same time as ad valorem taxes. 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 Assessed Property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be assessed annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

Each Annual Installment for the Neighborhood Improvement Area #2 Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #2

Improvements, or (ii) September 1, 2019, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #2 Annual Installments.

Each Annual Installment for the Neighborhood Improvement Area #3 Assessments, including the interest on the unpaid amount of an Assessment, shall begin at the earlier of (i) Future Neighborhood Improvement Area Bonds issued for Neighborhood Improvement Area #3 Improvements, or (ii) September 1, 2020, and be assessed annually thereafter. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of each year following the commencement of collection of the Neighborhood Improvement Area #3 Annual Installments.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator of the PID. 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 Property claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, must send a written notice describing the error to the City no later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. If an owner fails to give such notice, such owner shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Property 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 Property 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 Property owner (except for the final year during which the Annual Installment shall be collected), 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 pursuant to calculation errors shall be made pursuant to the PID Act.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall terminate on the date the Assessment is paid in full, including payment of any unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of the 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.

D. Administration and Interpretation of Provisions

The City Council shall administer (or cause the administration of) the PID, this SAP, and all Annual Service Plan Updates consistent with the PID Act, unless stated otherwise herein or in the 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 Property 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 thereof, 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. In addition, the amendment and restatement to the Original SAP does not in any way affect the Assessment lien placed on the Assessed Property as part of the initial levy of Assessments on November 10, 2015.

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
NEIGHBORHOOD IMPROVEMENT AREA #1 ASSESSMENT ROLL

APPENDIX A

Neighborhood Improvement Area #1 Assessment Roll

Parcel	Special Assessment
Neighborhood Improvement Area #1 Initial Parcel	$11,560,000

APPENDIX A

Neighborhood Improvement Area #1 Initial Parcel Annual Installments

Year (a)	Principal	Interest (b)	Net Debt Service	Administrative Expenses (c)	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installmen (e)
9/1/2016	$0	$609,951	$609,951	$30,000	$23,120	$34,680	$0	($609,951)	$87,8
9/1/2017	$0	$838,100	$838,100	$30,600	$23,120	$34,680	$0	($838,100)	$88,4
9/1/2018	$140,000	$838,100	$978,100	$61,212	$23,120	$34,680	$0	$0	$1,097,1
9/1/2019	$150,000	$827,950	$977,950	$62,436	$22,840	$34,260	$0	$0	$1,097,4
9/1/2020	$160,000	$817,075	$977,075	$63,685	$22,540	$33,810	$0	$0	$1,097,1
9/1/2021	$170,000	$805,475	$975,475	$64,959	$22,220	$33,330	$0	$0	$1,095,9
9/1/2022	$180,000	$793,150	$973,150	$66,258	$21,880	$32,820	$0	$0	$1,094,1
9/1/2023	$195,000	$780,100	$975,100	$67,583	$2,560	$51,240	$0	$0	$1,096,4
9/1/2024	$210,000	$765,963	$975,963	$68,935	$0	$52,825	$0	$0	$1,097,7
9/1/2025	$225,000	$750,738	$975,738	$70,313	$0	$51,775	$0	$0	$1,097,8
9/1/2026	$240,000	$734,425	$974,425	$71,720	$0	$11,100	$0	$0	$1,057,2
9/1/2027	$260,000	$717,025	$977,025	$73,154	$0	$0	$0	$0	$1,050,1
9/1/2028	$275,000	$698,175	$973,175	$74,617	$0	$0	$0	$0	$1,047,7
9/1/2029	$295,000	$678,238	$973,238	$76,109	$0	$0	$0	$0	$1,049,3
9/1/2030	$320,000	$656,850	$976,850	$77,632	$0	$0	$0	$0	$1,054,4
9/1/2031	$340,000	$633,650	$973,650	$79,184	$0	$0	$0	$0	$1,052,8
9/1/2032	$365,000	$609,000	$974,000	$80,768	$0	$0	$0	$0	$1,054,7
9/1/2033	$395,000	$582,538	$977,538	$82,383	$0	$0	$0	$0	$1,059,9
9/1/2034	$420,000	$553,900	$973,900	$84,031	$0	$0	$0	$0	$1,057,9
9/1/2035	$450,000	$523,450	$973,450	$85,712	$0	$0	$0	$0	$1,059,1
9/1/2036	$485,000	$490,825	$975,825	$87,426	$0	$0	$0	$0	$1,063,2
9/1/2037	$520,000	$455,663	$975,663	$89,174	$0	$0	$0	$0	$1,064,8
9/1/2038	$555,000	$417,963	$972,963	$90,958	$0	$0	$0	$0	$1,063,9
9/1/2039	$600,000	$377,725	$977,725	$92,777	$0	$0	$0	$0	$1,070,5
9/1/2040	$640,000	$334,225	$974,225	$94,633	$0	$0	$0	$0	$1,068,8
9/1/2041	$685,000	$287,825	$972,825	$96,525	$0	$0	$0	$0	$1,069,3
9/1/2042	$735,000	$238,163	$973,163	$98,456	$0	$0	$0	$0	$1,071,6
9/1/2043	$790,000	$184,875	$974,875	$100,425	$0	$0	$0	$0	$1,075,3
9/1/2044	$850,000	$127,600	$977,600	$102,433	$0	$0	$0	$0	$1,080,0
9/1/2045	$910,000	$65,975	$975,975	$104,482	$0	$0	($978,100)	$0	$102,3
Totals	$11,560,000	$17,194,688	$28,754,688	$2,328,580	$161,400	$405,200	($978,100)	($1,448,051)	$29,223,7

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 7.25%

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

APPENDIX B
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

APPENDIX B-1

Neighborhood Improvement Areas #2-5 Assessment Roll

Parcel	Special Assessment
Neighborhood Improvement Areas #2-5 Initial Parcel	$16,825,000

