

VALENCIA
PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN

February 13, 2014

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Section I
PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On September 17, 2013, (the "Creation Date") the Town Council (the "Town Council") of the Town Little Elm, Texas (the "Town") passed and approved Resolution No. 09171301 approving and authorizing the creation of the Valencia Public Improvement District (the "PID") to finance the costs of certain public improvements for the benefit of property in the PID, all of which is located within the extraterritorial jurisdiction of the Town of Little Elm.

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

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

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

Section 372.015 of the PID Act requires that "the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district." The method of assessing the Authorized Improvement 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 requires that "after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter." The Assessment Rolls for the PID are included as Appendix F and G 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:

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the Town. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, 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 Town or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated. Actual Costs also may be paid to the Developer or any other person or entity only in the capacity of construction manager or only in the capacity of general contractor but not both.

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

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and codes with respect to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors,

investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administrative Expenses.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessment, as shown on the Assessment Rolls attached hereto as Appendix F and Appendix G, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) Administrative Expenses, (iii) the prepayment reserve described in Section IV of this Service and Assessment Plan, and (iv) the delinquency reserve.

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

“Assessed Property” means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in 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 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.

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

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

“Assessment Roll” means, as applicable, the Phases #2 – 5 Assessment Roll, the Phase #1 Assessment Roll, an Assessment Roll for Phases #2 - 5 of development or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

“Authorized Improvement Costs” mean the actual or budgeted costs, as applicable, of all or any portion of the Authorized Improvements, as shown in Appendix B.

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

“Certification for Payment” means the certificate to be provided by the Developer, or his

designee, to substantiate the Actual Cost of one or more Authorized Improvements. “

“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 Valencia on the Lake, L.P., a Texas limited partnership.

“Equivalent Units” mean, as to any Parcel the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix D attached hereto.

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

“Homeowner Association 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 home owners’ association.

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

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

“Lot type 1” means lots identified as such on the Assessment Roll, being lots with 12,000 square feet size and a minimum lot width of 100 feet measured at front building line, which may be referred to as such in the development standards.

“Lot type 2” means lots identified as such on the Assessment Roll, being lots with 10,000 square feet size and a minimum lot width of 80 feet measured at front building line, which may be referred to as such in the development standards.

“Lot type 3” means lots identified as such on the Assessment Roll, being lots with 7,200 square feet size and a minimum lot width of 60 feet measured at front building line, which may be referred to as such in the development standards.

“Lot type 4” means lots identified as such on the Assessment Roll, being lots with 4,000 square feet size and a minimum lot width of 40 feet measured at front building line, which may be referred to as such in the development standards.

“Lot type 5” means lots identified as such on the Assessment Roll, being lots with 2,500 square feet size and a minimum lot width of 125 feet measured at front building line, which may be referred to as such in the development standards.

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

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

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

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

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

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

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

“Phase #1 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix G, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phase #1 Bonds” mean collectively the Phase #1A Bonds and the Phase #1B Bonds to be issued by the Town to finance the Phase #1 Improvements.

“Phase #1 Improvements” mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Authorized Improvements which only benefit Phase #1 Assessed Property and are described in Section III.C.

“Phase #1A Bonds” mean those certain “Town of Little Elm, Texas, Special Assessment

Revenue Bonds, Series 2014 (Valencia Public Improvement District Phase #1 Project)" that are secured primarily by Phase #1 Assessment Revenue.

"Phase #1B Bonds" mean the bonds to be issued subsequent to the Phase #1A Bonds to finance the remaining costs of the Phase #1 Improvements and that will be secured primarily by Phase #1 Assessment Revenue.

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

"Phases #2 - 5" mean the property within the PID excluding Phase #1 which is to be developed subsequent to Phase #1 and generally depicted in Appendix A of this Service and Assessment Plan or any Annual Service Plan Update.

"Phases #2 - 5 Assessed Property" means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Phase #1.

"Phases #2 - 5 Major Improvement Assessment Revenues" mean the revenues actually received by or on behalf of the Town from the collection of Assessments levied against Phases #2-5 Assessed Property, or the Annual Installments thereof, for the Major Improvements.

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

"Phases #2 - 5 Major Improvement Bonds" mean those certain "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2014 (Valencia Public Improvement District Phases #2 - 5 Major Improvement Project)" that are secured primarily by Assessments levied Phases #2 - 5 Major Improvement Assessment Revenues.

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

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

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

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

"Reimbursement Agreement" means each Reimbursement Agreement by and between the Town and the Developer in which the Developer agrees to fund the Actual Costs of certain Authorized

Improvements and the Town agrees to reimburse the Developer for the Actual Costs of those Authorized Improvements funded by the Developer with interest as permitted by the Act.

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

“TIRZ No. 4” means the Tax Increment Reinvestment Zone No. 4., Town of Little Elm, Texas.

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

“TIRZ Ordinance” means an ordinance adopted by the Town 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 incremental property tax amounts from TIRZ No. 4 paid by the Town 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 Town, in accordance with Section VI.B of this Service and Assessment Plan.

“Town” means the Town of Little Elm, Texas.

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

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

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

Section II

PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is presently located within the extraterritorial jurisdiction of Little Elm, Texas and contains approximately 447.9 acres of land. The owner of the property intends to request annexation of the property into the Town limits. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,239 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (1239) and the classification of each lot are based upon the Conceptual Plan.

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

Table II-A
Proposed Development

Proposed Development Type	Quantity	Measurement
Single Family Residential – 100 Feet	164	units
Single Family Residential – 80 Feet	163	units
Single Family Residential – 60 Feet	409	units
Single Family Residential – 40 Feet	450	units
Single Family Residential – 25 Feet	53	units
Total	1,239	units

B. Property Included in Phase #1 and Phases #2 - 5

Phase #1 consists of approximately 69.3 acres and is projected to consist of 209 single family residential units, to be developed as Phase #1, as further described in Section III. Phases # 2 - 5 consist of approximately 447.9 acres and are projected to consist of approximately 1,239 residential units. A map of the property within Phase #1 and Phases #2 – 5 and depicting the boundaries of each proposed Phase is shown in Appendix A.

C. Property Included in Future Phases

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

The current Parcels in the PID are shown on the Assessment Rolls included as Appendix F and Appendix G.

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

Section III

DESCRIPTION OF THE AUTHORIZED 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.

After analyzing the public improvement projects authorized by the PID Act, the Town 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 Town for the benefit of the property within the PID.

B. Description of Estimated Costs of Major Improvements

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the Equivalent Units as calculated and shown in Appendix D using the planned lot types and anticipated number of lots.

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

Road Improvements

The roadway portion of the improvements consists of constructing approximately 13,365 linear feet of a 2-lane divided thoroughfare (Rockhill Parkway) from the Doe Creek and Rockhill Parkway intersection to the opposite end of the PID. This will provide access off of FM 423 into the development by Rockhill Parkway; and from US 380 to Rockhill Parkway by Doe Creek Road. This improvement, which benefits the entire PID, will be constructed according to Town standards. Rockhill Parkway is expected to subsequently be widened to a 4-lane divided thoroughfare as part of the phased development of local area improvements for Phases #2 - 5 of the PID.

Water Distribution System Improvements

A twenty (20") inch water line was constructed to serve the Frisco Hills and Valencia Developments in 2010. The newly constructed 20-inch water line starts at the Town's elevated storage tank located along FM 423 north of El Dorado Parkway, and continues on a northerly direction along FM 423 to the Frisco Ranch Development and then turns on a northwesterly direction to the Frisco Hills master metering station located within the Frisco Hills Development. The total length of the 20-inch water line is 9,560 linear feet. Frisco Hills Development is an adjacent development located within Denton County Fresh Water Supply District No. 8-C (DCFWSO 8-C). The PID and DCFWSO 8-C (Frisco Hills) developments will be sharing this line which will be operated and maintained by the Town. For cost sharing purposes, Frisco Hills consists of 1,128 connections with a 48 % share and Valencia consists of 1,239 connections with a 52% share of the cost.

Furthermore, the off-site water line will be extended from the Frisco Hills master meter to the Valencia PID Development along the Brazos Electric Easement and Rockhill Parkway for approximately 8,100 linear feet to the Phase #1 limits.

