

EULESS MIDTOWN
PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN

JANUARY 26, 2016

EULESS MIDTOWN
PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

Table of Contents

Section I	Plan Description and Defined Terms	1
Section II	Property Included in the PID	6
Section III	Description of Authorized Improvements	7
Section IV	Service Plan	10
Section V	Assessment Plan	13
Section VI	Terms of the Assessments	18
Section VII	Assessment Roll	22
Section VIII	Miscellaneous Provisions	23

List of Appendix

Appendix A	The PID Map
Appendix B	Estimated Costs of the Authorized Improvements
Appendix C	Diagrams of the Authorized Improvements
Appendix D	Land Use Class and Equivalent Units
Appendix E	Assessment Roll

Section I
PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On August 25, 2015, the City Council of Euless, Texas (the “City”) passed and approved Resolution No. 15-1471 approving and authorizing the creation of the Euless Midtown Public Improvement District (“PID”) to finance the costs of certain public improvements for the benefit of property in the PID, all of which is located within the corporate limits of the City. This Service and Assessment Plan addresses the improvements to be provided for the PID.

Chapter 372 of the Texas Local Government Code, the “Public Improvement District Assessment Act” (as amended, the “PID Act”), governs the creation and operation of public improvement districts within the State of Texas. This Service and Assessment Plan has been 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 is described in Section IV of this Service and Assessment Plan.

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

Section 372.015 of the PID Act states 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 PID Costs and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

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

B. Definitions

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

“**Administrator**” means the employee or designee of the City who shall have the responsibilities provided for herein or in any other agreement approved by the City Council.

“**Annual Collection Costs**” mean the following actual or budgeted costs, as applicable, related to the annual collection costs of outstanding Assessments paid in installments, including the costs or anticipated costs of: (i) issuing, refunding or refinancing Certificates of Obligation (CO),

(ii) computing, levying, collecting and transmitting the Assessments (whether by the City, the Administrator or otherwise), (iii) remitting the Assessments to the City, (iv) the City, the Administrator, a trustee or funding agent and any other entities related to the PID and authorized by the City (including legal counsel) in the discharge of their duties, (v) complying with arbitrage rebate requirements, if any, (vi) complying with securities disclosure requirements, if any, and (vii) the City in any way related to the collection of the Assessments in installments, including, without limitation, the administration of the PID, maintaining the record of installments, payments and reallocations and/or cancellations of Assessments, and the repayment of the CO, including, without limitation, any associated legal expenses, the reasonable costs of other consultants and advisors and contingencies and reserves for such costs as deemed appropriate by the City Council. Assessments collected to pay Annual Collection Costs and not expended for actual Annual Collection Costs shall be carried forward and applied to reduce Annual Collection Costs in subsequent years to avoid the over-collection of Annual Collection Costs.

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment the Assessments as shown on the Assessment Roll attached as Appendix E and related to the CO and the Authorized Improvements; which annual payment includes the 0.20% additional interest collected on each annual payment of the Assessments for the prepayment reserve and the 0.30% additional interest rate collected on each annual payment of the Assessments for the delinquency reserve as defined and calculated in Section V of this Service and Assessment Plan or in any Annual Service Plan Update.

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

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

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

“Assessment Ordinance” means the ordinance approved by the City Council approving the final Assessment Roll, and levying the Assessments.

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

“Assessment Roll” means the document included in this Service and Assessment Plan as Appendix E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act.

“Authorized Improvements” mean those public improvements described in Appendix B of this Service and Assessment Plan and authorized by Section 372.003 of the PID Act, which are to be undertaken by the PID for the benefit of property in the PID.

“Authorized Improvement Costs” mean the demonstrated, reasonable, allocable, and allowable costs of constructing the Authorized Improvements as shown in Appendix B that are specified in a Certification of Payment that has been reviewed and approved by the City. Actual Costs may include: (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of any Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for any Authorized Improvement, (c) the fees paid for obtaining permits, licenses, or other governmental approvals for any Authorized Improvement, (d) the costs for external professional costs associated with an Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, (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 an Authorized Improvement, and (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, and development fees), insurance premiums, miscellaneous expenses, and all advances and payments of Annual Collection Costs, if any. Authorized Improvement 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 Authorized Improvement Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals should be excluded from the base upon which the general contractor and construction management fees are calculated.

“Benefited Property” means property within the PID that receives a benefit from the Authorized Improvements, which consists of all Parcels within the PID other than Non-Benefited Property. Benefited Property is identified on the map of the PID included an Appendix A, with a list of Parcels of Benefited Property included in Appendix E.

“Certification for Payment” means the certificate required under the Construction, Funding and Development Agreement (CFD) that is executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative (as defined in the CFD) specifying the amount of work performed and the costs thereof, to substantiate the Authorized Improvement Cost of one or more Authorized Improvements.

“Certificates of Obligation” or “CO” mean any bonds or certificates of obligation issued by the City in one or more series issued to finance the Authorized Improvement Costs and secured by Assessment Revenues.

“Construction, Funding and Development Agreement” or “CFD” means an agreement or similar document by and between the City and the Developer setting forth the terms and other provisions relating to the construction of the Authorized Improvements, disbursement of project

funds, use of Assessment Revenues etc. as modified, amended, and/or supplemented from time to time.

“**City**” means the City of Euless, Texas.

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

“**Delinquent Collection Costs**” mean interest, penalties and expenses incurred or imposed with respect to any delinquent Annual Installments of an Assessment in accordance with §372.018(b) of the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorneys’ fees.

“**Developer**” means CADG 901 Airport Freeway, L.L.C.

“**Land Use Class**” means a classification of property with similar characteristics regarding the intended use of the property (e.g. single-family residential, townhome residential, multifamily residential, retail etc.), as determined by the Administrator and confirmed by the City Council.

“**Non-Benefited Property**” means Parcels within the boundaries of the PID that accrue no special benefit from the Authorized Improvements, including Owner Association Property, Public Property and easements that create an exclusive use for a public utility provider. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI. C. 2.

“**Owner 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 property owners’ association.

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

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

“**PID**” means Euless Midtown Public Improvement District.

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

“**Public Property**” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the City, a

school district or any other public agency, whether in fee simple or through an exclusive use easement.

“Service and Assessment Plan” means this Service and Assessment Plan prepared for the PID pursuant to the PID Act.

“TIRZ No. 4” means the Tax Increment Reinvestment Zone No. 4, City of Euless, Texas.

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

“TIRZ Ordinance” means Ordinance No. 2089 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).

“TIRZ Revenues” mean, for each year, the amounts paid by the City from the TIRZ No. 4 tax increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated each year by the Administrator in collaboration with the City, in accordance with Section VI.B of this Service and Assessment Plan.

Section II
PROPERTY INCLUDED IN THE PID

The PID is located within the City and contains approximately 56.884 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan. The property within the PID is proposed to be developed as follows:

Table II-A
Proposed Development

Proposed Development Type	Quantity	Measurement
Residential - Single-Family	66	units
Residential – Townhomes	75	units
Residential – Row Houses	114	units
Residential - Multi-Family	393	units
Retail	67,100	Square feet

The current Parcels in the PID are shown on the Assessment Roll and the map included as Appendix A.

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

Section III
DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

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 improvement projects authorized by the PID Act, the City has determined that the Authorized Improvements as described in Appendix B and shown on the diagram included as Appendix C should be undertaken by the City for the benefit of the property within the PID. The estimated Authorized Improvement Costs are shown by Table III-A.

Table III-A
Estimated Authorized Improvement Costs

Authorized Improvements	Total Estimated PID Costs
Roadway improvements	\$5,200,255
Water distribution system improvements	\$1,787,071
Sanitary sewer collection system improvements	\$1,540,751
Storm sewer collection system improvements	\$3,622,678
Hardscaping and amenities	\$2,111,201
Other costs including design, survey, geotech, bonding, mobilization, contingency and miscellaneous soft costs	\$2,156,024
Total – Estimated Authorized Improvement Costs	\$16,417,980

The costs shown in Table III-A are current estimates and may be revised in Annual Service Plan Updates.

The Authorized Improvements to be constructed include roadway improvements, water distribution system improvements, storm sewer collection system improvements, wastewater collection system improvements and hardscaping & public park improvements that will provide service to the property intended for development within the PID.

Road Improvements

The roadway improvements include approximately 26,708 SY of 6-inch reinforced concrete pavement and 31,500 SY of 8-inch treated sub-grade compacted to 95% SPD, striping, and street signage. A detailed description of the roadway improvements and the related costs are provided in the engineering cost estimates included as Appendix B. All roadway improvements will be constructed according to the City requirements. See Table III-A for cost details.

Water Distribution System Improvements

The water distribution system improvements consist of approximately 1,870 linear feet of 12-inch water lines, approximately 2,149 linear feet of 8-inch water lines, fire hydrants and trench safety procedures. A detailed description of the water distribution system improvements and the related costs are provided in the engineering cost estimates included as Appendix B. All water distribution system improvements will be constructed according to the City

requirements. This development will be served in its entirety by the City for all water and sewer services. See Table III-A for cost details.

Sanitary Sewer Improvements

The sanitary sewer collection system improvements consist of approximately 4,234 linear feet of 8-inch PVC, including sewer laterals, manholes and trench safety procedures. A detailed description of the sanitary sewer collection system improvements and the related costs are provided in the engineering cost estimates included as Appendix B. All sanitary sewer collection system improvements will be constructed according to the City requirements. See Table III-A for cost details.