APPENDIX B-1

Neighborhood Improvement Areas #2-5 Initial Parcel Annual Installments

Year (a)	Principal	Interest (b)	Net Debt Service	Admin Expenses (c)	Prepayment Reserve	Delinquency Reserve	Transfer to DSRF	Less: DSRF Credit	Less: Capitalized Interest	Ann[illegible] Install[illegible] (e[illegible]
9/1/2016	$0	$1,010,201	$1,010,201	$30,000	$0	$0	$84,125	$0	($1,010,201)	$11[illegible]5
9/1/2017	$0	$1,388,063	$1,388,063	$30,600	$0	$0	$84,125	$0	($1,388,063)	$11[illegible]5
9/1/2018	$0	$1,388,063	$1,388,063	$31,212	$0	$0	$84,125	$0	$0	$1,50[illegible]0
9/1/2019	$295,000	$1,388,063	$1,683,063	$31,836	$33,650	$50,475	$0	$0	$0	$1,79[illegible]4
9/1/2020	$320,000	$1,363,725	$1,683,725	$32,473	$33,060	$49,590	$0	$0	$0	$1,79[illegible]8
9/1/2021	$345,000	$1,337,325	$1,682,325	$33,122	$32,420	$48,630	$0	$0	$0	$1,79[illegible]7
9/1/2022	$375,000	$1,308,863	$1,683,863	$33,785	$31,730	$47,595	$0	$0	$0	$1,79[illegible]3
9/1/2023	$405,000	$1,277,925	$1,682,925	$34,461	$30,980	$46,470	$0	$0	$0	$1,79[illegible]6
9/1/2024	$435,000	$1,244,513	$1,679,513	$35,150	$30,170	$45,255	$0	$0	$0	$1,79[illegible]8
9/1/2025	$475,000	$1,208,625	$1,683,625	$35,853	$29,300	$43,950	$0	$0	$0	$1,79[illegible]8
9/1/2026	$510,000	$1,169,438	$1,679,438	$36,570	$28,350	$42,525	$0	$0	$0	$1,78[illegible]3
9/1/2027	$555,000	$1,127,363	$1,682,363	$37,301	$2,715	$65,610	$0	$0	$0	$1,78[illegible]9
9/1/2028	$600,000	$1,081,575	$1,681,575	$38,047	$0	$65,550	$0	$0	$0	$1,78[illegible]2
9/1/2029	$650,000	$1,032,075	$1,682,075	$38,808	$0	$62,550	$0	$0	$0	$1,78[illegible]3
9/1/2030	$705,000	$978,450	$1,683,450	$39,584	$0	$59,300	$0	$0	$0	$1,78[illegible]4
9/1/2031	$760,000	$920,288	$1,680,288	$40,376	$0	$45,500	$0	$0	$0	$1,76[illegible]4
9/1/2032	$825,000	$857,588	$1,682,588	$41,184	$0	$0	$0	$0	$0	$1,72[illegible]2
9/1/2033	$890,000	$789,525	$1,679,525	$42,007	$0	$0	$0	$0	$0	$1,72[illegible]2
9/1/2034	$965,000	$716,100	$1,681,100	$42,847	$0	$0	$0	$0	$0	$1,72[illegible]7
9/1/2035	$1,045,000	$636,488	$1,681,488	$43,704	$0	$0	$0	$0	$0	$1,72[illegible]2
9/1/2036	$1,130,000	$550,275	$1,680,275	$44,578	$0	$0	$0	$0	$0	$1,72[illegible]3
9/1/2037	$1,225,000	$457,050	$1,682,050	$45,470	$0	$0	$0	$0	$0	$1,72[illegible]0
9/1/2038	$1,325,000	$355,988	$1,680,988	$46,379	$0	$0	$0	$0	$0	$1,72[illegible]7
9/1/2039	$1,435,000	$246,675	$1,681,675	$47,307	$0	$0	$0	$0	$0	$1,72[illegible]2
9/1/2040	$1,555,000	$128,288	$1,683,288	$48,253	$0	$0	$0	($1,683,863)	$0	$4[illegible]8
Totals	$16,825,000	$23,962,526	$40,787,526	$960,909	$252,375	$673,000	$252,375	($1,683,863)	($2,398,264)	$38,84[illegible]8

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st
(b) Interest rate is 8.25%
(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

APPENDIX B-2

Neighborhood Improvement Area #2 Assessment Roll

Parcel	Special Assessment
Neighborhood Improvement Area #2 Initial Parcel (134236)	$1,905,000

APPENDIX B-2

Neighborhood Improvement Area #2 Initial Parcel Annual Installments

Year (a)	Principal	Interest (b)	Net Debt Service	Administrative Expenses (c)	Annual Installment (e)
9/1/2020	$0	$119,063	$119,063	$25,000	$144,063
9/1/2021	$0	$119,063	$119,063	$25,500	$144,563
9/1/2022	$25,000	$119,063	$144,063	$26,010	$170,073
9/1/2023	$30,000	$117,500	$147,500	$26,530	$174,030
9/1/2024	$30,000	$115,625	$145,625	$27,061	$172,686
9/1/2025	$30,000	$113,750	$143,750	$27,602	$171,352
9/1/2026	$35,000	$111,875	$146,875	$28,154	$175,029
9/1/2027	$35,000	$109,688	$144,688	$28,717	$173,405
9/1/2028	$40,000	$107,500	$147,500	$29,291	$176,791
9/1/2029	$40,000	$105,000	$145,000	$29,877	$174,877
9/1/2030	$45,000	$102,500	$147,500	$30,475	$177,975
9/1/2031	$45,000	$99,688	$144,688	$31,084	$175,772
9/1/2032	$50,000	$96,875	$146,875	$31,706	$178,581
9/1/2033	$50,000	$93,750	$143,750	$32,340	$176,090
9/1/2034	$55,000	$90,625	$145,625	$32,987	$178,612
9/1/2035	$60,000	$87,188	$147,188	$33,647	$180,835
9/1/2036	$60,000	$83,438	$143,438	$34,320	$177,758
9/1/2037	$65,000	$79,688	$144,688	$35,006	$179,694
9/1/2038	$70,000	$75,625	$145,625	$35,706	$181,331
9/1/2039	$75,000	$71,250	$146,250	$36,420	$182,670
9/1/2040	$80,000	$66,563	$146,563	$37,149	$183,712
9/1/2041	$85,000	$61,563	$146,563	$37,892	$184,455
9/1/2042	$90,000	$56,250	$146,250	$38,649	$184,899
9/1/2043	$95,000	$50,625	$145,625	$39,422	$185,047
9/1/2044	$100,000	$44,688	$144,688	$40,211	$184,899
9/1/2045	$110,000	$38,438	$148,438	$41,015	$189,453
9/1/2046	$115,000	$31,563	$146,563	$41,835	$188,398
9/1/2047	$120,000	$24,375	$144,375	$42,672	$187,047
9/1/2048	$130,000	$16,875	$146,875	$43,526	$190,401
9/1/2049	$140,000	$8,750	$148,750	$44,396	$193,146
Totals	$1,905,000	$2,418,438	$4,323,438	$1,014,202	$5,337,639