A second point of connection consisting of an additional 8,200 linear feet of 12-inch water line and appurtenances will be constructed at a later date. This line will cross the Corps of Engineers land and connect to a Town water line within the Sunset Pointe development.

The waterline improvements will include connection to the existing water-main, installation of associated 12" valves, fire hydrants, ductile iron fittings, erosion control, trench safety and testing. These water improvements, which benefit the entire project, will be constructed according to Town standards and specifications.

Sanitary Sewer Improvements

The sanitary sewer improvement projects consist of constructing a series of lift stations and approximately 5,380 linear feet of 10-inch force main and 2,125 linear feet of 16-inch of sanitary sewer gravity line generally flowing along the south side of the PID and Frisco Hills Developments and connecting to the Frisco Hills lift station.

The Frisco Hills lift station will be shared by the PID and DCFWSD 8-C (Frisco Hills and Frisco Ranch) sending the wastewater flows to the Town treatment plant through a future 14-inch force main for approximately 5,000 linear feet. This force main will connect to an existing Town 14-inch force main located along the west side of FM 423. For cost sharing purposes, DCFWSD 8-C (Frisco Ranch and Frisco Hills) consist of 1,927 connections with a 60% share and the PID consists of 1,239 connections and 40 % share of the cost.

Cutoff valves and air release valves will be constructed in accordance with Town and TCEQ regulations. The 10-inch force main and pumps were designed to maintain the 3.0 fps minimum velocity. The line will be designed and constructed in accordance with Town standards.

Storm Drainage Improvements

The storm drainage improvement projects consist of drainage improvements to support the installation of Rockhill Parkway. This includes underground reinforced concrete storm sewer pipes, inlets and rock riprap protection at outfalls. This project will be constructed according to Town standards and specifications.

Table III-A
Estimated Major Improvement Costs

Authorized Improvements	Total Estimated Major Improvement Costs
Road improvements	\$4,114,953
Water distribution system improvements	\$1,600,800
Sanitary sewer collection system improvements	\$1,659,539
Storm sewer collection system improvements	\$451,200
Soft costs including PID creation, Town, professional and miscellaneous soft costs	\$3,580,527
Total – Estimated Major Improvement Costs	\$11,407,019

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

C. Description of Estimated Costs of Phase #1 Improvements

Phase #1A Bonds fund a portion of the costs of the Phase #1 Improvements, which include the proportionate share of the costs of the Major Improvements (as described above in Section III.B) allocable to Phase #1, all of which only benefit Phase #1 Assessed Property.

The Phase #1 Improvements that benefit only Phase #1 are described below. . The costs of the Phase #1 Improvements are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Road Improvements

Roadway improvements within Phase #1 include construction of approximately 10,110 linear feet of 6" thick, 31-foot wide, concrete pavement with curb and gutter. The concrete will be 3,600 pounds per square inch (psi) strength. Unclassified excavation for the project will consist of 120,400 cubic yards of cut and fill. 37,070 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. These roadway improvements include streets that will provide street access to each lot within Phase #1. These projects will provide access to community roadways and state highways. All roadway projects will be designed and constructed in accordance with Town standards and specifications.

Water Distribution System Improvements

The Phase #1 water distribution system improvements consist of constructing approximately 10,430 linear feet of 8" water line, associated 8" gate valves. One-inch diameter water services will be provided to each of the 209 lots within Phase #1. All associated waterline testing, trench safety and erosion protection during construction are included. The waterline will be connected

to the 12" water line constructed in Rockhill Parkway. These lines will be designed and constructed in accordance with Town standards and specifications. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Phase #1 and all lots within Phase #1.

Sanitary Sewer Improvements

Wastewater Line (12" Gravity Line)

Phase #1 sanitary sewer improvements consist of constructing approximately 250 linear feet of 12" gravity sewer trunk line flowing to the proposed lift station located at the southwest corner of Phase #1. This project will consist of constructing manholes, associated erosion control, trench safety and sewer line testing.

Wastewater Line (10" Gravity Line)

Phase #1 wastewater improvements consist of constructing approximately 1,375 linear feet of 10" gravity sewer main line that connects to the 12" gravity sewer trunk line. This project will consist of constructing manholes, associated erosion control, trench safety and sewer line testing.

Wastewater Line (8" Gravity Line)

Phase #1 wastewater Improvements also include construction of 10,110 linear feet of 8" gravity sanitary sewer line that connects to the 10" gravity sewer main line. Construction includes connection at multiple points through 36 concrete manholes. Services to individual lots are by 4" gravity sewer services.

All lines will be designed and constructed in accordance with Town standards and specifications. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Phase #1 and each of the Lots within Phase #1.

Storm Drainage Improvements

The drainage portion of the Phase #1 Improvements consists of underground reinforced concrete storm sewer pipes, inlets and rock riprap protection at outfalls. The main means of conveyance of storm drainage within Phase #1 is within roadways and underground storm drain pipes. The roadway pavement section incorporates the use of curbs with integrated drainage inlets to control runoff and conveyance of storm-water throughout the drainage basins associated with Phase #1. The system includes underground reinforced concrete pipe (RCP) with associated headwalls, safety end treatments, manholes and storm sewer energy dissipaters at the points of discharge. All of the drainage areas within Phase #1 flow to Lake Lewisville. This project will be constructed in accordance with Town standards and specifications.

Table III-B
Estimated Phase #1 Improvement Costs

Authorized Improvements	Total Estimated Phase #1 Improvement Costs
Road improvements	\$1,799,960
Water distribution system improvements	\$468,155
Sanitary sewer collection system improvements	\$600,493
Storm sewer collection system improvements	\$372,030
Soft costs including PID creation, Town, professional and miscellaneous soft costs	\$737,245
Subtotal – Estimated Phase #1 Improvement Costs	\$3,977,883
Add: Proportional share of estimated Major Improvement Costs ¹	\$2,000,110
Total Estimated Phase #1 Improvement Costs	\$5,977,992

¹ See Section V(C) for allocation of Major Improvement costs to Phase #1.

Additional details of the Phase #1 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 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).

D. Future Phase Authorized Improvements

As Phases are developed, additional Phased Bonds will be issued to finance Authorized Improvements for each Future Phase. As Phased PID Bonds are issued for each Future Phase, this Service and Assessment Plan will be updated to identify the specific Authorized Improvements financed by such Phased PID Bonds that benefit each Phase (e.g., a Table III-C will be added to show the estimated costs for Phase 2 Authorized Improvements, etc.).

Section IV SERVICE PLAN

A. Sources and Uses of Funds

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

The estimated Actual Costs for Major Improvements and Phase #1 Improvements plus costs related to the issuance of the Bonds, in one or more series, for the Major Improvements and Phase #1 Improvements and payment of expenses incurred in the establishment, administration and operation of the PID is \$19,675,000 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

Table IV-A summarizes the sources and uses of funds required to construct the Major Improvements and Phase #1 Improvements, establish the PID, and issue the Phase #1 PID Bonds and Phases #2 – 5 Major Improvement Bonds. The sources and uses of funds shown in Table V-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

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

Bonds to finance the Major Improvements and Phase #1 Improvements are expected to be issued starting in 2014. Table IV-A shows the sources and uses of the Bonds.