Storm Drainage Improvements

The storm sewer collection system improvements consist of approximately 3,086 linear feet of various sized RCP pipes, manholes, junction boxes, inlets, headwalls and trench safety procedures. A detailed description of the storm sewer collection system improvements and the related costs are provided in the engineering cost estimates included as Appendix B. All storm sewer collection system improvements will be constructed according to the City requirements. See Table III-A for cost details.

Hardscaping

Hardscaping, which includes public park improvements, include the creation of a 4-acre central lake, stone walls and pathways on approximately four acres, installation of over 1/2 mile of 6' wide concrete paths with seating areas, public art and public lighting details and street lighting. All hardscaping improvements will be constructed according to the City requirements. See Table III-A for cost details.

The water and sanitary sewer improvements listed above help create the grid for the water line system and the sanitary sewer collection system for the property. The storm sewer improvements collect and control the runoff created on each Parcel and conveys this runoff to the large central lake, which also serves as a storm water detention pond for the property in the PID. The road improvements provide for the traffic circulation within the property, allowing access to and from the adjacent roadways to each Parcel.

Additional details of the Authorized Improvements are shown in Appendix B attached to this Service and Assessment Plan. The method of cost allocation is explained in Section V (C).

The Authorized Improvements will provide a special benefit to all Assessed Property in the PID. As described in Section V(C), the estimated Costs of the Authorized Improvements are fully allocated to the Assessed Property within the PID. Table III-B shows the allocation of the Authorized Improvements costs to the PID.

Table III-B
Allocation of the Authorized Improvement Costs

Authorized Improvements	Total Estimated Cost	Percentage Allocated	Total Estimated Cost Allocated to the PID
Roadway improvements	\$5,200,255	100%	\$5,200,255
Water distribution system improvements	\$1,787,071	100%	\$1,787,071
Sanitary sewer collection system improvements	\$1,540,751	100%	\$1,540,751
Storm sewer collection system improvements	\$3,622,678	100%	\$3,622,678
Hardscaping and amenities	\$2,111,201	100%	\$2,111,201
Other costs including design, survey, geotech, bonding, mobilization, contingency and miscellaneous soft costs	\$2,156,024	100%	\$2,156,024
Total	\$16,417,980		\$16,417,980

The costs shown in Tables III-A and III-B are estimates and may be revised in Annual Service Plan Updates. The detailed costs of the Authorized Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

**Section IV
SERVICE PLAN**

A. Sources and Uses of Funds

The PID Act requires a 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. All of the PID Costs are expected to be expended during the first five years after adoption of this Service and Assessment Plan. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for the Authorized Improvements. The annual update to this Service and Assessment Plan is herein referred to as the “Annual Service Plan Update.”

COs have been in 2016. Table IV-A shows the estimated sources and uses of the CO.

**Table IV-A
Sources and Uses of Funds**

<u>Sources of Funds:</u>	
	Funded by the PID
CO proceeds	\$16,450,000
Total sources of funds	\$16,450,000
<u>Uses of Funds:</u>	
Construction costs:-	
Estimated construction costs paid with CO	\$16,417,980
Subtotal: Construction costs	\$16,417,980
Costs of issuing the CO	
Net CO issuance costs	\$32,020
Subtotal: Costs of issuing the CO	\$32,020
Total uses of funds	\$16,450,000

This sources and uses of funds table is subject to revision and the actual sources and uses of funds for any line item may be different than shown above. The sources and uses of funds shown in Table IV-A will be finalized upon the issuance and sale of the CO.

B. Annual Costs and Indebtedness

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

Table IV-B
Annual Projected Costs and Indebtedness

Year	Annual Projected Costs	Annual Projected Indebtedness
1	\$16,450,000	\$16,450,000
2	\$0	\$0
3	\$0	\$0
4	\$0	\$0
5	\$0	\$0
Total	\$16,450,000	\$16,450,000

C. Annual Debt Service

The annual debt service is shown by Table IV-C. The annual debt service includes the annual debt service on the CO.

The Annual Installments represent the amount of Assessments expected to be collected each year based on the amount of debt service on the CO as shown in Table IV-A, which were issued to pay the Authorized Improvement Costs shown in Table III-B, and the Annual Collection Costs. The annual debt service and collection costs amounts shown are subject to revision and shall be updated each year in the Annual Service Plan Update to reflect any changes in the amount of principal, interest and collection costs expected to be paid each year.

Table IV-C
Annual CO Debt Service

Period Ending	Principal¹	Interest¹	Total Debt Service
9/30/2016	\$0	\$267,941	\$267,941
9/30/2017	\$0	\$489,638	\$489,638
9/30/2018	\$380,000	\$489,638	\$869,638
9/30/2019	\$515,000	\$482,038	\$997,038
9/30/2020	\$530,000	\$466,588	\$996,588
9/30/2021	\$540,000	\$455,988	\$995,988
9/30/2022	\$550,000	\$445,188	\$995,188
9/30/2023	\$570,000	\$428,688	\$998,688
9/30/2024	\$590,000	\$405,888	\$995,888
9/30/2025	\$605,000	\$392,613	\$997,613
9/30/2026	\$620,000	\$374,463	\$994,463
9/30/2027	\$640,000	\$355,863	\$995,863
9/30/2028	\$660,000	\$336,663	\$996,663
9/30/2029	\$680,000	\$316,863	\$996,863
9/30/2030	\$700,000	\$296,463	\$996,463
9/30/2031	\$720,000	\$275,463	\$995,463
9/30/2032	\$745,000	\$253,863	\$998,863
9/30/2033	\$765,000	\$231,513	\$996,513
9/30/2034	\$790,000	\$208,563	\$998,563
9/30/2035	\$810,000	\$184,863	\$994,863
9/30/2036	\$835,000	\$160,563	\$995,563
9/30/2037	\$865,000	\$134,469	\$999,469
9/30/2038	\$890,000	\$107,438	\$997,438
9/30/2039	\$920,000	\$79,625	\$999,625
9/30/2040	\$950,000	\$49,725	\$999,725
9/30/2041	\$580,000	\$9,425	\$589,425
Total	\$16,450,000	\$7,700,022	\$24,150,022

1 - The CO principal and interest amounts are based on the final CO numbers. The interest amounts are calculated using a true interest rate of 3.001% and issuance date of 01/12/16.

Section V ASSESSMENT PLAN

A. Introduction

The PID Act requires the City Council to apportion the PID Costs on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the PID Costs 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. Section V of this Service and Assessment Plan describes the special benefit received by each Parcel of Assessed Property as a result of the Authorized Improvements, provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments, and establishes the methodology by which the City Council allocates the special benefit of the Authorized Improvements to Parcels in a manner that results in equal shares of the PID Costs being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodology set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners within the Assessed Property.

B. Special Benefit

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

The majority owner of the Assessed Property has acknowledged and agreed to the determinations and findings as to benefits by the City Council in the Service and Assessment Plan and the Assessment Ordinance, specifically including the special benefit conferred on the Assessed Property by the Authorized Improvements, as well as any other terms and provisions within these documents, and have, therefore, consented to the imposition of the Assessments to pay the PID Costs. The owner or Developer is acting in its interest in consenting to this imposition, because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The public improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the

Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

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

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

Funding of the Authorized Improvement Costs by the PID is determined to be the most beneficial means of financing the Authorized Improvements. Since the Authorized Improvements are required for the highest and best use of the Assessed Property, and the PID provides the most beneficial means of providing the Authorized Improvements, the Assessments result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessments. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

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

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

C. Allocation of Costs to Assessed Property

The Authorized Improvements will provide a special benefit to all Assessed Property in the PID. Accordingly, the estimated Authorized Improvement Costs are fully allocated to the Assessed Property within the PID. Table III-B summarizes the allocation of Authorized Improvement Costs. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, but may not result in increased Assessments without consent by each of the owners of the Parcels to the imposition of the increased Assessments to pay for the Actual Costs.

D. Assessment Methodology

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

2. For purposes of this Service and Assessment Plan, the City Council has determined that the Authorized Improvement Costs shall be allocated to the Assessed Property spreading the entire Assessment across the Parcels based on the ratio of estimated average value at build-out within each Land Use Class (“Equivalent Units”) as calculated and shown in Appendix D using the proposed development types and quantity anticipated to be developed on each Parcel. The Equivalent Units for each class of property are based on the estimated value of the intended use of the property, as shown in Appendix D. As explained in Appendix D, such method of allocation will result in the imposition of equal shares of the Authorized Improvement Costs to Parcels similarly benefited.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the Equivalent Units of each newly created Parcel. The result of this approach is that the Assessment allocated to each Parcel, as each Parcel is subdivided, will be allocated an assessment that reasonably relates to the benefit received by the Parcel from the Authorized Improvements.

3. The following table (Table V-A) shows the calculation of the Assessment per Equivalent Unit. The description of each Land Use Class and the calculation of the Equivalent Units are described in Appendix D. There are a total of 348.60 Equivalent Units expected to be built on the Assessed Property. The total Assessments, which represent the amount of CO to be issued, are equal to \$16,450,000 as shown in Table IV-C. As a result the Assessment per Equivalent Unit is \$47,189 as shown in Table V-A below.