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 7.25%

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

APPENDIX B-3
Neighborhood Improvement Area #3 Assessment Roll

Parcel	Special Assessment
Neighborhood Improvement Area #3 Initial Parcel (__________)	$4,450,000

APPENDIX B-3

Neighborhood Improvement Area #3 Initial Parcel Annual Installments

Year (a)	Principal	Interest (b)	Net Debt Service	Administrative Expenses (c)	Annual Installment (e)
9/1/2020	$0	$278,125	$278,125	$50,000	$328,125
9/1/2021	$0	$278,125	$278,125	$51,000	$329,125
9/1/2022	$60,000	$278,125	$338,125	$52,020	$390,145
9/1/2023	$65,000	$274,375	$339,375	$53,060	$392,435
9/1/2024	$70,000	$270,313	$340,313	$54,122	$394,434
9/1/2025	$75,000	$265,938	$340,938	$55,204	$396,142
9/1/2026	$80,000	$261,250	$341,250	$56,308	$397,558
9/1/2027	$85,000	$256,250	$341,250	$57,434	$398,684
9/1/2028	$90,000	$250,938	$340,938	$58,583	$399,520
9/1/2029	$95,000	$245,313	$340,313	$59,755	$400,067
9/1/2030	$100,000	$239,375	$339,375	$60,950	$400,325
9/1/2031	$110,000	$233,125	$343,125	$62,169	$405,294
9/1/2032	$115,000	$226,250	$341,250	$63,412	$404,662
9/1/2033	$120,000	$219,063	$339,063	$64,680	$403,743
9/1/2034	$130,000	$211,563	$341,563	$65,974	$407,536
9/1/2035	$135,000	$203,438	$338,438	$67,293	$405,731
9/1/2036	$145,000	$195,000	$340,000	$68,639	$408,639
9/1/2037	$155,000	$185,938	$340,938	$70,012	$410,950
9/1/2038	$165,000	$176,250	$341,250	$71,412	$412,662
9/1/2039	$175,000	$165,938	$340,938	$72,841	$413,778
9/1/2040	$185,000	$155,000	$340,000	$74,297	$414,297
9/1/2041	$195,000	$143,438	$338,438	$75,783	$414,221
9/1/2042	$210,000	$131,250	$341,250	$77,299	$418,549
9/1/2043	$225,000	$118,125	$343,125	$78,845	$421,970
9/1/2044	$235,000	$104,063	$339,063	$80,422	$419,484
9/1/2045	$250,000	$89,375	$339,375	$82,030	$421,405
9/1/2046	$265,000	$73,750	$338,750	$83,671	$422,421
9/1/2047	$285,000	$57,188	$342,188	$85,344	$427,532
9/1/2048	$300,000	$39,375	$339,375	$87,051	$426,426
9/1/2049	$330,000	$20,625	$350,625	$88,792	$439,417
Totals	$4,450,000	$5,646,875	$10,096,875	$2,028,404	$12,125,279

(a) The 9/1/XX dates represent the fiscal year end for the bonds, and the installments are due on the immediately prior January 31st

(b) Interest rate is 6.25%

(c) Preliminary estimate, will be updated in Annual Service Plan Updates.

APPENDIX C
LEGAL DESCRIPTIONS OF PARCELS

APPENDIX C
Legal Description of Parcels

622.779 ACRE TRACT

BEING that certain tract of land situated in the Freeman Wilkerson Survey, Abstract No. 1411, the Thomas H. McIntyre Survey, Abstract No. 903, the Thomas B. Cox Survey, Abstract No. 309, the Carrol Jackson Survey, Abstract No. 1546, the Jacob Rue Survey, Abstract No. 1109, and the Hiram Rue Survey, Abstract No. 1111, in Denton County, Texas, and being all of that certain tract of land described in deed to Denton County 128 Development LLC recorded in Document No. 2013-135475, of the Real Property Records of Denton County, Texas (RPRDCT), all of that certain tract of land described in deed to Tarsan Corporation recorded in Document No. 2002-108524, RPRDCT, all of those certain tracts of land described in deeds to Mike A. Myers Investment Holdings, L.P. recorded in Document No. 2005-33384, RPRDCT, Document No. 2007-53939 RPRDCT, and Document No. 2005-93340, RPRDCT, all of that certain tract of land described in deed to The Amanda S. Myers Irrevocable Asset Trust recorded in Document No. 2011-125051, RPRDCT, all of that certain tract of land described in deed to Ok Kyun and Youngmoo Kim, Trustees of the Kim Family Living Trust recorded in Document No. 2005-86220, RPRDCT, and part of that certain tract of land described in deed to Frisco Industrial Partners recorded in Document NO. 2008-66233, RPRDCT, and being more particularly described as follows;

BEGINNING at a 1/2 inch capped iron rod found, said iron rod being located on the east right-of-way line of Farm to Market (FM) Road No. 1385 (variable width R.O.W.), and also being the northwest corner of Countryview Addition, an addition to Denton County according to Final Plat recorded in Cabinet F, Page 267, of the Plat Records of Denton County, Texas;

THENCE North 01°28’19” East, with said east right-of-way line of FM No. 1385, a distance of 310.72 feet to a ½ inch iron rod found for corner, said iron rod being the northwest corner of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2007-53939 RPRDCT, and a southwest corner of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340 RPRDCT;

THENCE North 01°22’30” East, continuing with the east right-of-way line of FM No. 1385, a distance of 204.07 feet to a 1/2 inch iron rod found for corner, said iron rod being the northwest corner of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340 RPRDCT, and the southwest corner of the aforementioned tract of land described in deed to Tarsan Corporation recorded in Document No. 2002-108524, RPRDCT;

THENCE North 01°32’20” East, continuing with the east right-of-way line of FM No. 1385, a distance of 455.39 feet to a 1/2 inch iron rod found for corner;

THENCE North 01°55’54” East, continuing with the east right-of-way line of FM No. 1385, a distance of 446.59 feet to a 1/2 inch iron rod found for corner at the intersection of the east right-of-way line of FM No. 1385, and the approximate center of Crutchfield Road (undedicated public road), the northwest corner of said Tarsan Corporation tract, and the southwest corner of said Denton County 128 Development LLC tract;

THENCE North 89°43’38” East, continuing with the east right-of-way line of FM No. 1385, a distance of 2.88 feet to a 1/2 inch iron rod found for corner;

THENCE North 01°41’28” East, continuing with the east right-of-way line of FM No. 1385, a distance of 606.35 feet to a point for corner;