Table IV-A
Estimated Sources and Uses

Sources of Funds	Phase #2 - 5 Major Improvement Bonds	Phase #1 Bonds	Total
Estimated Bond par amount	\$12,240,000	\$7,435,000	\$19,675,000
Total Sources	\$12,240,000	\$7,435,000	\$19,675,000
Uses of Funds			
<u><i>Major Improvements</i></u>			
Road improvements	\$3,393,436	\$721,517	\$4,114,953
Water distribution system improvements	\$1,320,115	\$280,685	\$1,600,800
Sanitary sewer improvements	\$1,368,555	\$290,984	\$1,659,539
Storm drainage improvements	\$372,086	\$79,114	\$451,200
Other soft and miscellaneous costs	\$2,952,716	\$627,811	\$3,580,527
Subtotal	\$9,406,909	\$2,000,110¹	\$11,407,019
<u><i>Phase 1 Improvements</i></u>			
Road improvements	\$0	\$1,799,960	\$1,799,960
Water distribution system improvements	\$0	\$468,155	\$468,155
Sanitary sewer improvements	\$0	\$600,493	\$600,493
Storm drainage improvements	\$0	\$372,030	\$372,030
Other soft and miscellaneous costs	\$0	\$737,245	\$737,245
Subtotal	\$0	\$3,977,883	\$3,977,883
Estimated Bond issue costs	\$2,833,091	\$1,457,008	\$4,290,099
Total Uses	\$12,240,000	\$7,435,000	\$19,675,000

⁽¹⁾ Phase #1 Improvements include the Authorized Improvements listed under this heading plus the estimated \$2.0M pro rata share of the Major Improvements allocated to Phase #1.

The Phase #1 Bonds shown in Table IV-A are anticipated to be issued in two series. The first series of Phase #1 Bonds ("Phase #1A Bonds") are anticipated to be issued in 2014 and will be used to pay and/or reimburse the Developer for a portion of the costs of Phase #1 Improvements. The remaining costs of Phase #1 Improvements will be financed through a Reimbursement Agreement dated as of February 13, 2014 (the "Phase #1 Reimbursement Agreement"), which is anticipated to be replaced by the second series of Phase #1 Bonds ("Phase #1B Bonds"). The Phase #1B Bonds are anticipated to be issued in 2016 after some or all of the Phase #1 Improvements are constructed and will be used to pay replace the Reimbursement Agreement and/or reimburse the Developer for the remaining portion of the costs of Phase #1 Improvements.

Table IV-B below shows the estimated sources and uses of the two series of Phase #1 Bonds.

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

Sources of Funds	Phase #1A Bonds	Phase #1B Bonds²	Total
Estimated Bond par amount	\$4,000,000	\$3,435,000	\$7,435,000
Total Sources	\$4,000,000	\$3,435,000	\$7,435,000
Uses of Funds			
<u>Major Improvements¹</u>			
Road improvements	\$721,517	\$0	\$721,517
Water distribution system improvements	\$280,685	\$0	\$280,685
Sanitary sewer improvements	\$290,984	\$0	\$290,984
Storm drainage improvements	\$79,114	\$0	\$79,114
Other soft and miscellaneous costs	\$627,811	\$0	\$627,811
Subtotal	\$2,000,110	\$0	\$2,000,110
<u>Phase 1 Improvements</u>			
Road improvements	\$505,870	\$1,294,090	\$1,799,960
Water distribution system improvements	\$131,573	\$336,582	\$468,155
Sanitary sewer improvements	\$168,766	\$431,727	\$600,493
Storm drainage improvements	\$104,557	\$267,473	\$372,030
Other soft and miscellaneous costs	\$207,199	\$530,046	\$737,245
Subtotal	\$1,117,965	\$2,859,918	\$3,977,883
Estimated Bond issue costs	\$881,926	\$575,082	\$1,457,008
Total Uses	\$4,000,000	\$3,435,000	\$7,435,000

- (1) Phase #1 Improvements include the Authorized Improvements listed under this heading plus the estimated \$2.0M pro rata share of the Major Improvements allocated to Phase #1.
- (2) The cost of Phase 1 Improvements shown under Phase #1B bonds are initially funded through the Phase #1 Reimbursement Agreement, which is anticipated to be replaced by the Phase #1B Bonds in 2016 or 2017.

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

Table IV-C
Annual Projected Costs and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds
2014	\$19,675,000	\$19,675,000	\$0
2015	\$0	\$0	\$0
2016	\$0	\$0	\$0
2017	\$0	\$0	\$0
2018	\$0	\$0	\$0
	\$19,675,000	\$19,675,000	\$0

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

Section V

ASSESSMENT PLAN

A. Introduction

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

The proposed bond issuance program entails a series of bond financings that are intended to finance the public infrastructure required for the development of Valencia. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Public Improvements. Following the initial Phase #1A Bonds and the Phases #2 – 5 Major Improvement Bonds to be issued in 2014 and the Phase #1B Bonds to be issued in 2015, subsequent financings are to be issued over the upcoming decade as the four subsequent phases (Phases #2 through #5) of Valencia are gradually constructed.

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

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt load at the VtL chosen for the development. In that case, the Developer will need to fund the additional infrastructure costs with cash at closing. This cash investment by the Developer for certain Authorized Improvements can be reimbursed by a subsequent parity lien bond financing, secured by the same special assessments, once the assessed property is partially or fully developed and the value has increased sufficiently to permit the issuance of the additional bonds in a prudent fashion. For example, the Phase #1A Bonds to be issued to finance a portion of the Phase #1 Improvements, including the pro-rata costs of the Major Improvements allocable to Phase #1 Assessed Property, followed by a second parity lien issuance of bonds (the Phase #1B Bonds) demonstrates this analysis.

VALENCIA PID PHASED BOND ISSUANCE PLANNED CHRONOLOGY

Series 2014 - Phase #1A Bonds to finance (i) the pro-rata costs of the Major Improvements allocable to Phase #1 and, (ii) a portion of the Authorized Improvements that benefit only Phase #1. It is likely that this and the subsequent 'A' financings for each phase will only be able to fund a part of the internal public infrastructure (to maintain a prudent VtL) and the balance will be funded by a subsequent 'B' financing for each phase once the development within each phase is substantially complete as is contemplated with the issuance of the Phase #1B Bonds.

Phases #2 – 5 Major Improvement Bonds to finance the pro-rata costs allocable to the Phases #2 – 5 for the Major Improvements that will benefit the entire PID

Series 2015 - Phase #1B Bonds to finance or to reimburse the Developer for the remaining costs of the Phase #1 Improvements.

Series 2016-17 Phase #2A Bonds to finance a part of the internal subdivision Authorized Improvements within Phase #2.

Series 2018-19 Phase #3A Bonds to finance a part of the internal subdivision Authorized Improvements within Phase #3, and

Phase #2B parity bonds to complete the Developer reimbursements for the internal subdivision Authorized Improvements within Phase #2.

Series 2020-21 Phase #4A Bonds to finance a part of the internal subdivision Authorized Improvements within Phase #4, and

Phase #3B parity bonds to complete the Developer reimbursements for the internal subdivision Authorized Improvements within Phase #3.

Series 2022-23 Phase #5A Bonds to finance a part of the internal subdivision Authorized Improvements within Phase #5, and

Phase #4B parity bonds to complete the Developer reimbursements for the internal subdivision Authorized Improvements within Phase #4.

Series 2024-25 Phase #5B parity bonds to complete the Developer reimbursements for the internal subdivision Authorized Improvements within Phase #5.

It is currently estimated that the cost of public infrastructure within the PID will total approximately \$36,000 per unit. Hence, for the total project, it is anticipated that the total amount of Bonds to be issued, excluding refinancing, will be approximately \$45,000,000 over the upcoming 10 to 15 years.

As is noted above, the subsequent series of bonds to be issued for each additional phase will only be issued when private development is ready to proceed and the financing can be undertaken on a prudent basis with strong municipal marketplace acceptance. Each of the planned future issues are

to be structured similarly to the proposed Phase #1 Bonds and Phases #2 – 5 Major Improvement Bonds. Each of the individual Phase bond financings will contain an additional bonds test ("ABT") that will set forth credit tests for the issuance of these parity lien 'B' bonds when the debt is issued. The ABT is intended to protect the credit of the financing program by providing standards for the issuance of the parity bonds.

For purposes of this Service and Assessment Plan, the Town Council has determined that the costs of the Major Improvements and Phase #1 Improvements shall be allocated as described below:

1. The Major Improvement and Phase #1 Improvement costs shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The Town Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the Town Council has taken in to consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home process provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the improvements.
3. The Assessed Property is classified into different Lot Types as described in Appendix D based on the type and size of proposed development on each Parcel.
4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.
5. The Major Improvement costs are proportionally allocated to the Phases #2 – 5 Assessed Property and the Phase #1 Assessed Property based on the ratio of total Equivalent Units estimated for the Phases #2 - 5 Assessed Property and the Phase #1 Assessed Property.
6. The Phases #2 - 5 Assessed Property's proportional share of the costs for the Major Improvements is allocated to each Parcel within the Phases #2 – 5 Assessed Property based on the total Equivalent Units estimated for each Parcel.
7. The Phase #1 Improvement costs (including Phase #1 Assessed Property's proportional share of the costs of the Major Improvements) are allocated to each Parcel within the Phase #1 Assessed Property based on the total Equivalent Units estimated for each Parcel.