TABLE V-A
Assessment per Unit

Land Use Class	Units	Estimated Value per unit	Equivalent Unit Factor	Total Equivalent Units	Assessment per Unit (per 1,000 s.f.)
Class 1	66	\$360,000	1.00	66.00	\$47,189
Class 2	75	\$285,000	0.79	59.25	\$37,280
Class 3	114	\$235,000	0.65	74.10	\$30,673
Class 4	393	\$90,000	0.25	98.25	\$11,797
Class 5 ¹	67.10	\$275,000	0.76	51.00	\$35,864
Total				348.60	
Total Assessments (Total CO issued)				\$16,450,000	
Assessment per Equivalent Unit				\$47,189	

1 - The units and estimated values per unit are presented per 1,000 square feet and used as such in the calculation of the Equivalent Unit Factors.

E. Assessments

The Assessments will be levied on each Parcel as shown in the Assessment Roll attached hereto as Appendix E. The Annual Installments will be collected in the amounts shown on the Assessment Roll, which may be subject to revisions made during an Annual Service Plan Update.

F. Administrative Expenses

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

G. Prepayment Reserve

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related CO by no more than one half of one percent (0.50%). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the CO, with up to 0.20% allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which CO are prepaid until such Prepayment Reserve is 1.5% (one-and-half percent) of the outstanding CO amounts, and 0.30% allocated to fund a delinquency reserve account as described below.

H. Delinquency Reserve

The City has allocated initially up to 0.30%, until the Prepayment Reserve is fully funded and 0.5% afterwards, of the interest rate component of the Annual Installments to offset any possible

delinquent payments. The delinquency reserve shall be funded up to an amount equal to the maximum annual CO debt service payment or 10% (ten percent) of the outstanding CO balance (as calculated and adjusted by the Administrator and approved by the City every year), but in no event will the annual collection, together with the prepayment reserve be more than 0.50% higher than the actual interest rate paid on the CO. If the prepayment reserve and delinquency reserve contain the amounts specified herein, then the 0.50% of the interest rate component of the Annual Installments will be used to retire CO early or other uses related to the Authorized Improvements as approved by City.

I. TIRZ Credit

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of such Parcel's PID assessments (the "TIRZ Credit"). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel. The TIRZ Credit applicable to each Parcel shall be calculated as described under Section VI (B) of this Service and Assessment Plan.

Section VI
TERMS OF THE ASSESSMENTS

A. Amount of Assessments

The Assessment for each Parcel is shown on the Assessment Roll, and no Assessment shall be changed except as authorized by this Service and Assessment Plan (including the Annual Service Plan Updates) and the PID Act. The Assessments shall not exceed the amount required to repay principal and interest on the CO and Annual Collection Costs.

The Annual Installments shall be collected in an amount sufficient to pay principal and interest on the CO, to fund the prepayment reserve and delinquency reserve described in Section V, and to cover Administrative Expenses of the PID. The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Credit applicable to the Parcel. The TIRZ Credit for each Parcel shall be calculated using the following formula:

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

Where the terms have the following meanings:

- A = the TIRZ Credit amount for a Parcel
- B = the total TIRZ Revenues collected and available for the preceding year
- C = the total Equivalent Unit of the Parcel
- D = the total Equivalent Units of all Parcels

The TIRZ Revenues collected and available in any given year shall be used to calculate the TIRZ Credit in the following year (i.e., TIRZ Revenues collected in 2015 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2016). TIRZ Credits shall be calculated for those Parcels that are subject to Assessments by the PID. The total TIRZ Revenues collected from all Parcels in the PID shall be used to calculate the TIRZ Credit applicable to each Parcel in the PID based on the above formula. The total TIRZ increment amount generated by all Parcels of Assessed Property will be divided by the total Equivalent Units in the PID to determine the TIRZ credit applicable to each Parcel of Assessed Property. The Equivalent Units to be used for the calculation of the TIRZ Credit shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

B. Reallocation of Assessments

1. Subdivision

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

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

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision

- C = the estimated number of units to be built on each newly subdivided Parcel
- D = the sum of the estimated number of units to be built on all of the new subdivided Parcels

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

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

2. Consolidation

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

C. 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 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.

D. Reduction of Assessments

1. If after all Authorized Improvements have been completed, there are excess Bond proceeds being available to redeem CO, then the Assessments and Annual Installments for each Parcel shall be reduced by an equal percentage such that the sum of the resulting reduced Assessments and Annual Installments for all Parcels equals the amount required to repay the CO after such redemption, including interest on the CO and Annual Collection Costs, and such excess Bond proceeds shall be applied to redeem CO. The Assessment for each Parcel shall be

reduced by an equal percentage such that the sum of the resulting reduced Assessments is equal to the outstanding principal amount of the CO.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem CO, 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 CO, including interest on the CO and Annual Collection Costs, and such excess Bond proceeds shall be applied to redeem CO. 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, 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 CO, including interest on the CO and Collection Costs. 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 Assessments is equal to the outstanding principal amount of the CO.

E. Payment of Assessments

1. Payment in Full

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

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

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

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

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the City to collect interest and amounts to pay Annual Collection Costs in Annual Installments. An Assessment 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, as

updated as provided for herein, which include interest and Annual Collection Costs. Payment of the Annual Installments shall commence with tax bills mailed after the initial issuance of CO.

Each Assessment shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the CO and (ii) 9% percent per annum. The Assessment Roll sets forth for each year the Annual Installment for each Parcel based on the actual interest rate on the COs and additional interest at the rate of 0.5% for the prepayment reserve and delinquency reserve as described in Section V(G) and (H). Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessment Roll, updated with the actual interest rates on the CO, is shown as Appendix E.

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

F. Collection of Annual Installments

No less frequently than annually, the City Council, or the Administrator, on behalf of the City Council, shall prepare and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Annual Collection Costs shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under this Service and Assessment Plan, such as capitalized interest, interest earnings on any account balances, and any other funds available for such purpose, including any existing deposits for a prepayment reserve. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such property as they become due and payable.

Section VII
THE ASSESSMENT ROLL

Appendix E identifies each Parcel within the PID, the Benefited Property, the Assessed Property and Non-Benefited Property. The Assessment Roll includes each Parcel of Assessed Property, the Assessment imposed on each Parcel and the Annual Installments to be paid each year for each Parcel if the Assessment is not paid in full for any Parcel. The Assessment on each Parcel is based on the number of units expected to be built on each Parcel, and the Assessment per unit results, as explained herein.

Each Parcel of Assessed Property has been evaluated by the City Council (based on the information provided by the Developer and other sources including information about the developable area, proposed Owner Association Property and Public Property, best and highest use of the property, and other development factors deemed relevant by the City Council) to determine the proposed use of the Parcel. The proposed use is then multiplied by the Assessment per Equivalent Unit forth in Table V-A of this Service and Assessment Plan, and the total of such amounts shall constitute the "Assessment" for the Parcel as set forth on the Assessment Roll. The Assessment Roll shall be updated upon the preparation of each Annual Service Plan Update to reflect, for each Parcel, subdivisions, consolidations, prepayments, and reductions authorized by this Service and Assessment Plan.

The Administrator shall prepare, and the City Council shall review and approve, annual updates to the Assessment Roll as the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel as Benefited Property, Assessed Property, and Non-Benefited Property; (ii) the Assessment for each Parcel, including any adjustments authorized by this Service and Assessment Plan or in the Act; (iii) the Assessment for each Parcel, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iv) the Annual Installment for the Parcel for the year (if the Assessment is payable in installments); and (v) payments of the Assessment, if any, as provided by Section VI (C) of this Service and Assessment Plan.