THENCE North 00°48’41” East, continuing with the east right-of-way line of FM No. 1385, a distance of 797.78 feet to a 1/2 inch iron rod found for corner at the most westerly northwest corner of said Denton County 128 Development LLC tract;
THENCE North 89°34’28” East, leaving the east right-of-way line of FM No. 1385, and with the north line of said Denton County 128 Development LLC tract, a distance of 1280.69 feet to a 1/2 inch iron rod found for corner;
THENCE North 00°20’50” West, with a west line of said Denton County 128 Development LLC tract, a distance of 546.92 feet to a 5/8 inch iron rod found for corner;
THENCE North 00°25’58” West, with a west line of said Denton County 128 Development LLC tract, a distance of 553.08 feet to a 1/2 inch iron rod found for corner;
THENCE North 00°04’10” East, with a west line of said Denton County 128 Development LLC tract, a distance of 73.78 feet to a 1/2 inch iron rod found for corner at the most northerly northwest corner of said Denton County 128 Development LLC tract, and the most southerly southwest corner of that certain tract of land described in deed to Blue Angus Ranch, LP, recorded in Instrument No. 2007-107216, RPRDCT;
THENCE South 89°46’34” East, with the most northerly north line of said Denton County 128 Development LLC tract, and the most southerly south line of said Blue Angus Ranch, LP tract, a distance of 959.68 feet to a 3/8 inch iron rod found for corner at the most southerly southeasterly corner of said Blue Angus Ranch, LP tract, and a southwest corner of that certain tract of land described in deed to Fashand Farm, Ltd. recorded in Document No. 2004-135532, RPRDCT;
THENCE South 89°47’07” East, continuing with the most northerly north line of said Denton County 128 Development LLC tract, and with a south line of said Fashand Farm, Ltd. tract, a distance of 395.15 feet to a ½ inch iron rod found for corner;
THENCE South 02°54’24” West, with an east line of said Denton County 128 Development LLC tract, and a west line of said Fashand Farm, Ltd. tract, a distance of 454.69 feet to a 1/2 inch iron rod found for corner;
THENCE North 89°30’36” East, with a north line of said Denton County 128 Development LLC tract, and a south line of said Fashand Farm, Ltd. tract, a distance of 156.62 feet to 1/2 inch iron rod found for corner located at a northeast corner of said Denton County 128 Development LLC tract, a southwest corner of said Fashand Farm, Ltd. tract, and also being the northwest corner of that certain tract of land described in deed to Fashand Farm, Ltd. recorded in Document No. 2005-21653, RPRDCT;
THENCE South 00°08’58” East, with the most easterly east line of said Denton County 128 Development LLC tract, the west line of said Fashand Farm, Ltd. tract recorded in Document No. 2005-21653, RPRDCT, and the west line of that certain tract of land described in deed to Jan M. Paliwoda and Margaret Paliwoda recorded in Volume 4364, Page 1631, RPRDCT, a distance of 2034.69 feet to a 1/2 inch iron rod found for corner located at the northeast corner of that certain tract of land described in deed to SBA Towers IV, LLC recorded in Document No.
2013-94302, RPRDCT;
THENCE South 89°15’21” West, with the north line of said SBA Towers IV, LLC tract, a distance of 50.31 feet to a 1/2 inch iron rod found for corner;
THENCE South 00°56’04” East, with the west line of said SBA Towers IV, LLC tract, a distance of 50.03 feet to a 1/2 inch iron rod found for corner;
THENCE North 89°12’39” East, with the south line of said SBA Towers IV, LLC tract, a distance of 49.92 feet to a 1/2 inch iron rod found for corner located on said most easterly east line of said

Denton County 128 Development LLC tract, and the west line of said Jan M. Paliwoda and Margaret Paliwoda tract;

THENCE South 01°18'28" East, with said most easterly east line of said Denton County 128 Development LLC tract, and the west line of the Jan M. Paliwoda and Margaret Paliwoda tract, a distance of 31.08 feet to a 1/2 inch iron rod found for corner located on said approximate center of Crutchfield Road, and being the southeast corner of said Denton County 128 Development LLC tract;

THENCE North 89°43'38" East, with said approximate center of Crutchfield Road, the north line of said Tarsan tract, and the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005- 33384, RPRDCT, a distance of 627.96 feet to a railroad spike found for corner at the northeast corner of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT;

THENCE North 00°08'37" West, continuing with the approximate center of Crutchfield Road, and with the west line of the aforementioned Amanda S. Myers Irrevocable Asset Trust tract, a distance of 858.91 feet to a 1/2 inch iron rod found for corner, said iron rod being the northwest corner of said Amanda S. Myers Irrevocable Asset Trust tract, and the southwest corner of said Fashand Farm, Ltd. tract recorded in Document No. 2004-135532, RPRDCT;

THENCE North 89°30'51" East, continuing with the approximate center of Crutchfield Road, and with the north line of the Amanda S. Myers Irrevocable Asset Trust tract, a distance of 1759.29 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°23'19" East, with the east line of the Amanda S. Myers Irrevocable Asset Trust tract, and the west line of that certain tract of land described in deed to Smiley Road, Ltd. recorded in Document No. 2006-2064, RPRDCT, a distance of 2685.16 feet to a 5/8 inch iron rod found for corner;

THENCE South 89°13'31" West, with a line described in Boundary Line Agreement recorded in Instrument No. 2005-122140, RPRDT, a distance of 527.69 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°41'45" West, with a line described in said Boundary Line Agreement recorded in Instrument No. 2005-122140, RPRDT, a distance of 2985.21 feet to a 60d nail found in asphalt for corner, said nail being located in the approximate center of Parvin Road (undedicated public road);

THENCE North 89°11'44" West, with said approximate center of Parvin Road, and with a line described in said Boundary Line Agreement recorded in Instrument No. 2005-122140, RPRDT, a distance of 1163.46 feet to a 3/8 inch iron rod found for corner;

THENCE North 00°42'55" West, leaving the approximate center of Parvin Road and with the west line of the Amanda S. Myers Irrevocable Asset Trust tract, the east line of that certain tract of land described in deed to Donald K. Estep and Sonja K. Estep recorded in Document No. 2011-67774, RPRDCT, and that certain tract of land described in deed to Donald Kenny Estep and Sonja Kay Estep recorded in Document No. 2001-99806, RPRDCT, a distance of 280.30 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 89°32'42" West, with a south line of that certain tract of land described in deed to Ok Kyun and Youngmoo Kim, Trustees of the Kim Family Living Trust recorded in Document No. 2005-86220, RPRDCT, a distance of 239.66 feet to a 5/8 inch iron rod with plastic cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 00°49'27" East, with an easterly line of said Kim Family Living Trust tract, the west line of said Estep tracts, and the west line of that certain tract of land described in deed to