Table V-A provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements and Phase #1 Improvements.

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

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

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Major Improvements and Phase #1 Improvements, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Phase #1 Assessed Property and Phases #2 – 5 Assessed Property for such improvements, and (iii) establishes the methodologies by which the Town Council allocates and reallocates the special benefit of the Major Improvements and Phase #1 Improvements to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination by the Town Council of the assessment methodologies set forth below is the result of the discretionary exercise by the Town Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

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

B. Special Benefit

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

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the

Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The 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.

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

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

C. Allocation of Costs to Assessed Property

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

Phase #1 is projected to contain 209 residential units. As shown in Appendix D, the total Equivalent Units for Phase #1 is calculated as 144.54. Phases #2 – 5 are projected to contain 1,030 residential units resulting in a total of 679.80 Equivalent Units as shown in Appendix D. The Total projected Equivalent Units in the PID is, therefore, calculated to be 824.34 (i.e., $144.54 + 679.80 = 824.34$). As a result, 17.53 percent of the estimated costs of Major Improvements (i.e., $144.54 \div 824.34 = 17.53\%$) are allocated to the Phase #1 Assessed Property and 82.47 percent of the estimated costs Major Improvements (i.e., $679.80 \div 824.34 = 82.47\%$) are allocated to the Phases #2 - 5 Assessed Property. The Phases #2 – 5 Major Improvement Bonds will fund the proportionate share of the estimated costs of the Major Improvement allocated to Phases #2 – 5; and, Phase #1 Bonds will fund Phase #1's proportionate share of the estimated costs of the Major Improvements.

Table V-A
Allocation of Major Improvement Costs

Major Improvement Estimated Costs	
Authorized Improvement	Estimated Costs
Road Improvements ¹	\$4,114,953
Water Improvements ¹	\$1,600,800
Sanitary Sewer Improvements ¹	\$1,659,539
Storm Drainage Improvements ¹	\$451,200
Other soft and miscellaneous costs ¹	\$3,580,527
Total Major Improvements	\$11,407,019
Phase #1	
Projected total Equivalent Units ²	144.54
% of total Equivalent units	17.53%
Proportionate Share of Costs	\$2,000,110
Phases #2 - 5	
Projected total Equivalent Units ²	679.80
% of total Equivalent units	82.47%
Proportionate Share of Costs	\$9,406,909
Notes:	
1 - See Appendix B for detailed Costs of the Authorized Improvements.	
2 - See Appendix D for the detailed calculation of Equivalent Units	

D. Assessment Methodology

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

1. Assessment Methodology for the Major Improvements for Phases #2 - 5

For purpose of this Service and Assessment Plan, the Town Council determined that the portion of Actual Costs of the Major Improvement costs to be allocated to Phases #2 - 5 shall be allocated to the Phases #2 - 5 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types, number and average home value of Lots anticipated to be developed on each Parcel. Having taken into consideration the matters described under Sections V (A) and (B) above, the Town Council has determined that allocating the Assessments among Parcels based on average home

value is best accomplished by creating classifications of benefited Parcels based on the Lot Types. These classifications (from Lot Type 1 (100 Ft Lots) representing the highest residential value to Lot Type 5 (25 Ft Lot) representing the lowest value. Assessments are allocated to each land use class on the basis of the average value for each Lot Type. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each Lot Type, setting the Equivalent Unit factor for Lot Type 1 (100 Ft Lots) to 1.0.

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. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Lot Type based on the ratio of the Equivalent Unit applicable to each Lot Type at the time residential Lots are platted to the total Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the Town Council. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the Town Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

The Assessment and Annual Installments for each Parcel or Lot located within Phases #2 - 5 is shown on the Phases #2 – 5 Major Improvement Assessment Roll, attached as Appendix F, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. Assessment Methodology for Phase #1

For purpose of this Service and Assessment Plan, the Town Council has determined that the Actual Costs of the Phase #1 Improvements, including and the portion of the Major Improvements to be financed with the Phase #1 Bonds, shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phase #1. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the Town Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the estimates of the costs of the Phase #1 Improvements and the portion of the Phase #1 Improvements that benefit Phase #1 provided by Petitt/ Barraza, LLC., as set forth in Table III-B, the Town Council has determined that the benefit to Phase #1 property of the Phase #1 Improvements is at least equal to the Assessments levied on the Phase #1 property.

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. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Lot Type based on the ratio of the Equivalent Unit applicable to each

Lot Type at the time residential Lots are platted to the total Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the Town Council. The result of this approach is that each final residential Lot within a recorded subdivision plat with similar values will have the same Assessment, with larger, more valuable Lots having a proportionately larger share of the Assessments than smaller, less valuable Lots. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the Town Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

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

Appendix E shows the detailed calculation of the Assessment per Equivalent Unit and the Assessment for each Lot type.

3. Assessment Methodology for Future Phases

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

E. Assessments

The Assessments for the Phase #1 Bonds and the Phases #2 – 5 Major Improvement Bonds will be levied on each Parcel according to the Phases #2 – 5 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, attached hereto as Appendix F and Appendix G, respectively. The Annual Installments for the Phases #2 – 5 Major Improvement Bonds and the Phase #1 Bonds will be collected at the time and in the amounts shown on the Phases #2 – 5 Major Improvement Assessment Roll and the Phase #1 Assessment Roll, respectively, subject to any 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. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

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 Bonds 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 Bonds, 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 Bonds are prepaid and up to 0.30% allocated to fund a delinquency reserve account as described below. The prepayment reserve shall be funded until it reaches 1.25% of the outstanding Bonds as stipulated in the Bond documents. Once the prepayment reserve is funded in full, any additional interest collected shall be allocated to fund delinquent payments as described in H below.

H. Delinquency Reserve

The Town has allocated up to 0.30% of the interest rate component of the Annual Installments to offset any possible delinquent payments. The additional reserve shall be funded up to 4% of the outstanding Bonds, but in no event will the annual collection, together with the Prepayment reserve, be more than 0.50% of the outstanding Bonds. The Town may allocate up to 0.50% of the interest rate component of the Annual Installments to pay for Administrative Expenses, improvement costs, any other use that benefits the Assessed Property or reduce the Assessments, as determined by the Town Council.

I. TIRZ Credit

Pursuant to the TIRZ Ordinance, the Town has agreed to use TIRZ Revenues (the 46% of the property tax increment collected and deposited into the TIRZ No. 4 tax increment fund) 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 and Annual Installments for Parcels Located within Phases #2 - 5

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

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

B. Amount of Assessments and Annual Installments for Parcels Located Within Phase #1

The Assessment and Annual Installments for each Assessed Property located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix G, 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 Phase #1 Bonds, to fund the prepayment reserve and delinquency reserve described in Section V, and to cover Administrative Expenses of Phase #1. 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 for the preceding year
- C = the total Equivalent Unit of the Parcel
- D = the total Equivalent Units of all Parcels

The TIRZ Revenues collected in any given year shall be used to calculate the TIRZ Credit in the following year (i.e., TIRZ Revenues collected in 2014 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2015). 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 each Phase shall be used to calculate the TIRZ Credit applicable to each Parcel within the Phase based on the above formula. The total TIRZ increment amount generated by all Phase #1 Assessed Property will be divided by the total Equivalent Units in Phase #1 to determine the TIRZ credit applicable to each Phase #1 Assessed Property. The total TIRZ increment amount generated by all Phase #2-5 Assessed Property will be divided by the total Equivalent Units in Phase #2 - 5 Assessed Property to determine the TIRZ credit applicable to each Phase #2 - 5 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.