**Section VIII
MISCELLANEOUS PROVISIONS**

A. Administrative Review

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

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

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

B. Termination of Assessments

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

C. Amendments

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

D. Administration and Interpretation of Provisions

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

E. Severability

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

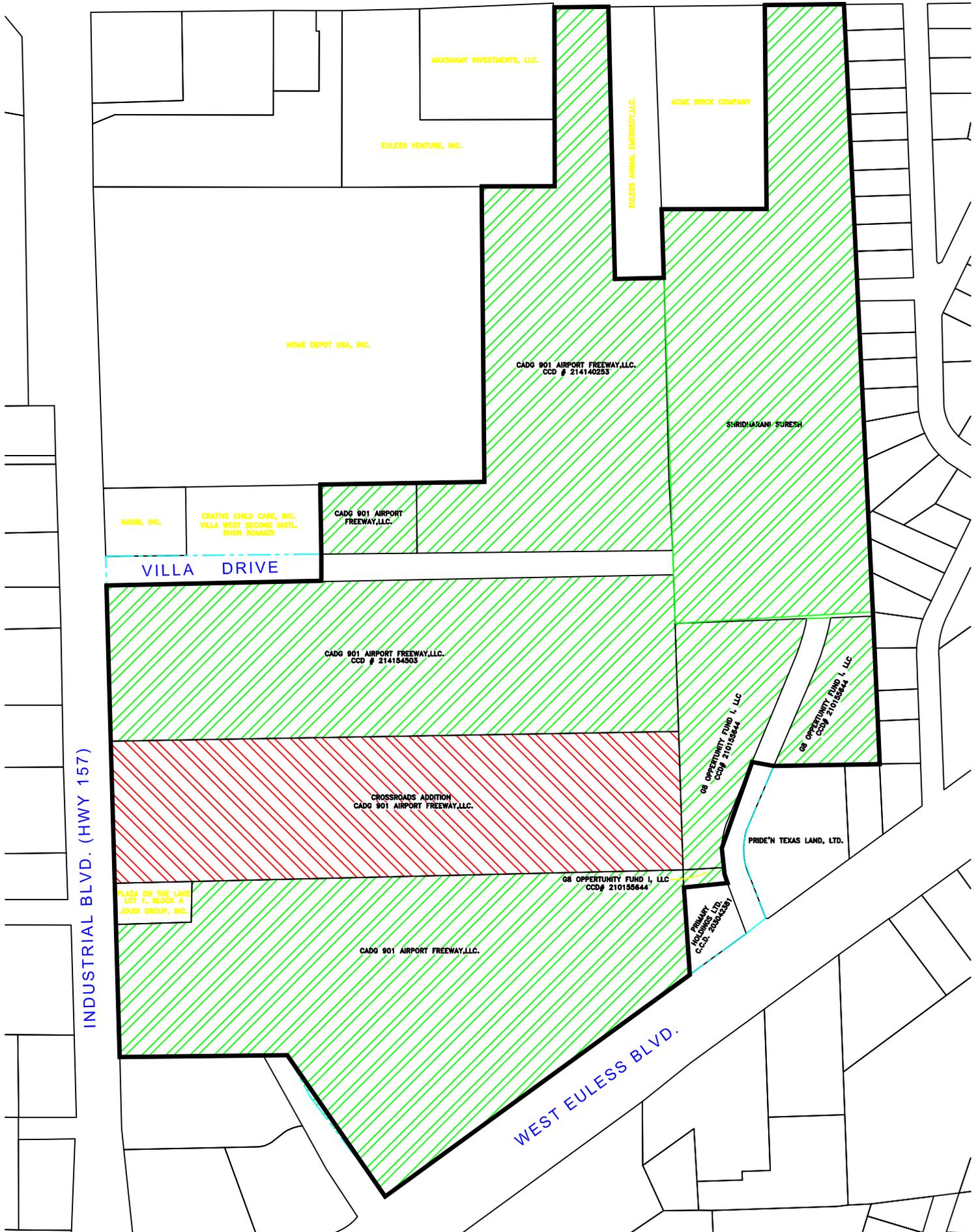
If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the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

Appendix A

The PID MAP

Exhibit A: The PID Map

HWY 183



Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Eules Midtown PID
City of Eules, TX

Estimated Authorized Improvement Costs

Description of Improvements	Estimated Cost
Paving	\$2,500,255
Demolition and remediation	\$2,700,000
<i>Subtotal: Roadway improvements</i>	<i>\$5,200,255</i>
Water distribution system improvements	\$1,787,071
Sanitary sewer collection system improvements	\$1,540,751
Storm sewer collection system improvements	\$1,522,678
Right-of-Way/ land acquisition:	\$2,100,000
<i>Subtotal: Storm sewer collection system improvements</i>	<i>\$3,622,678</i>
Hardscaping and amenities	\$2,111,201
Bonding & Mobilization	\$431,900
Civil Eng. Design, Surveying, Staking & CA services	\$1,145,559
Construction Contingency	\$578,565
Subtotal: Other soft costs	\$2,156,024
Subtotal: Estimated Authorized Improvement Costs	\$16,417,980
Add: Net costs for issuing CO	\$32,020
Total Estimated Costs	\$16,450,000

The costs shown above are current estimates provided by project engineer and may be revised as needed.

Appendix C

DIAGRAM OF THE AUTHORIZED IMPROVEMENTS

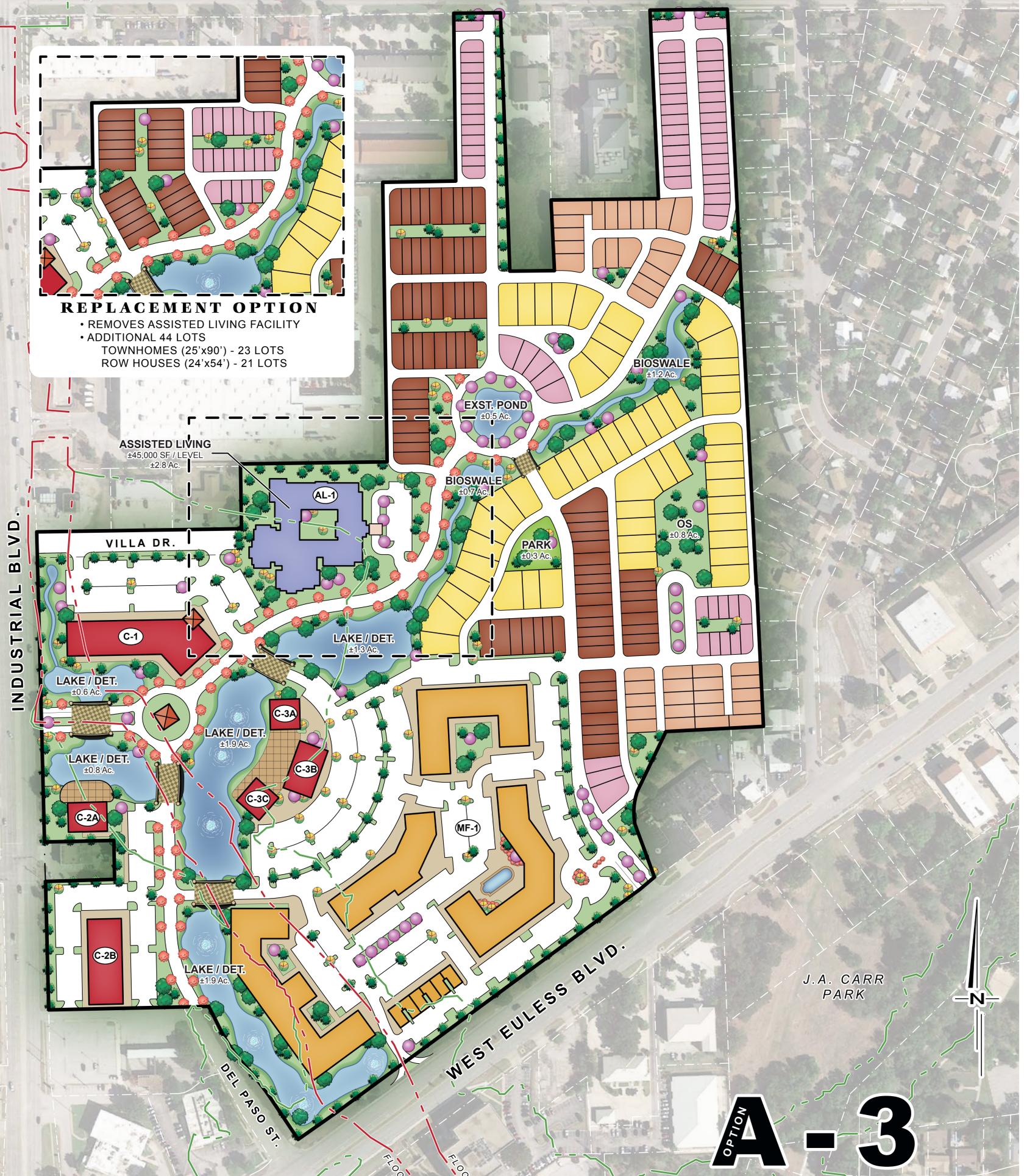
LOT SUMMARY

VILLAS (40'x90')	51 LOTS	21%
TOWNHOMES (25'x90')	86 LOTS	35%
ROW HOUSES (24'x54')	66 LOTS	27%
HIGH DENSITY CLUSTERS	40 LOTS	17%
TOTAL	243 LOTS	

SH 183



REPLACEMENT OPTION
 • REMOVES ASSISTED LIVING FACILITY
 • ADDITIONAL 44 LOTS
 TOWNHOMES (25'x90') - 23 LOTS
 ROW HOUSES (24'x54') - 21 LOTS



OPTION A-3

a conceptual redevelopment plan for
EULESS, TEXAS
 ± 60.0 ACRES OF LAND
 prepared for



— Land Planning Consultants —
 23501 Cinco Ranch Blvd., Suite A-250
 Katy, Texas 77494