Claude Adams and Kathleen Adams recorded in Document No. 2011-67775, RPRDCT, and the west line of that certain tract of land described in deed to David P. Brewer and Carolyn Brewer recorded in Document No. 2012-34990, RPRDCT, a distance of 734.88 feet to a 1/2 inch iron rod found for corner at the southwest corner of said Brewer tract, and an interior “ell” corner of the Kim Family Living Trust tract;

THENCE North 89°20’27” East, a distance of 238.85 feet to a 1/2 inch iron rod found for corner, said iron rod being located at the southeast corner of the Brewer tract, a northeast corner of the Kim Family Living Trust tract, and also being located in the aforementioned approximate center of Parvin Road;

THENCE South 00°32’10” East, with an easterly line of the Kim Family Living Trust tract, and said approximate center of Parvin Road, a distance of 490.79 feet to a 1/2 inch iron rod found for corner at the most southerly southeast corner of the Kim Family Living Trust tract;

THENCE South 89°26’22” West, with the south line of the Kim Family Living Trust tract, and the approximate center of Parvin Road, a distance of 378.96 feet to a nail in asphalt found for corner;

THENCE North 00°17’53” East, leaving the approximate center of Parvin Road, and with a west line of the Kim Family Living Trust tract, and the east line of that certain tract of land described in deed to John M. Cosper and Jackie Cosper recorded in Volume 626, Page 706, RPRDCT, passing at a distance of 27.73 feet a 5/8 inch iron rod in concrete found, continuing in all, a distance of 267.98 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner, from which a 5/8 inch iron rod in concrete found bears South 00°17’53” West, a distance of 2.99 feet;

THENCE South 89°25’59” West, with a south line of the Kim Family Living Trust tract, and the north line of the Cosper tract, a distance of 824.19 feet to a 1/2 inch iron rod found for corner;

THENCE South 00°39’57” East, with the west line of the Cosper tract, and an easterly line of the Kim Family Living Trust tract, passing at a distance of 244.64 feet a 1/2 inch iron rod found, continuing in all, a distance of 265.80 feet to a 1/2 inch iron rod found for corner at a southeast corner of Kim Family Living Trust tract, and also being located in the aforementioned approximate center of Parvin Road;

THENCE South 89°09’41” West, with the south line of the Kim Family Living Trust tract, and the approximate center of Parvin Road, passing at a distance of 411.81 feet a 1/2 inch iron rod found at the northeast corner of that certain tract of land described in deed to Swisher Partners, L.P. recorded in Document No. 2004-7927, RPRDCT, continuing in all, a distance of 462.41 feet to a 1/2 inch iron rod found for corner at the southeast corner of that certain tract of land described in deed to the City of Celina, Texas recorded in Document No. 2008-62468,
RPRDCT;

THENCE North 00°41’57” West, with the east line of said City of Celina, Texas tract, a distance of 60.00 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner;

THENCE South 89°18’56” West, with a north line of the City of Celina, Texas tract, and Parvin Road, a distance of 1107.30 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner;

THENCE North 00°41’04” West, leaving said north line of Parvin Road, a distance of 843.46 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner;

THENCE South 89°18’56” West, a distance of 815.06 feet to a 5/8 inch iron rod with plastic cap marked “PETITTRPLS 4087” set for corner, said iron rod being located on an easterly line of said City of Celina, Texas tract, and the aforementioned east right-of-way line of FM No. 1385;

THENCE North 01°32’26” East, with said east right-of-way line of FM No. 1385 according to City of Celina, Texas tract deed, a distance of 350.05 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner;

THENCE North 89°22’47” East, leaving the east right-of-way line of FM No. 1385, and with the north line of the aforementioned tract of land described in deed to Frisco Industrial Partners recorded in Document No. 2008-66233, RPRDCT, and the south line of that certain tract of land described in deed to Anna Liz Hong recorded in Document No. 2014-15601, RPRDCT, a distance of 1908.52 feet to a 5/8 inch iron rod with plastic cap marked “PETITTRPLS 4087” set for corner;

THENCE North 00°41’47” West, with the east line of said Anna Liz Hong tract, and the most westerly line of the aforementioned Kim Family Living Trust tract, a distance of 1546.84 feet to an old wood corner post found for corner, from which a 5/8 inch iron rod found bears South 16°28’53” West, a distance of 1.57 feet;

THENCE North 00°24’23” West, with the west line of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT, passing at a distance of 479.75 feet a 5/8 inch iron rod found at the southeast corner of that certain tract of land described in deed to Lee A. Brown recorded in Document No. 2003-122624, RPRDCT, continuing with said west line of the Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT, and the east line of said Lee A. Brown tract, in all, a total distance of 951.64 feet to a 5/8 inch iron rod found for corner at the southeast corner of the aforementioned Countryview Addition;

THENCE North 00°07’02” West, continuing with the west line of the Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-33384, RPRDCT, and the east line of said Countryview Addition, a distance of 588.61 feet to a 5/8 inch iron rod with plastic cap marked “PETITT-RPLS 4087” set for corner, from which a ½ inch iron rod found bears South 89°26’31” West, a distance of 1.51 feet;

THENCE South 89°18’14” West, with the south line of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340, RPRDCT, a distance of 1301.63 feet to a 1/2 inch iron rod found for corner at the most southerly southwest corner of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2005-93340 RPRDCT, and the southeast corner of the aforementioned Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2007-53939 RPRDCT;

THENCE South 89°15’45” West, with the south line of said Mike A. Myers Investment Holdings, L.P. tract recorded in Document No. 2007-53939 RPRDCT, a distance of 522.72 feet to the POINT OF BEGINNING of herein described tract of land containing an area of 622.779 acres of land.