C. Amount of Assessments and Annual Installments for Parcels Located Within Future Phases

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

D. Reallocation of Assessments

1. Subdivision

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

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

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated Equivalent Units to be built on each new subdivided Parcel
- D = the sum of the estimated Equivalent 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 Town 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 Town 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 Town Council.

E. Mandatory Prepayment of Assessments

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

3. 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.

F. Reduction of Assessments

1. If after all Authorized Improvements to be funded with a series of Bonds have been completed and Actual Costs for such Authorized Improvements are less than the Actual Costs used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the Town 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 Bonds. If all of the Authorized Improvements are not completed, the Town may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the Town Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem Bonds. The Town 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 Equivalent Units, if determined by the Town Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and 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 Bonds is equal to the outstanding principal amount of the Bonds.

G. Payment of Assessments

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of

redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.

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

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

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

2. Payment in Annual Installments

The 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 an Assessment to be paid in installments and additionally allows the Town to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Prepayment Reserve and Delinquency Reserve. Payment of the Annual Installments shall commence with tax bills mailed after the initial issuance of Bonds.

Each Assessment shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds and (ii) 9.5 percent per annum. The Phases #2-5 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on the Bond interest rates of 6.65%, 6.90%, 7.15% and 7.4% for the Phases #2-5 Bonds due in 2021, 2024, 2027, and 2028, respectively, and additional interest at the rate of 0.5% for administrative expenses, Prepayment Reserve and Delinquency Reserve. The Phases #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on the Bond interest rates of 6.40%, 6.65%, 6.90% and 7.15% for the Phases #1A Bonds due in 2023, 2028, 2032, and 2037, respectively, Phase #1 Reimbursement Agreement interest rate of 7.25%, and additional interest at the rate of 0.5% for administrative expenses, Prepayment Reserve and Delinquency Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls, updated with the actual interest rates on the Bonds, are shown as Appendix F and Appendix G.

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

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

F. Collection of Annual Installments

No less frequently than annually, the Administrator shall prepare, and the Town 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 the applicable Trust Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, including any existing deposits for a prepayment reserve. Annual Installments shall be collected by the Town 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 Town. The Town 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 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

A. Major Improvement Area Assessment Roll

Each Parcel within Phases #2 - 5 has been evaluated by the Town Council (based on the concept plan, developable area, proposed Homeowner Association Property and Public Property, the Major Improvements, best and highest use of land, and other development factors deemed relevant by the Town Council) to determine the Assessed Property within each Parcel.

Phases #2 – 5 Major Improvement Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Major Improvements. Table IV-A summarizes the \$12,240,000 in special benefit received by Phases #2 - 5 from the Major Improvements, the pro rata costs of the PID formation, and issuance costs for the proposed Phases #2 – 5 Major Improvement Bonds. The amount of Phases #2 – 5 Major Improvement Bonds is \$12,240,000, which is equal to the benefit received by Phases #2 – 5 Major Improvement Assessed Property, and as such the total Assessment for all Assessed Property within Phases #2 - 5 is \$12,240,000 plus annual Administrative Expenses. The Assessment for each Parcel of Assessed Property within the Phases #2 - 5 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phases #2 – 5 Major Improvement Assessment Roll is attached hereto as Appendix F.

B. Phase #1 Assessment Roll

Phase #1 Assessed Property will be assessed for the special benefits conferred upon the property as a result of the Phase #1 Improvements that benefit Phase #1, which include a proportionate share of the Major Improvements allocable to Phase #1. Table IV-A summarizes the \$7,435,000 in special benefit received by Phase #1 Assessed Property from the Phase #1 Improvements that benefit Phase #1, including the proportionate share of the Major Improvements allocable to Phase #1, the pro rata costs of the PID formation, and Bond issuance costs. The amount of Phase #1 Bonds is \$7,435,000, which is equal to the benefit received by Phase #1 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #1 is \$7,435,000 plus annual Administrative Expenses and other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #1 is calculated based on the allocation methodologies described in Section V.D of this Service and Assessment Plan. The Phase #1 Assessment Roll is attached hereto as Appendix G.

C. Future Phase Assessment Roll

As Future Phases are developed, this Service and Assessment Plan will be updated to determine the Assessment for each Parcel located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for Phase #2, etc.).

D. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the Town Council for approval, annual updates to the Phases #2 – 5 Major Improvement Assessment Roll and Phase #1 Assessment Roll

in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the Town and permitted by the Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.H of this Service and Assessment Plan.

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

Section VIII MISCELLANEOUS PROVISIONS

A. Administrative Review

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

To the extent consistent with the Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the Town 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 Town Council for approval to the extent permitted by the 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 Town Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the Town Council, the decision of the Town 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 Town shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination".

C. Amendments

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

The Town Council reserves the right to the extent permitted by the Act to amend this Service and Assessment Plan without notice under the Act and without notice to property owners of Parcels:

(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. Administration and Interpretation of Provisions

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

E. Severability

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Town 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 Town.