7000 North Mopac, Suite 330 Austin, TX 78731
 2595 Dallas Parkway, Suite 204 Frisco, TX 75034

Tel: 281-579-0340



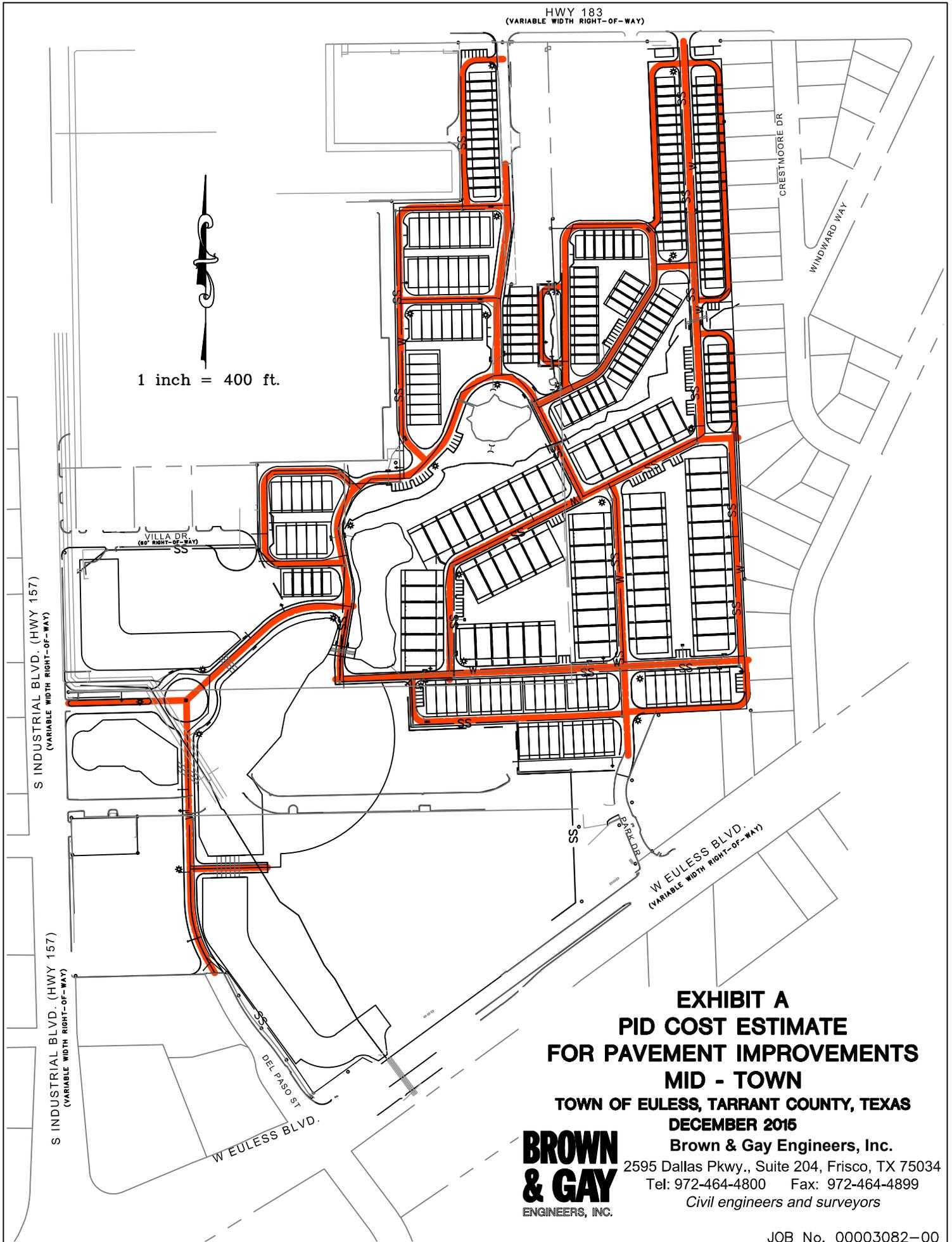
APRIL 30, 2015
 KOA #1-408

LANDUSE	TOTAL BUILDING SQ. FT/ UNITS	PARKING RATIO	ACRES
MF-1	396 UNITS	1.5/UNIT	±11.6
AL-1	-	-	±2.8
COMMERCIAL TRACTS			
C1	28,200 S.F.	5.1/1000	±2.5
C2	-	6.2/1000	±3.3
A	6,000 S.F.	12.8/1000	-
B	15,000 S.F.	5/1000	-
C3	-	15.2/1000	±2.2
A	4,900 S.F.	-	-
B	8,100 S.F.	-	-
C	4,900 S.F.	-	-
SUBTOTAL	67,100 S.F.	-	±8.0
OS	-	-	±6.5
DETENTION	-	-	±8.9

THIS DRAWING IS A PICTORIAL REPRESENTATION FOR PRESENTATION PURPOSES ONLY AND IS SUBJECT TO CHANGE. FURTHER, SAID DRAWING IS A SCANNED IMAGE ONLY AND IS NOT FOR COMPUTATION OR CONSTRUCTION PURPOSES. THIS DRAWING MAY OR MAY NOT INCORPORATE INFORMATION AND/OR DATA PROVIDED TO BGE | KERRY R. GILBERT & ASSOCIATES BY OTHER CONSULTANTS RELATIVE TO ENGINEERING AND DRAINAGE, FLOODPLAINS AND ENVIRONMENTAL ISSUES AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE. NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE ACTUAL DESIGN, LOCATION, AND CHARACTER OF THE FACILITIES SHOWN ON THIS MAP ARE INTENDED. ADDITIONALLY, NO WARRANTY IS MADE TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

HWY 183
(VARIABLE WIDTH RIGHT-OF-WAY)

1 inch = 400 ft.



**EXHIBIT A
PID COST ESTIMATE
FOR PAVEMENT IMPROVEMENTS
MID - TOWN**

**TOWN OF EULESS, TARRANT COUNTY, TEXAS
DECEMBER 2016**

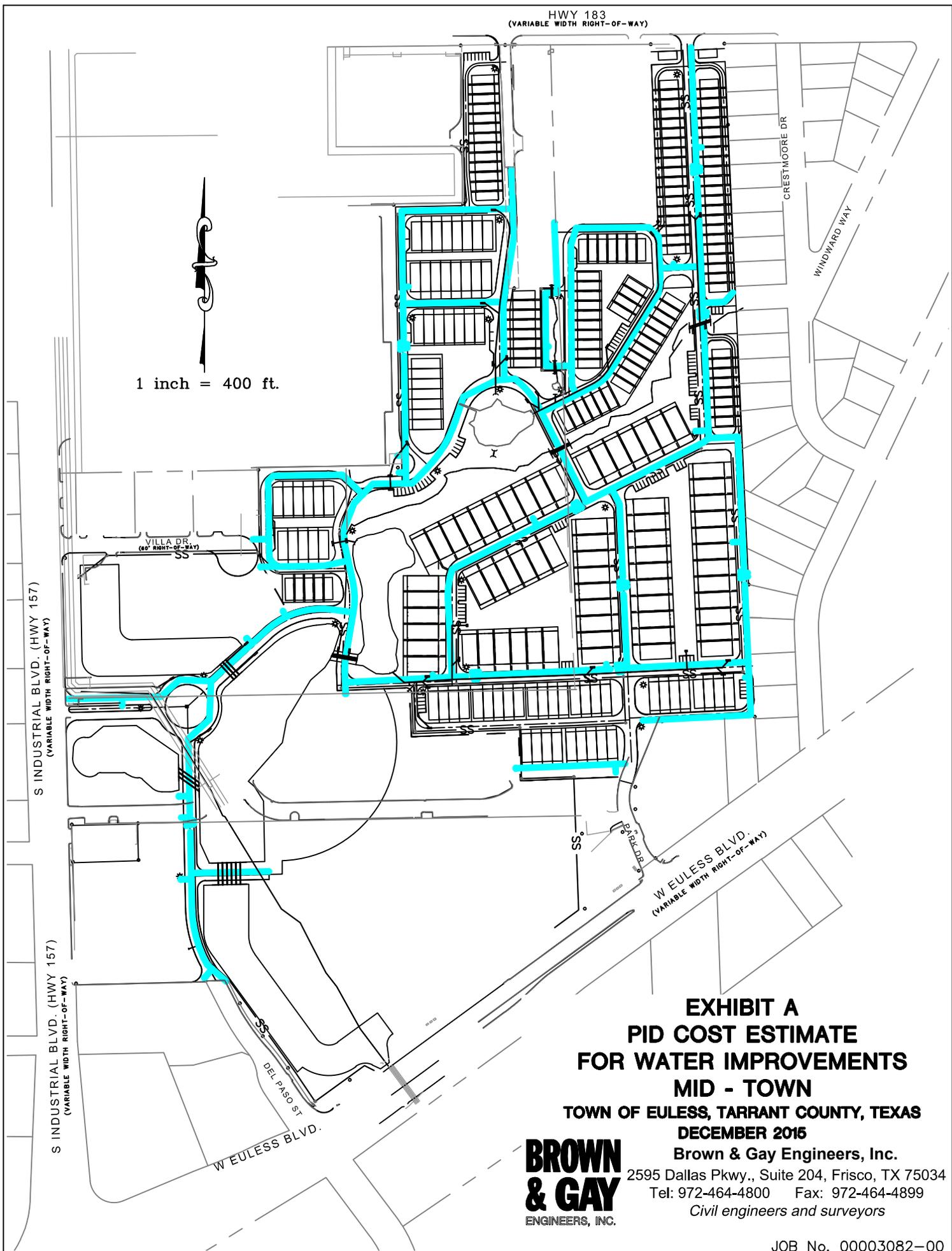
**BROWN
& GAY**
ENGINEERS, INC.

Brown & Gay Engineers, Inc.
2595 Dallas Pkwy., Suite 204, Frisco, TX 75034
Tel: 972-464-4800 Fax: 972-464-4899
Civil engineers and surveyors

JOB No. 00003082-00

HWY 183
(VARIABLE WIDTH RIGHT-OF-WAY)

1 inch = 400 ft.