Note: This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

SUTTON FIELDS PHASE 2A
22.782 ACRES

TRACT 1

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NUMBER 1411, IN THE CITY OF CELINA, DENTON COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN TRACT OF LAND DESCRIBED AS TRACT 1 IN DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-15963, OF THE REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS (RPRDCT), AND PART OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR THE SOUTHWEST CORNER OF LOT 2, BLOCK N, OF SUTTON FIELDS PHASE 1A, AN ADDITION TO THE CITY OF CELINA ACCORDING TO FINAL PLAT RECORDED IN DOCUMENT NUMBER 2017-395, PLAT RECORDS, DENTON COUNTY, TEXAS (PRDCT), SAID IRON ROD ALSO BEING LOCATED IN THE EAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO LEE A. BROWN RECORDED IN DOCUMENT NUMBER 2003-122624 RPRDCT, ALSO BEING LOCATED IN THE WEST LINE OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NUMBER 2015-15963 RPRDCT;

THENCE NORTH 89°18'13” EAST WITH THE SOUTH LINE OF SAID SUTTON FIELDS PHASE 1A, A DISTANCE OF 129.75 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR CORNER, SAID IRON ROD ALSO BEING LOCATED IN THE WEST RIGHT-OF-WAY LINE OF CLEVES AVENUE (CALLED 50-FOOT RIGHT-OF-WAY);

THENCE SOUTH 00°41'47” EAST, CONTINUING WITH THE SOUTH LINE OF SAID SUTTON FIELDS PHASE 1A, AND SAID WEST RIGHT-OF-WAY LINE OF CLEVES AVENUE, A DISTANCE OF 5.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR CORNER;

THENCE NORTH 89°18'13” EAST, DEPARTING SAID WEST RIGHT-OF-WAY LINE OF CLEVES AVENUE, AND CONTINUING WITH THE SOUTH LINE OF SUTTON FIELDS PHASE 1A, A DISTANCE OF 619.40 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR CORNER;

THENCE SOUTH 63°21'49” EAST, CONTINUING WITH SAID SOUTH LINE OF SUTTON FIELDS PHASE 1A, A DISTANCE OF 51.22 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR CORNER, SAID IRON ROD BEING LOCATED IN THE WESTERLY RIGHT-OF-WAY LINE OF BOTHWELL BOULEVARD, SAID RIGHT-OF-WAY ACCORDING TO THE RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, AN ADDITION TO THE CITY OF CELINA ACCORDING TO FINAL PLAT

RECORDED IN DOCUMENT NUMBER 2017-398, PRDCT, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, WITH SAID WEST RIGHT-OF-WAY LINE OF BOTHWELL BOULEVARD, AND WITH SAID CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF 21°57'17”, A RADIUS OF 1445.00 FEET, A CHORD THAT BEARS SOUTH 15°39'33” WEST, A DISTANCE OF 550.31 FEET, FOR AN ARC DISTANCE OF 553.70 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR CORNER, SAID IRON ROD ALSO BEING A SOUTHWEST CORNER OF SAID RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1;

THENCE SOUTH 85°19'22” EAST, WITH THE SOUTH LINE OF THE BOTHWELL BOULEVARD DEDICATION ACCORDING TO SAID RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, A DISTANCE OF 90.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR CORNER, SAID IRON ROD BEING A SOUTHEAST CORNER OF SAID RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, THE SOUTHWEST CORNER OF SUTTON FIELDS PHASE 1B, AN ADDITION TO THE CITY OF CELINA ACCORDING TO FINAL PLAT RECORDED IN DOCUMENT NUMBER 2017-478, PRDCT, AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, AND WITH SAID CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF 05°22'43”, A RADIUS OF 1355.00 FEET, A CHORD THAT BEARS SOUTH 01°59'34” WEST, A DISTANCE OF 127.16 FEET, FOR AN ARC DISTANCE OF 127.20 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” SET FOR CORNER;

THENCE CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP MARKED “PETITT-RPLS 4087” SET FOR CORNER:

SOUTH 00°41'47” EAST, A DISTANCE OF 177.23 FEET;

SOUTH 89°43'30” WEST, A DISTANCE OF 90.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 20.00 FEET;

AND SOUTH 89°43'30” WEST, A DISTANCE OF 635.87 FEET, SAID IRON ROD BEING LOCATED IN THE WEST LINE OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, AND THE EAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED AS TRACT II IN DEED TO TIMOTHY DAN CHESNEY AND MARGIE BETH CHESNEY RECORDED IN DOCUMENT NUMBER 94-R0036277, RPRDCT;

THENCE NORTH 00°41'47” WEST, WITH THE COMMON LINE OF SAID CADG SUTTON FIELDS, LLC AND SAID CHESNEY TRACT RECORDED IN DOCUMENT NUMBER 94-R0036277 RPRDCT, AND THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO TIM CHESNEY AND MARGIE BETH CHESNEY RECORDED IN VOLUME 1209, PAGE 434, RPRDCT, A DISTANCE OF 344.97 FEET TO AN OLD WOOD CORNER POST FOUND FOR CORNER AT THE NORTHWEST CORNER OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-30387, RPRDCT, A SOUTHWEST CORNER OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-15963, RPRDCT, AND THE SOUTHEAST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO JENNIFER S. DAHL AND RICHARD A. DAHL, RECORDED IN DOCUMENT NUMBER 2006-1961 RPRDCT, FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS SOUTH 16°28'53" WEST, A DISTANCE OF 1.57 FEET;

THENCE NORTH 00°24'23” WEST, WITH A WEST LINE OF SAID CADG SUTTON FIELDS, LLC TRACT RECORDED IN DOCUMENT NO. 2015-15963, RPRDCT, AND THE EAST LINE OF SAID DAHL TRACT, A DISTANCE OF 498.94 TO THE POINT OF BEGINNING, AND CONTAINING 13.792 ACRES OF LAND.

TRACT 2

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NUMBER 1411, THE CARROL JACKSON SURVEY, ABSTRACT NUMBER 1546, THE JACOB RUE SURVEY, ABSTRACT NUMBER 1109, AND THE THOMAS B. COX SURVEY, ABSTRACT NUMBER 309, IN THE CITY OF CELINA, DENTON COUNTY, TEXAS, AND BEING PART OF THOSE CERTAIN TRACTS OF LAND DESCRIBED AS TRACT 1, AND TRACT 4, IN DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-15963, OF THE REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS (RPRDCT), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR THE NORTHEAST CORNER OF LOT 5, BLOCK R, OF SUTTON FIELDS PHASE 1B, AN ADDITION TO THE CITY OF CELINA RECORDED IN DOCUMENT NUMBER 2017-478, OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (PRDCT), SAID IRON ROD ALSO BEING LOCATED ON A LINE DESCRIBED IN BOUNDARY LINE AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-122140, RPRDCT;

THENCE SOUTH 89°18'13” WEST, WITH A NORTH LINE OF SAID SUTTON FIELDS PHASE 1B, A DISTANCE OF 1367.16 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR CORNER, SAID IRON ROD BEING THE SOUTHEAST CORNER OF LOT 55, BLOCK R, OF SAID SUTTON FIELDS PHASE 1B;