Appendix A

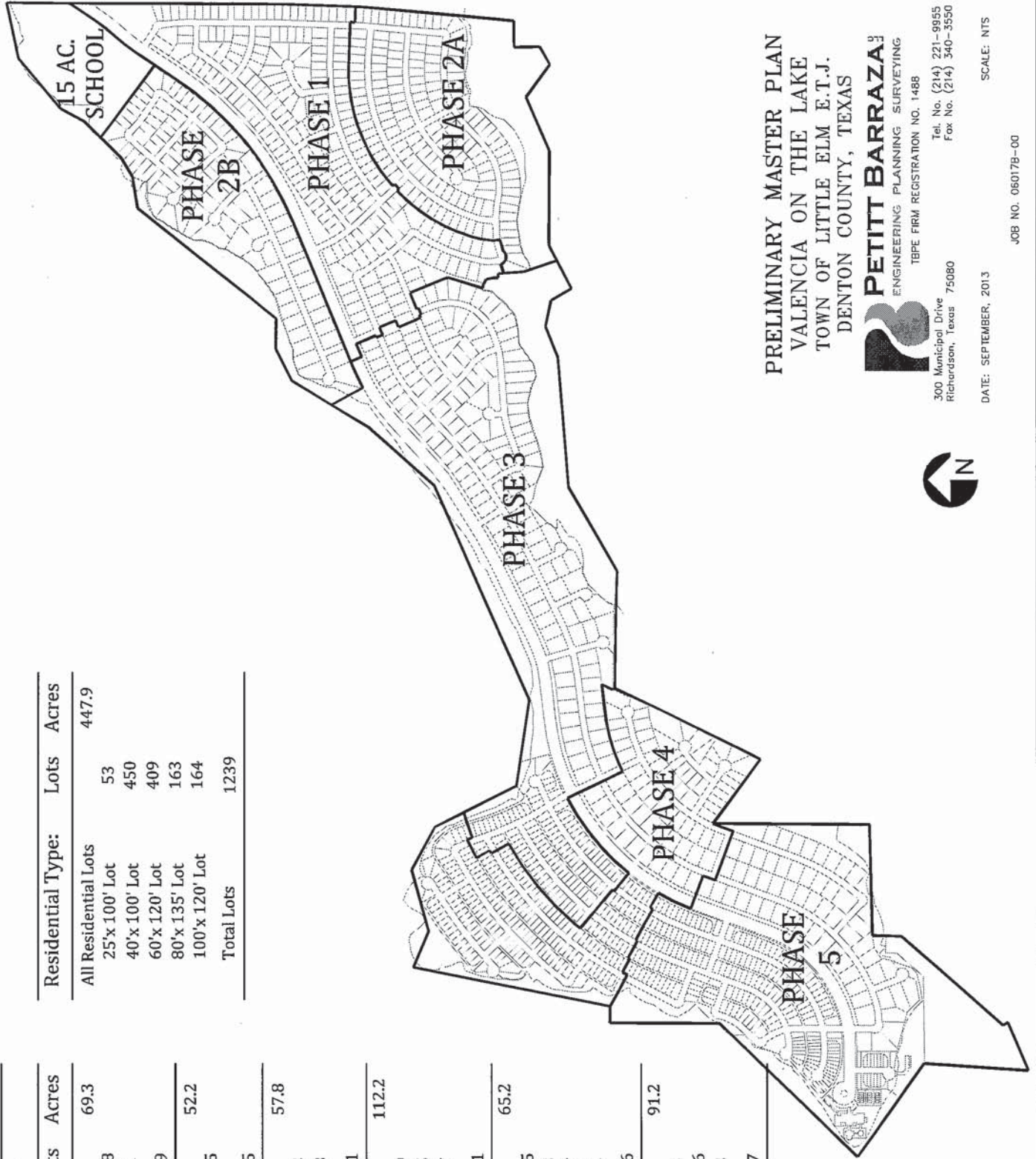
The PID MAP

Landplan A

data summary

Residential Type:	Lots	Acres
Phase 1		69.3
60'x 112' Lot	168	
80'x 135' Lot	41	
Total Lots	209	
Phase 2A		52.2
60'x 120' Lot	155	
Total Lots	155	
Phase 2B		57.8
60'x 120' Lot	63	
100'x 120' Lot	38	
Total Lots	101	
Phase 3		112.2
40'x 100' Lot	99	
80'x 135' Lot	95	
100'x 120' Lot	47	
Total Lots	241	
Phase 4		65.2
40'x 100' Lot	195	
60'x 120' Lot	23	
80'x 135' Lot	27	
100'x 120' Lot	21	
Total Lots	266	
Phase 5		91.2
25'x 100' Lot	53	
40'x 100' Lot	156	
100'x 120' Lot	58	
Total Lots	267	

Residential Type:	Lots	Acres
All Residential Lots		447.9
25'x 100' Lot	53	
40'x 100' Lot	450	
60'x 120' Lot	409	
80'x 135' Lot	163	
100'x 120' Lot	164	
Total Lots	1239	



PRELIMINARY MASTER PLAN
VALENCIA ON THE LAKE
TOWN OF LITTLE ELM E.T.J.
DENTON COUNTY, TEXAS

PETTIT BARRAZA
ENGINEERING PLANNING SURVEYING
TYPE FIRM REGISTRATION NO. 1488

300 Municipal Drive
Richardson, Texas 75080
Tel. No. (214) 221-9955
Fax No. (214) 340-3550



DATE: SEPTEMBER, 2013

SCALE: NTS

JOB NO. 06017B-00

15 AC.
SCHOOL



PHASE
2B

PHASE 1

PHASE 2A

PHASE 3

Landplan A

d a t a s u m m a r y

Residential Type:		Lots	Acres
Phase 1			69.3
60'x 112' Lot		168	
80'x 135' Lot		41	
Total Lots		209	

PRELIMINARY
PHASE 1 MASTER PLAN
VALENCIA ON THE LAKE
TOWN OF LITTLE ELM E.T.J.
DENTON COUNTY, TEXAS



PETITT BARRAZA
ENGINEERING PLANNING SURVEYING
TBPB FIRM REGISTRATION NO. 1488

300 Municipal Drive
Richardson, Texas 75080

Tel. No. (214) 221-9955
Fax No. (214) 340-3550

DATE: SEPTEMBER, 2013

SCALE: 1"=500'

JOB NO. 06017B-00

Appendix B

ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Appendix B
Estimated Cost of Authorized Improvements

	Estimated Costs		
	Major Improvements to be funded with Series 2014 Phase #2-5 Major Improvement Bonds	Phase 1 Improvements to be funded with Series 2014 and 2015 Phase 1 Bonds	Future Phase Costs to be Funded with Future Bonds (For information purposes only)
Road Improvements			
Right-of-way clearing & Grubbing	\$19,980	\$72,240	\$337,380
Unclassified Excavation	\$123,763	\$301,000	\$1,761,538
Concrete Paving	\$1,438,300	\$888,165	\$6,311,775
Lime Stabilization	\$143,063	\$129,745	\$847,403
Lime Material	\$114,750	\$103,500	\$674,250
Temporary Pavement Section	\$0	\$31,365	\$0
5' Concrete Sidewalk	\$98,400	\$8,480	\$186,720
Curlex Erosion Control Matting	\$20,048	\$15,165	\$117,788
Franchise Utility Sleeves	\$29,825	\$32,400	\$178,625
Concrete Header & Barricade	\$4,875	\$11,800	\$4,875
Enhanced Paving Crosswalk	\$64,000	\$0	\$64,000
Barrier Free Ramps	\$14,300	\$31,900	\$165,000
Maintenance Bond	\$0	\$0	\$0
Street Signs	\$0	\$7,500	\$44,000
Street Lights	\$68,000	\$80,000	\$564,000
Pavement Markings	\$55,000	\$0	\$60,000
Screening Wall (Including Columns)	\$1,041,500	\$0	\$1,041,500
Landscape / Irrigation (Median)	\$467,775	\$0	\$520,975
Landscape / Irrigation (Parkway)	\$334,125	\$0	\$353,125
Erosion Control and Storm Water Pollution Prevention	\$41,250	\$62,700	\$364,250
Traffic Control	\$36,000	\$24,000	\$204,000
Subtotal - Road Improvements	\$4,114,953	\$1,799,960	\$13,801,203

Appendix B
Estimated Cost of Authorized Improvements

	Estimated Costs		
	Major Improvements to be funded with Series 2014 Phase #2-5 Major Improvement Bonds	Phase 1 Improvements to be funded with Series 2014 and 2015 Phase 1 Bonds	Future Phase Costs to be Funded with Future Bonds (For information purposes only)
Authorized Improvement			
Water Improvements			
Ex. 20" PVC Waterline	\$598,000	\$0	\$0
12" PVC Waterline	\$652,000	\$0	\$155,000
8" PVC Waterline	\$0	\$229,460	\$1,005,620
Waterline Installation by Bore	\$160,000	\$0	\$0
12" Gate Valve & Box	\$38,000	\$0	\$20,000
8" Gate Valves & Box	\$0	\$44,400	\$228,000
Fire Hydrant Assembly	\$10,500	\$59,500	\$469,000
Connect to Existing 12" Waterline	\$1,000	\$0	\$1,000
Connect to Existing Waterline W/ Wet Tap	\$10,000	\$0	\$0
End and Plug	\$350	\$4,200	\$0
1" Single Water Service	\$0	\$114,950	\$583,000
Seeding	\$5,500	\$0	\$0
Sod	\$41,000	\$0	\$0
Silt Fence	\$10,000	\$0	\$0
Land Acquisition Costs	\$50,000	\$0	\$0
Trench Safety	\$8,150	\$5,215	\$24,793
Test (Excluding Geotech)	\$16,300	\$10,430	\$49,585
Subtotal - Water Improvements	\$1,600,800	\$468,155	\$2,535,998

Appendix B
Estimated Cost of Authorized Improvements

	Estimated Costs		
	Major Improvements to be funded with Series 2014 Phase #2-5 Major Improvement Bonds	Phase 1 Improvements to be funded with Series 2014 and 2015 Phase 1 Bonds	Future Phase Costs to be Funded with Future Bonds (For information purposes only)
Authorized Improvement			
Sanitary Sewer Improvements			
Frisco Hills Lift Station (40%)	\$339,070	\$0	\$0
6" Force Main	\$0	\$0	\$79,560
10" Force Main	\$161,400	\$0	\$15,400
14" Force Main	\$395,958	\$0	\$0
8" PVC Sanitary Sewer Line	\$0	\$222,420	\$891,770
10" PVC Sanitary Sewer Line	\$0	\$41,250	\$0
12" PVC Sanitary Sewer Line	\$0	\$10,000	\$207,000
16" PVC Sanitary Sewer Line	\$74,375	\$0	\$0
Extra Depth Sanitary Sewer	\$0	\$32,000	\$0
4" Service Lines	\$0	\$114,950	\$578,050
5' Dia. Manhole	\$14,700	\$0	\$0
Sanitary Sewer Manhole	\$0	\$126,000	\$612,500
Cleanout	\$0	\$0	\$2,450
2000 PSI Concrete Encasement	\$0	\$12,800	\$0
Metering Station	\$50,000	\$0	\$0
Lift Station No. 1 - 0.1 MGD	\$0	\$0	\$125,000
Lift Station No. 2 - 0.44 MGD	\$0	\$0	\$175,000
Lift Station No. 3 - 0.1 MGD	\$0	\$0	\$125,000
Lift Station No. 4 - 1.5 MGD	\$600,000	\$0	\$0
Trench Safety	\$6,868	\$11,735	\$50,680
Test (Excluding Geotech)	\$17,169	\$29,338	\$126,700
Subtotal - Sanitary Improvements	\$1,659,539	\$600,493	\$2,989,110