**EXHIBIT A
PID COST ESTIMATE
FOR WATER IMPROVEMENTS
MID - TOWN**

**TOWN OF EULESS, TARRANT COUNTY, TEXAS
DECEMBER 2015**

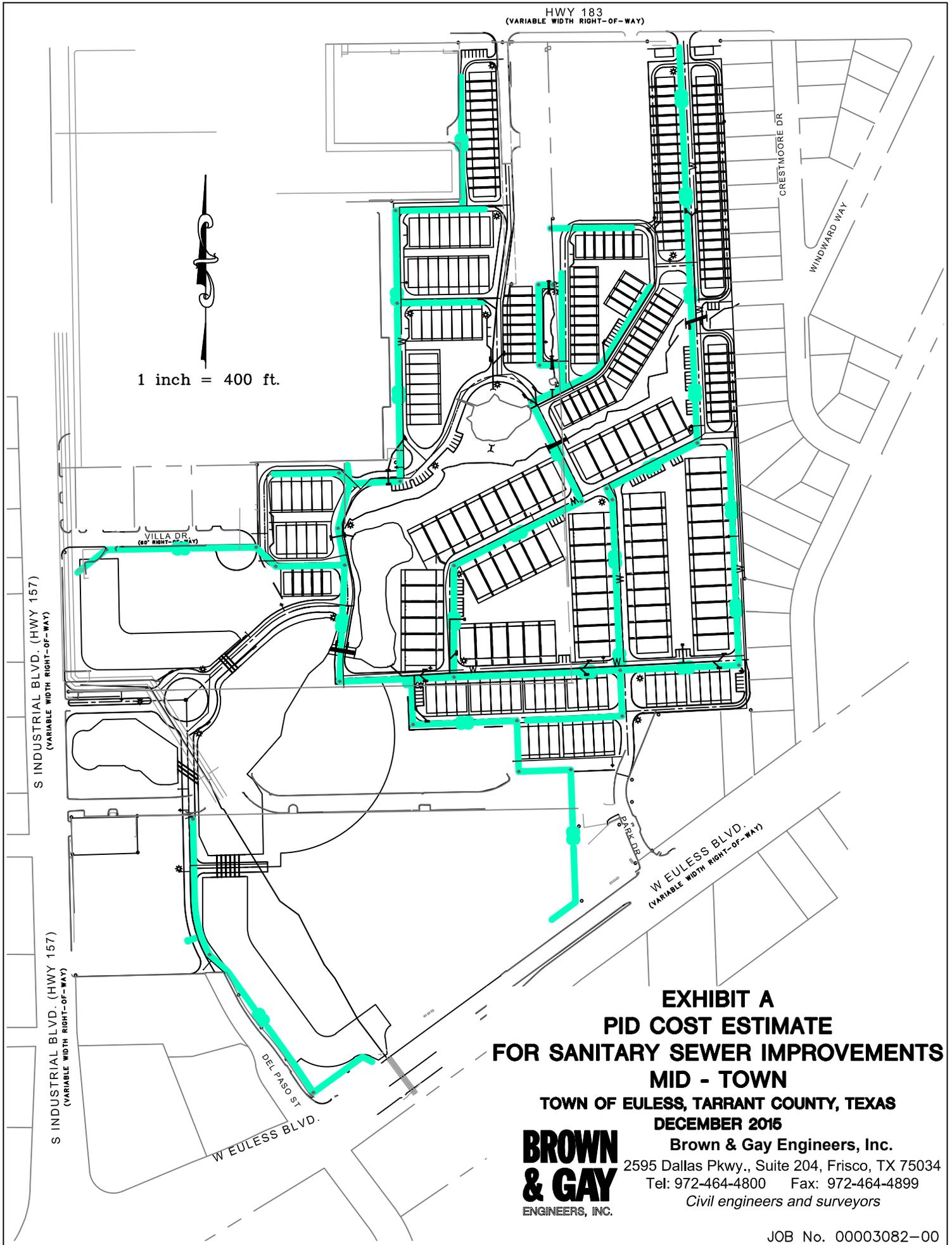
**BROWN
& GAY**
ENGINEERS, INC.

Brown & Gay Engineers, Inc.
2595 Dallas Pkwy., Suite 204, Frisco, TX 75034
Tel: 972-464-4800 Fax: 972-464-4899
Civil engineers and surveyors

JOB No. 00003082-00

HWY 183
(VARIABLE WIDTH RIGHT-OF-WAY)

1 inch = 400 ft.



**EXHIBIT A
PID COST ESTIMATE
FOR SANITARY SEWER IMPROVEMENTS
MID - TOWN**

**TOWN OF EULESS, TARRANT COUNTY, TEXAS
DECEMBER 2016**

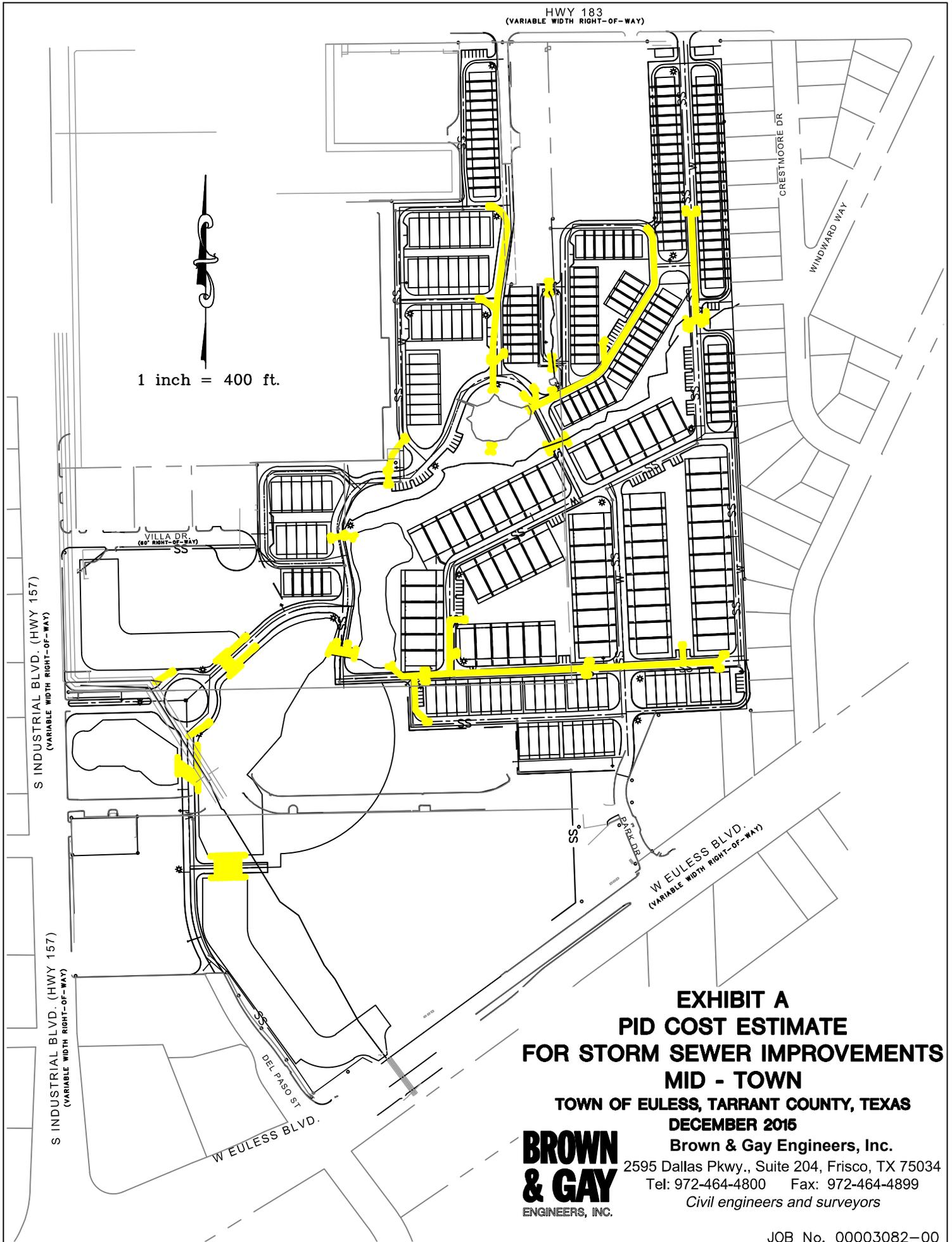
**BROWN
& GAY**
ENGINEERS, INC.

Brown & Gay Engineers, Inc.
2595 Dallas Pkwy., Suite 204, Frisco, TX 75034
Tel: 972-464-4800 Fax: 972-464-4899
Civil engineers and surveyors

JOB No. 00003082-00

HWY 183
(VARIABLE WIDTH RIGHT-OF-WAY)

1 inch = 400 ft.



**EXHIBIT A
PID COST ESTIMATE
FOR STORM SEWER IMPROVEMENTS
MID - TOWN**

**TOWN OF EULESS, TARRANT COUNTY, TEXAS
DECEMBER 2016**

**BROWN
& GAY**
ENGINEERS, INC.

Brown & Gay Engineers, Inc.
2595 Dallas Pkwy., Suite 204, Frisco, TX 75034
Tel: 972-464-4800 Fax: 972-464-4899
Civil engineers and surveyors

JOB No. 00003082-00

Appendix D

LAND USE CLASS AND EQUIVALENT UNITS

For purposes of allocating the Assessments, the Assessed Property has been, or is anticipated to be, classified in one of five Land Use Classes. The following table shows the proposed residential and non-residential Land Use Class within the PID.

**Table D-1
Proposed Development within the PID**

Lot Type	Description	Proposed Development
<u>Residential</u>		
Land Use Class 1	Single-Family	66 units
Land Use Class 2	Townhomes	75 units
Land Use Class 3	Row Houses	114 units
Land Use Class 4	Multi-Family	393 units
<u>Non-Residential</u>		
Land Use Class 5	Retail	67,100 Square Feet

The Land Use Classes shown in the Table are defined as follows:

"Land Use Class 1" means lots identified as such on the Assessment Roll, which are referred to as single-family in the Euless Midtown zoning ordinance as "Villas" (the "PD") and being generally lots for a detached single family dwelling unit on individually platted lots.