THENCE NORTH 00°23'16” WEST, WITH THE EAST LINE OF SAID LOT 55, BLOCK R, A DISTANCE OF 121.55 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR THE NORTHEAST CORNER OF SAID LOT 55, BLOCK R,

ALSO BEING LOCATED IN THE SOUTH RIGHT-OF-WAY LINE OF HIGHTOWER STREET (CALLED 50-FOOT RIGHT-OF-WAY);

THENCE NORTH 89°36'44" EAST, WITH SAID SOUTH RIGHT-OF-WAY LINE OF HIGHTOWER STREET, A DISTANCE OF 41.70 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR CORNER;

THENCE NORTH 00°23'16" WEST, DEPARTING SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 165.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND FOR THE NORTHEAST CORNER OF LOT 11, BLOCK SSSS, OF SAID SUTTON FIELDS PHASE 1B, SAID IRON ROD ALSO BEING LOCATED IN THE SOUTH LINE OF LOT 8, BLOCK SSSS, OF SAID SUTTON FIELDS PHASE 1B;

THENCE NORTH 89°36'44" EAST, WITH THE SOUTH LINE OF SAID BLOCK SSSS, PASSING AT A
DISTANCE OF 552.07 FEET A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND AT A SOUTHEAST CORNER OF SAID SUTTON FIELDS PHASE 1B, CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT 4, IN ALL, A TOTAL DISTANCE OF 1001.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER;

THENCE CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT 4, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER:

NORTH 84°18'02" EAST, A DISTANCE OF 152.84 FEET;

NORTH 00°23'16" WEST, A DISTANCE OF 41.64 FEET;

AND NORTH 89°36'44" EAST, A DISTANCE OF 178.60 FEET;

THENCE SOUTH 00°41'45" WEST, CONTINUING OVER AND ACROSS SAID CADG SUTTON FIELDS, LLC TRACT 4, PASSING AT A DISTANCE OF 12.21 FEET A 1/2-INCH IRON ROD FOUND AT AN INTERIOR "ELL" CORNER OF SAID TRACT 4, CONTINUING WITH SAID LINE DESCRIBED IN BOUNDARY LINE AGREEMENT, IN ALL, A TOTAL DISTANCE OF 335.04 FEET TO THE POINT OF BEGINNING, AND CONTAINING 8.990 ACRES OF LAND.

CONTAINING IN ALL (TRACT 1 AND TRACT 2), A TOTAL OF 22.782 ACRES OF LAND.

SUTTON FIELDS PHASE 2B
54.573 ACRES

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NUMBER 1411, THE CARROL JACKSON SURVEY, ABSTRACT NUMBER 1546, AND THE JACOB RUE SURVEY, ABSTRACT NUMBER 1109, IN DENTON COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO CADG SUTTON FIELDS, LLC, RECORDED IN DOCUMENT NUMBER 2015-30387, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS (RPRDCT), AND PART OF TRACT 1 AND TRACT 4 IN DEED TO CADG SUTTON FIELDS, LLC, RECORDED IN DOCUMENT NUMBER 2015-15963, RPRDCT, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” FOUND FOR THE SOUTHWEST CORNER OF SUTTON FIELDS PHASE 1B, AN ADDITION TO THE CITY OF CELINA ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NUMBER 2017-478, PLAT RECORDS, DENTON COUNTY, TEXAS (PRDCT), SAID IRON ROD ALSO BEING THE SOUTHEAST CORNER OF A RIGHT-OF-WAY DEDICATION FOR BOTHWELL BOULEVARD ACCORDING TO THE RIGHTS-OF-WAY FOR SUTTON FIELDS PHASE 1, AN ADDITION TO THE CITY OF CELINA RECORDED IN DOCUMENT NUMBER 2017-398, PRDCT;

THENCE WITH THE SOUTH LINE OF SAID SUTTON FIELDS PHASE 1B, THE FOLLOWING BEARINGS AND DISTANCES TO 5/8-INCH IRON RODS WITH CAPS MARKED “PETITT-RPLS 4087” FOUND FOR CORNER:

NORTH 89°18'14” EAST, A DISTANCE OF 1596.19 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 280.00 FEET;

NORTH 89°18'13” EAST, A DISTANCE OF 420.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 105.00 FEET;

NORTH 44°18'13” EAST, A DISTANCE OF 14.14 FEET;

AND NORTH 89°18'13” EAST, A DISTANCE OF 120.62 FEET, SAID IRON ROD BEING LOCATED ON A LINE DESCRIBED IN BOUNDARY LINE AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-122140, RPRDCT;

THENCE SOUTH 00°41'45” WEST, WITH SAID BOUNDARY AGREEMENT LINE, A DISTANCE OF 1560.41 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED “PETITT-RPLS 4087” SET FOR CORNER;

THENCE, DEPARTING THE WEST LINE OF SAID BOUNDARY AGREEMENT LINE, AND OVER AND ACROSS SAID CADG SUTTON FIELDS TRACTS, THE FOLLOWING

COURSES AND DISTANCES TO 5/8-INCH IRON RODS WITH CAP MARKED “PETITT-RPLS 4087” SET FOR CORNER:

SOUTH 89°18'13” WEST, A DISTANCE OF 128.64 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 25.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 20.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 410.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 280.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 710.00 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 20.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°41'47” WEST, A DISTANCE OF 20.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 570.00 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 115.00 FEET;

NORTH 89°18'13” EAST, A DISTANCE OF 20.50 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 50.00 FEET;

SOUTH 89°18'13” WEST, A DISTANCE OF 53.99 FEET;

SOUTH 00°41'47” EAST, A DISTANCE OF 115.00 FEET;

SOUTH 89°40'23” WEST, A DISTANCE OF 53.81 FEET;

NORTH 86°04'38” WEST, A DISTANCE OF 61.02 FEET;

NORTH 80°36'44” WEST, A DISTANCE OF 61.02 FEET;

NORTH 76°42'01” WEST, A DISTANCE OF 83.14 FEET;

NORTH 71°56'34" WEST, A DISTANCE OF 90.00 FEET, SAID IRON ROD ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE TO THE LEFT, WHICH HAS A CENTRL ANGLE OF 18°45'13", A RADIUS OF 1655.00 FEET, A CHORD THAT BEARS NORTH 08°40'49" EAST, A DISTANCE OF 539.29 FEET, AND AN ARC DISTANCE OF 541.70 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 77.93 FEET;

SOUTH 89°18'13" WEST, A DISTANCE OF 28.50 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 50.00 FEET;

NORTH 89°18'13" EAST, A DISTANCE OF 28.50 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 141.37 FEET;