Appendix B
Estimated Cost of Authorized Improvements

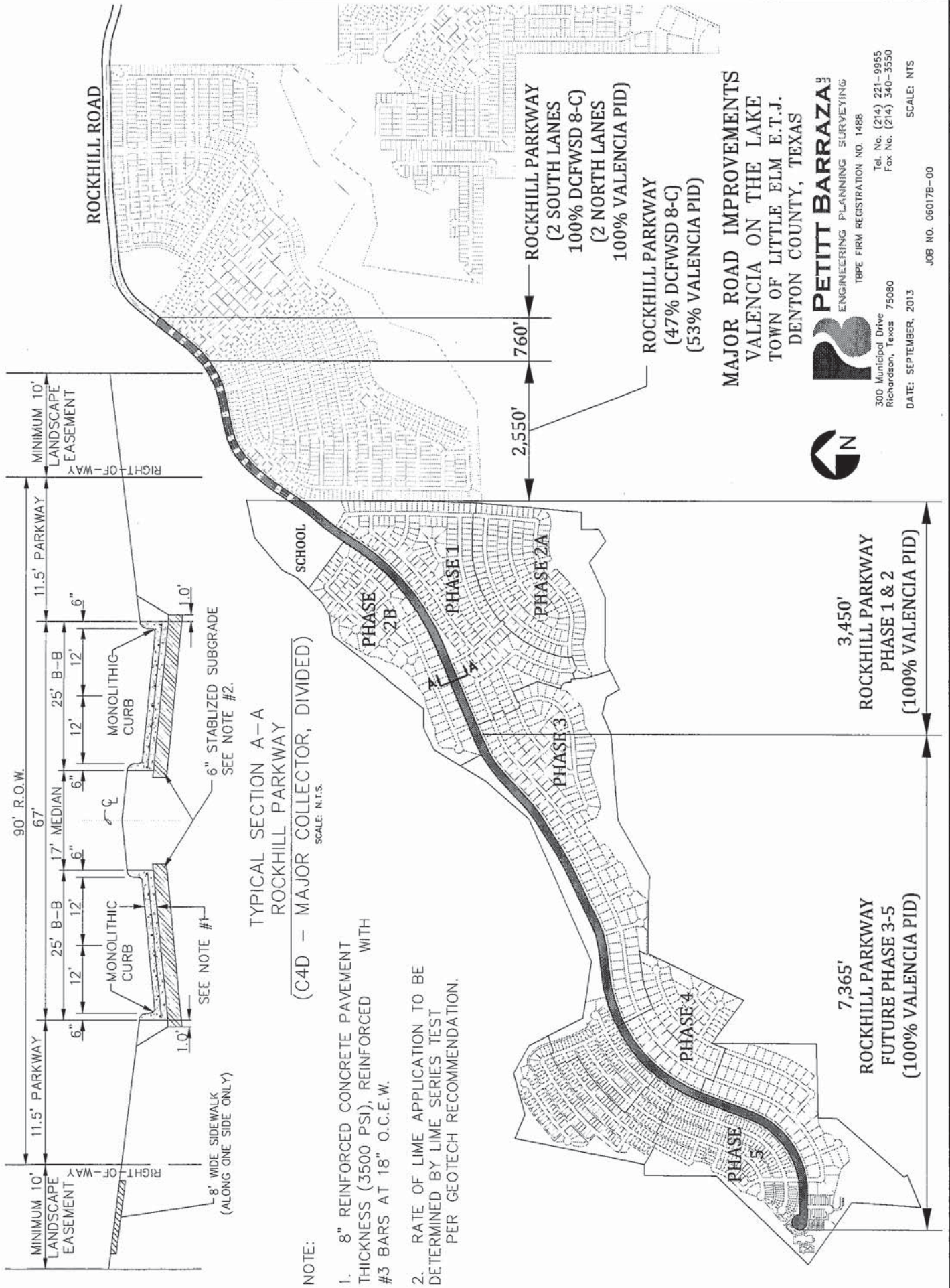
	Estimated Costs		
	Major Improvements to be funded with Series 2014 Phase #2-5 Major Improvement Bonds	Phase 1 Improvements to be funded with Series 2014 and 2015 Phase 1 Bonds	Future Phase Costs to be Funded with Future Bonds (For information purposes only)
Authorized Improvement			
Storm Drainage Improvements			
Roadway Drainage	\$0	\$0	\$22,800
Reinforced Concrete Storm Sewer Pipe	\$260,330	\$211,930	\$2,112,610
Debris Separators	\$50,000	\$37,500	\$362,500
Inlets W/Protection	\$109,125	\$93,000	\$604,125
Outfall Structures	\$11,500	\$10,500	\$99,000
Rock Rip Rap	\$6,000	\$7,200	\$66,000
Grade to Drain	\$8,000	\$8,150	\$8,000
End and Plug	\$700	\$0	\$700
Trench Safety	\$5,545	\$3,750	\$27,220
Subtotal - Drainage Improvements	\$451,200	\$372,030	\$3,302,955
TOTAL	\$7,826,492	\$3,240,638	\$22,629,265
Soft Costs			
Contingency hard costs (5%)	\$391,325	\$162,032	\$1,131,463
Engineering, Design & Surveying fees (12%)	\$939,179	\$388,877	\$2,715,512
Geotechnical and Materials Testing (2.5%)	\$195,662	\$81,016	\$565,732
Inspection Fees (3.25%)	\$254,361	\$105,321	\$735,451
ROW Cost	\$1,800,000		\$1,000,000
General Contractor fee			
General Conditions			
PIDLegal			
Subtotal Soft Costs	\$3,580,527	\$737,245	\$6,148,158
Grand Total Improvements + Soft Costs	\$11,407,019	\$3,977,883	\$28,777,423
Estimated Major Improvement Costs allocated to Phase 1	(\$2,000,110)	\$2,000,110	
Total Estimated Improvement Costs to be funded	\$9,406,909	\$5,977,992	\$8,453,828

Appendix B
Estimated Cost of Authorized Improvements

	Estimated Costs		
	Major Improvements to be funded with Series 2014 Phase #2-5 Major Improvement Bonds	Phase 1 Improvements to be funded with Series 2014 and 2015 Phase 1 Bonds	Future Phase Costs to be Funded with Future Bonds (For information purposes only)
Authorized Improvement			
Estimated Bond issuance related costs			
Deposits to Debt Service Reserve Fund	\$1,224,000	\$620,025	
Deposits to Capitalized Interest	\$525,040	\$178,810	
Other costs of issuance (underwriters, bond counsel etc)	\$1,084,051	\$658,173	
Total estimated Bond issuance related costs	\$2,833,091	\$1,457,008	
TOTAL ESTIMATED COSTS	\$12,240,000	\$7,435,000	