"Land Use Class 2" means lots identified as such on the Assessment Roll, which are referred to as "Townhomes" in the PD and being generally lots for an attached single family dwelling unit on individually platted lots.

"Land Use Class 3" means lots identified as such on the Assessment Roll, which are referred to as "Row Houses" in the PD and being generally lots for a detached single family dwelling unit on individually platted lots.

"Land Use Class 4" means lots identified as such on the Assessment Roll, which are referred to as multi-family units in the PD and being generally dwelling units or suite of rooms on one or more floors of a multi-family building.

"Land Use Class 5" means lots identified as such on the Assessment Roll, which are referred to as retail in the PD, and being generally parcels used for retail purposes that may be comprised of a single tenant or multiple tenants that make up a retail establishment and are generally located on the ground floor of buildings or in a single building.

As explained under Section V-D, for purpose of this Service and Assessment Plan, the City Council has determined that the Costs of the Authorized Improvements to be financed with the CO shall be allocated to the Parcels based on the estimated value at build-out.

For purposes of this Service and Assessment Plan, the City Council has determined that the PID Costs shall be allocated to the Assessed Property spreading the entire Assessment across the Parcels of Assessed Property based on the estimated Equivalent Units as calculated and shown in Appendix D using the proposed development types and quantity anticipated to be developed on each Parcel and average estimated values at build-out. Allocation of Assessments by value is specifically authorized by statute. This approach is particularly appropriate in this case, as the purpose of the improvements to be provided by the PID is to allow for the development of the property to make the property more valuable. Accordingly, allocating the Assessments in accordance with value will result in a reasonable determination that equal shares of the PID Costs have been allocated to Parcels similarly benefited.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the Equivalent Units of each newly created Parcel.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on estimated average value is best accomplished by creating classifications of benefited Parcels based on the “Land Use Class” defined above. These classifications representing the estimated average value per unit relative to Land Use Class 1 (Residential – Single-Family) representing the highest estimated average value per unit are set forth in Table D-2 below. Assessments are allocated to each Lot Type on the basis of the estimated average value for each Land Use Class. This is accomplished by giving each Land Use Class an Equivalent Unit factor. Equivalent Units are the ratio of the estimated average value at build-out within each Land Use Class, setting the Equivalent Unit factor for Land Use Class 1 (Residential – Single-Family) to 1.0. The Equivalent Unit factor for Land Use Class 2 is calculated to be 0.79 ($\$285,000 \div \$360,000 = 0.79$). The Equivalent Unit factor for each of the remaining Land Use Classes is calculated accordingly and shown in Table D-2.

**Table D-2
Equivalent Unit Factors**

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor
Land Use Class 1 (Residential - Single Family)	\$360,000	1.00 per dwelling unit
Land Use Class 2 (Residential – Townhomes)	\$285,000	0.79 per dwelling unit
Land Use Class 3 (Residential – Row houses)	\$235,000	0.65 per dwelling unit
Land Use Class 4 (Residential – Multi-Family)	\$90,000	0.25 per dwelling unit
Land Use Class 5 (Retail)	\$275,000	0.76 per 1,000 Sq. Ft

The total estimated Equivalent Units are shown in Table D-3 below as calculated based on the Equivalent Unit factors shown above and the number of units proposed to be built within the PID.

**Table D-3
Total Estimated Equivalent Units and
Assessment per Equivalent Units**

Land Use Class	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Land Use Class 1 (Residential - Single Family)	66	1.00	66.00
Land Use Class 2 (Residential – Townhomes)	75	0.79	59.25
Land Use Class 3 (Residential – Row houses)	114	0.65	74.10
Land Use Class 4 (Residential – Multi-Family)	393	0.25	98.25
Land Use Class 5 (Retail) – in 1,000 Sq. Ft	67.10	0.76	51.00
Total			348.60
Total Assessment (Total CO issued)			\$16,450,000
Assessment per Equivalent Units			\$47,189

Appendix E

ASSESSMENT ROLL

**Appendix E
Assessment Roll
All Parcels**

Total Assessment	\$16,450,000
Total Equivalent Units	348.60

Year	Cumulative Amount of Assessments	Principal and Interest ¹	Annual Collection Costs ²	Total Annual Installment
2016	\$16,450,000	\$267,941	\$82,979	\$350,920
2017	\$16,450,000	\$489,638	\$117,950	\$607,588
2018	\$16,450,000	\$869,638	\$118,664	\$988,302
2019	\$16,070,000	\$997,038	\$117,492	\$1,114,530
2020	\$15,555,000	\$996,588	\$115,660	\$1,112,248
2021	\$15,025,000	\$995,988	\$113,768	\$1,109,755
2022	\$14,485,000	\$995,188	\$111,841	\$1,107,028
2023	\$13,935,000	\$998,688	\$109,879	\$1,108,566
2024	\$13,365,000	\$995,888	\$107,833	\$1,103,721
2025	\$12,775,000	\$997,613	\$105,703	\$1,103,316
2026	\$12,170,000	\$994,463	\$103,515	\$1,097,977
2027	\$11,550,000	\$995,863	\$101,268	\$1,097,131
2028	\$10,910,000	\$996,663	\$98,938	\$1,095,601
2029	\$10,250,000	\$996,863	\$96,526	\$1,093,389
2030	\$9,570,000	\$996,463	\$94,032	\$1,090,494
2031	\$8,870,000	\$995,463	\$91,455	\$1,086,918
2032	\$8,150,000	\$998,863	\$88,797	\$1,087,660
2033	\$7,405,000	\$996,513	\$86,033	\$1,082,546
2034	\$6,640,000	\$998,563	\$83,189	\$1,081,751
2035	\$5,850,000	\$994,863	\$80,238	\$1,075,101
2036	\$5,040,000	\$995,563	\$77,208	\$1,072,771
2037	\$4,205,000	\$999,469	\$74,073	\$1,073,542
2038	\$3,340,000	\$997,438	\$70,809	\$1,068,247
2039	\$2,450,000	\$999,625	\$67,441	\$1,067,066
2040	\$1,530,000	\$999,725	\$63,945	\$1,063,670
2041	\$580,000	\$589,425	\$60,321	\$649,746
Total		\$24,150,022	\$2,439,561	\$26,589,583

1 - The principal and interest amounts are estimated based on the final CO numbers.

2 - The Annual Collection Costs shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves. The actual Administrative Expense amounts will be updated each year in the Annual Service Plan Update.

Appendix E
Assessment Roll by Land Use Class

Land Use Class	Residential - Single-Family	1
Assessment per Unit		\$47,189
Equivalent units		1.00

Year	Cumulative Amount of Assessments	Principal and Interest ¹	Annual Collection Costs ²	Total Annual Installment
2016	\$47,189	\$769	\$238	\$1,007
2017	\$47,189	\$1,405	\$338	\$1,743
2018	\$47,189	\$2,495	\$340	\$2,835
2019	\$46,099	\$2,860	\$337	\$3,197
2020	\$44,622	\$2,859	\$332	\$3,191
2021	\$43,101	\$2,857	\$326	\$3,183
2022	\$41,552	\$2,855	\$321	\$3,176
2023	\$39,975	\$2,865	\$315	\$3,180
2024	\$38,340	\$2,857	\$309	\$3,166
2025	\$36,647	\$2,862	\$303	\$3,165
2026	\$34,911	\$2,853	\$297	\$3,150
2027	\$33,133	\$2,857	\$291	\$3,147
2028	\$31,297	\$2,859	\$284	\$3,143
2029	\$29,404	\$2,860	\$277	\$3,137
2030	\$27,453	\$2,859	\$270	\$3,128
2031	\$25,445	\$2,856	\$262	\$3,118
2032	\$23,379	\$2,865	\$255	\$3,120
2033	\$21,242	\$2,859	\$247	\$3,105
2034	\$19,048	\$2,865	\$239	\$3,103
2035	\$16,782	\$2,854	\$230	\$3,084
2036	\$14,458	\$2,856	\$221	\$3,077
2037	\$12,063	\$2,867	\$212	\$3,080
2038	\$9,581	\$2,861	\$203	\$3,064
2039	\$7,028	\$2,868	\$193	\$3,061
2040	\$4,389	\$2,868	\$183	\$3,051
2041	\$1,664	\$1,691	\$173	\$1,864
		\$69,278	\$6,998	\$76,276

1 - The principal and interest amounts are estimated based on the final CO numbers.

2 - The Annual Collection Costs shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves.

The actual Administrative Expense amounts will be updated each year in the Annual Service Plan Update.