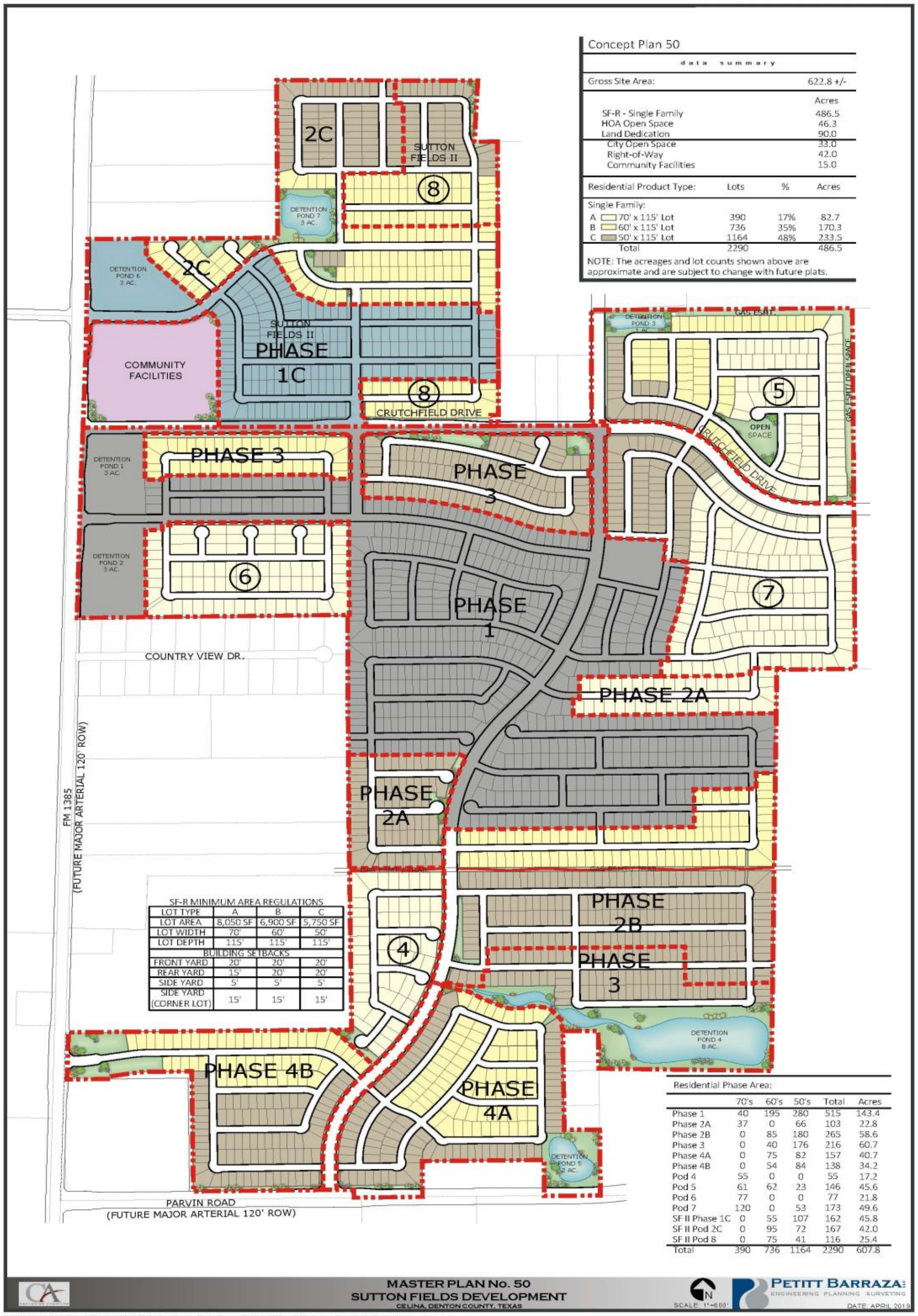
NORTH 89°43'30" EAST, A DISTANCE OF 90.00 FEET;

NORTH 00°41'47" WEST, A DISTANCE OF 177.23 FEET, SAID IRON ROD ALSO BEING THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;

AND NORTHEASTERLY, WITH SAID CURVE TO THE RIGHT, WHICH HAS A CENTRAL ANGLE OF 05°22'42", A RADIUS OF 1355.00 FEET, A CHORD THAT BEARS NORTH 01°59'34" EAST, A DISTANCE OF 127.15 FEET, AND AN ARC DISTANCE OF 127.20 FEET TO THE POINT OF BEGINNING, AND CONTAINING 54.573 ACRES OF LAND.

APPENDIX D
UPDATED CONCEPT PLAN

APPENDIX D
Updated Concept Plan



Gross Site Area:			622.8 +/-
			Acres
SF-R - Single Family			486.5
HOA Open Space			46.3
Land Dedication			90.0
City Open Space			33.0
Right-of-Way			42.0
Community Facilities			15.0
Residential Product Type:	Lots	%	Acres
Single Family:			
A 70' x 115' Lot	390	17%	82.7
B 60' x 115' Lot	736	35%	170.3
C 50' x 115' Lot	1164	48%	233.5
Total	2290		486.5

NOTE: The acreages and lot counts shown above are approximate and are subject to change with future plats.

SF-R MINIMUM AREA REGULATIONS

LOT TYPE	A	B	C
LOT AREA	8,050 SF	6,900 SF	5,750 SF
LOT WIDTH	70'	60'	50'
LOT DEPTH	115'	115'	115'
BUILDING SETBACKS			
FRONT YARD	20'	20'	20'
REAR YARD	15'	20'	20'
SIDE YARD	5'	5'	5'
SIDE YARD (CORNER LOT)	15'	15'	15'

Residential Phase Area:

	70's	60's	50's	Total	Acres
Phase 1	40	195	280	515	143.4
Phase 2A	37	0	66	103	22.8
Phase 2B	0	85	180	265	58.6
Phase 3	0	40	176	216	60.7
Phase 4A	0	75	82	157	40.7
Phase 4B	0	54	84	138	34.2
Pod 4	55	0	0	55	17.2
Pod 5	61	62	23	146	45.6
Pod 6	77	0	0	77	21.8
Pod 7	120	0	53	173	49.6
SF II Phase 1C	0	55	107	162	45.8
SF II Pod 2C	0	95	72	167	42.0
SF II Pod 8	0	75	41	116	25.4
Total	390	736	1164	2290	607.8

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Attachment: Sutton Fields II SAP Amended SAP - Updated for NIA #3-v2.0 (Sutton Fields Costs Determining Resolution)