Appendix E
Assessment Roll by Land Use Class

Land Use Class	Residential - Townhomes	2
Assessment per Unit		\$37,280
Equivalent units		0.79

Year	Cumulative Amount of Assessments	Principal and Interest ¹	Annual Collection Costs ²	Total Annual Installment
2016	\$37,280	\$607	\$188	\$795
2017	\$37,280	\$1,110	\$267	\$1,377
2018	\$37,280	\$1,971	\$269	\$2,240
2019	\$36,418	\$2,260	\$266	\$2,526
2020	\$35,251	\$2,259	\$262	\$2,521
2021	\$34,050	\$2,257	\$258	\$2,515
2022	\$32,826	\$2,255	\$253	\$2,509
2023	\$31,580	\$2,263	\$249	\$2,512
2024	\$30,288	\$2,257	\$244	\$2,501
2025	\$28,951	\$2,261	\$240	\$2,500
2026	\$27,580	\$2,254	\$235	\$2,488
2027	\$26,175	\$2,257	\$229	\$2,486
2028	\$24,725	\$2,259	\$224	\$2,483
2029	\$23,229	\$2,259	\$219	\$2,478
2030	\$21,688	\$2,258	\$213	\$2,471
2031	\$20,101	\$2,256	\$207	\$2,463
2032	\$18,470	\$2,264	\$201	\$2,465
2033	\$16,781	\$2,258	\$195	\$2,453
2034	\$15,048	\$2,263	\$189	\$2,452
2035	\$13,257	\$2,255	\$182	\$2,436
2036	\$11,422	\$2,256	\$175	\$2,431
2037	\$9,530	\$2,265	\$168	\$2,433
2038	\$7,569	\$2,260	\$160	\$2,421
2039	\$5,552	\$2,265	\$153	\$2,418
2040	\$3,467	\$2,266	\$145	\$2,411
2041	\$1,314	\$1,336	\$137	\$1,472
		\$54,730	\$5,529	\$60,258

1 - The principal and interest amounts are estimated based on the final CO numbers.

2 - The Annual Collection Costs shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves.

The actual Administrative Expense amounts will be updated each year in the Annual Service Plan Update.

Appendix E
Assessment Roll by Land Use Class

Land Use Class	Residential - Row Houses	3
Assessment per Unit		\$30,673
Equivalent units		0.65

Year	Cumulative Amount of Assessments	Principal and Interest ¹	Annual Collection Costs ²	Total Annual Installment
2016	\$30,673	\$500	\$155	\$654
2017	\$30,673	\$913	\$220	\$1,133
2018	\$30,673	\$1,622	\$221	\$1,843
2019	\$29,964	\$1,859	\$219	\$2,078
2020	\$29,004	\$1,858	\$216	\$2,074
2021	\$28,016	\$1,857	\$212	\$2,069
2022	\$27,009	\$1,856	\$209	\$2,064
2023	\$25,984	\$1,862	\$205	\$2,067
2024	\$24,921	\$1,857	\$201	\$2,058
2025	\$23,821	\$1,860	\$197	\$2,057
2026	\$22,692	\$1,854	\$193	\$2,047
2027	\$21,536	\$1,857	\$189	\$2,046
2028	\$20,343	\$1,858	\$184	\$2,043
2029	\$19,112	\$1,859	\$180	\$2,039
2030	\$17,844	\$1,858	\$175	\$2,033
2031	\$16,539	\$1,856	\$171	\$2,027
2032	\$15,197	\$1,863	\$166	\$2,028
2033	\$13,808	\$1,858	\$160	\$2,019
2034	\$12,381	\$1,862	\$155	\$2,017
2035	\$10,908	\$1,855	\$150	\$2,005
2036	\$9,398	\$1,856	\$144	\$2,000
2037	\$7,841	\$1,864	\$138	\$2,002
2038	\$6,228	\$1,860	\$132	\$1,992
2039	\$4,568	\$1,864	\$126	\$1,990
2040	\$2,853	\$1,864	\$119	\$1,983
2041	\$1,038	\$1,099	\$112	\$1,212
		\$45,031	\$4,549	\$49,580

1 - The principal and interest amounts are estimated based on the final CO numbers.

2 - The Annual Collection Costs shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves.

The actual Administrative Expense amounts will be updated each year in the Annual Service Plan Update.

Appendix E
Assessment Roll by Land Use Class

Land Use Class	Residential - Multi-Family	4
Assessment per Unit		\$11,797
Equivalent units		0.25

Year	Cumulative Amount of Assessments	Principal and Interest ¹	Annual Collection Costs ²	Total Annual Installment
2016	\$11,797	\$192	\$60	\$252
2017	\$11,797	\$351	\$85	\$436
2018	\$11,797	\$624	\$85	\$709
2019	\$11,525	\$715	\$84	\$799
2020	\$11,155	\$715	\$83	\$798
2021	\$10,775	\$714	\$82	\$796
2022	\$10,388	\$714	\$80	\$794
2023	\$9,994	\$716	\$79	\$795
2024	\$9,585	\$714	\$77	\$792
2025	\$9,162	\$715	\$76	\$791
2026	\$8,728	\$713	\$74	\$787
2027	\$8,283	\$714	\$73	\$787
2028	\$7,824	\$715	\$71	\$786
2029	\$7,351	\$715	\$69	\$784
2030	\$6,863	\$715	\$67	\$782
2031	\$6,361	\$714	\$66	\$779
2032	\$5,845	\$716	\$64	\$780
2033	\$5,311	\$715	\$62	\$776
2034	\$4,762	\$716	\$60	\$776
2035	\$4,195	\$713	\$58	\$771
2036	\$3,614	\$714	\$55	\$769
2037	\$3,016	\$717	\$53	\$770
2038	\$2,395	\$715	\$51	\$766
2039	\$1,757	\$717	\$48	\$765
2040	\$1,097	\$717	\$46	\$763
2041	\$820	\$423	\$43	\$466
		\$17,319	\$1,750	\$19,069

1 - The principal and interest amounts are estimated based on the final CO numbers.

2 - The Annual Collection Costs shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves.

The actual Administrative Expense amounts will be updated each year in the Annual Service Plan Update.

Appendix E
Assessment Roll by Land Use Class

Land Use Class	Retail	5
Assessment per 1,000 S.F.		\$35,864
Equivalent units		0.76

Year	Cumulative Amount of Assessments	Principal and Interest ¹	Annual Collection Costs ²	Total Annual Installment
2016	\$35,864	\$584	\$181	\$765
2017	\$35,864	\$1,067	\$257	\$1,325
2018	\$35,864	\$1,896	\$259	\$2,155
2019	\$35,035	\$2,174	\$256	\$2,430
2020	\$33,913	\$2,173	\$252	\$2,425
2021	\$32,757	\$2,171	\$248	\$2,419
2022	\$31,580	\$2,170	\$244	\$2,414
2023	\$30,381	\$2,177	\$240	\$2,417
2024	\$29,138	\$2,171	\$235	\$2,406
2025	\$27,852	\$2,175	\$230	\$2,405
2026	\$26,533	\$2,168	\$226	\$2,394
2027	\$25,181	\$2,171	\$221	\$2,392
2028	\$23,786	\$2,173	\$216	\$2,389
2029	\$22,347	\$2,173	\$210	\$2,384
2030	\$20,864	\$2,172	\$205	\$2,377
2031	\$19,338	\$2,170	\$199	\$2,370
2032	\$17,768	\$2,178	\$194	\$2,371
2033	\$16,144	\$2,173	\$188	\$2,360
2034	\$14,476	\$2,177	\$181	\$2,358
2035	\$12,754	\$2,169	\$175	\$2,344
2036	\$10,988	\$2,170	\$168	\$2,339
2037	\$9,168	\$2,179	\$161	\$2,341
2038	\$7,282	\$2,175	\$154	\$2,329
2039	\$5,341	\$2,179	\$147	\$2,326
2040	\$3,336	\$2,180	\$139	\$2,319
2041	\$648	\$1,285	\$132	\$1,417
		\$52,651	\$5,319	\$57,970

1 - The principal and interest amounts are estimated based on the final CO numbers.

2 - The Annual Collection Costs shown include the estimated district administration and assessment collection costs and the additional 0.5% interest to be collected for prepayment reserve and delinquency reserves.

The actual Administrative Expense amounts will be updated each year in the Annual Service Plan Update.

**Assessment Roll Summary
2016**

Account No. ¹	Total Estimated Equivalent Units ¹	Total Assessment	Annual Installments - 2016		
			Principal and Interest	Annual Collection Costs	Total Annual Installment
03927210	8.45	\$398,750	\$6,495	\$2,011	\$8,506
04670248	4.55	\$214,711	\$3,497	\$1,083	\$4,580
03927229	22.58	\$1,065,534	\$17,356	\$5,375	\$22,731
03927059	39.50	\$1,863,977	\$30,361	\$9,403	\$39,763
03274594	8.69	\$410,075	\$6,679	\$2,069	\$8,748
03927237	12.32	\$581,372	\$9,469	\$2,933	\$12,402
03926907	30.15	\$1,422,757	\$23,174	\$7,177	\$30,351
03274608	30.55	\$1,441,785	\$23,484	\$7,273	\$30,757
03926966	22.00	\$1,038,165	\$16,910	\$5,237	\$22,147
03926974	12.32	\$581,372	\$9,469	\$2,933	\$12,402
03926982	7.90	\$372,795	\$6,072	\$1,881	\$7,953
00669814	47.38	\$2,235,960	\$36,420	\$11,279	\$47,699
03926931	3.95	\$186,398	\$3,036	\$940	\$3,976
05990343	0.00	\$0	\$0	\$0	\$0
03927296	49.00	\$2,312,276	\$37,663	\$11,664	\$49,327
03927342	49.25	\$2,324,073	\$37,855	\$11,723	\$49,578
00936863	0.00	\$0	\$0	\$0	\$0
Total	348.60	\$16,450,000	\$267,941	\$82,979	\$350,920

¹ The account numbers are provided by the Developer and also shown in the TIRZ No. 4 Project and Financing Plan. The total estimated Equivalent Units are calculated based on estimated development plan for each Parcel as provided by the Developer.