Appendix C

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

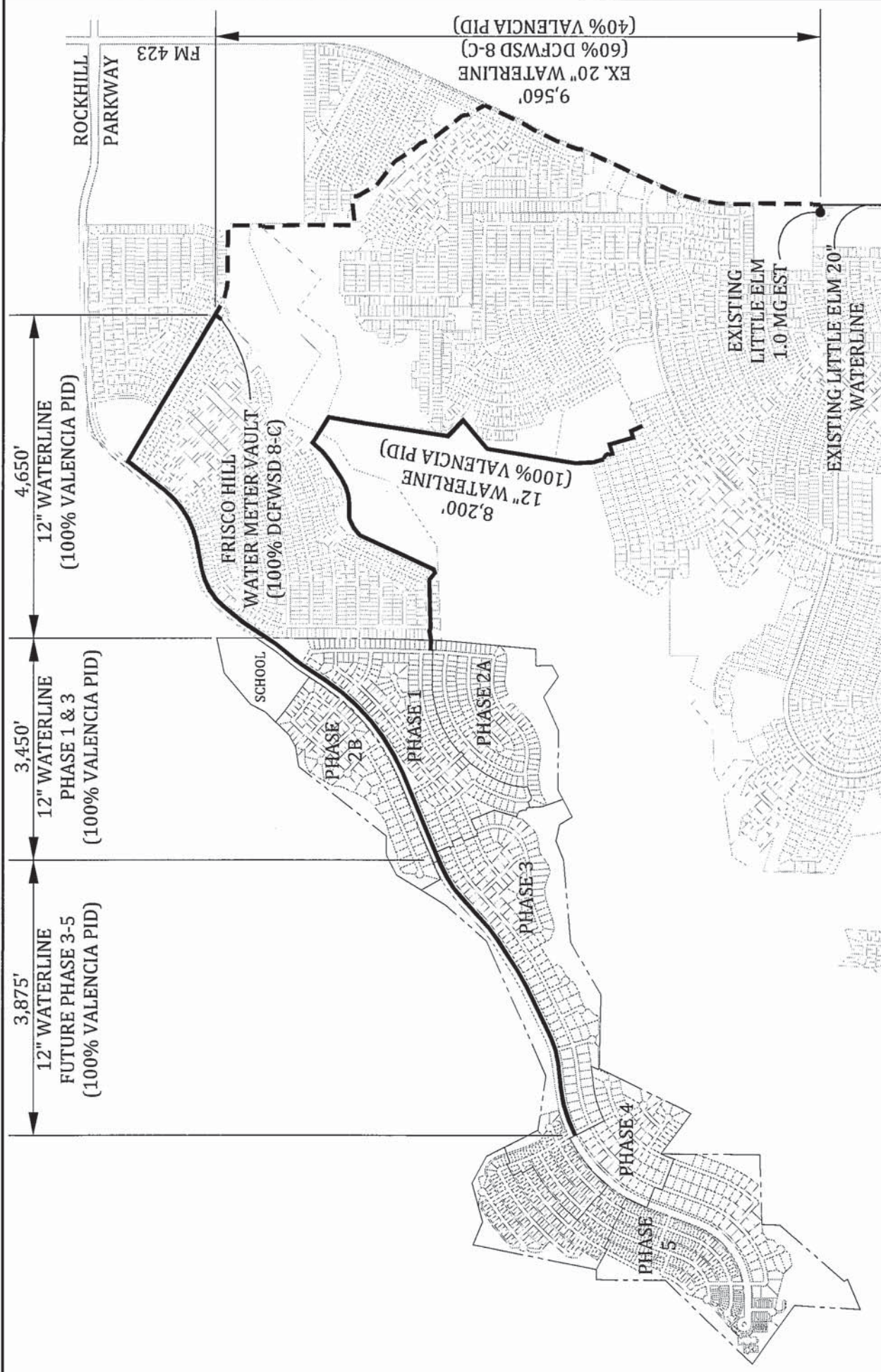


PETITT BARRAZA
ENGINEERING PLANNING SURVEYING
TYPE FIRM REGISTRATION NO. 1488
300 Municipal Drive
Richardson, Texas 75080
Tel. No. (214) 221-9955
Fax No. (214) 340-3550

SCALE: NTS

JOB NO. 06017B-00

DATE: SEPTEMBER, 2013



**MAJOR WATER IMPROVEMENTS
VALENCIA ON THE LAKE
TOWN OF LITTLE ELM E.T.J.
DENTON COUNTY, TEXAS**



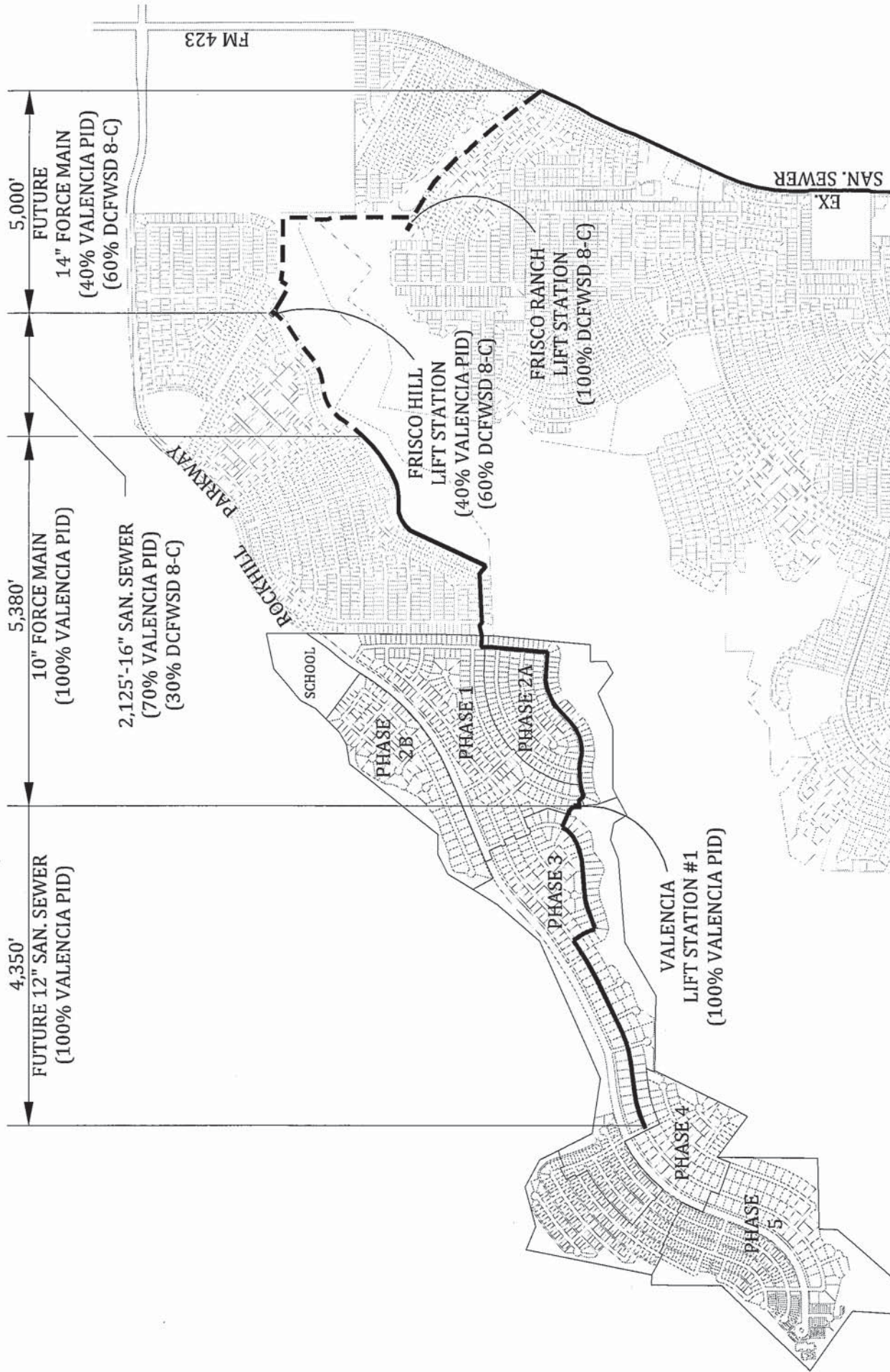
PETITT BARRAZA
ENGINEERING PLANNING SURVEYING
TYPE FIRM REGISTRATION NO. 1488

300 Municipal Drive
Richardson, Texas 75080
Tel. No. (214) 221-9955
Fax No. (214) 340-3550

DATE: SEPTEMBER, 2013

SCALE: NTS

JOB NO. 06017B-00



**MAJOR SANITARY SEWER
IMPROVEMENTS
VALENCIA ON THE LAKE
TOWN OF LITTLE ELM E.T.J.
DENTON COUNTY, TEXAS**



PETITT BARRAZA
ENGINEERING PLANNING SURVEYING
TPE FIRM REGISTRATION NO. 1488

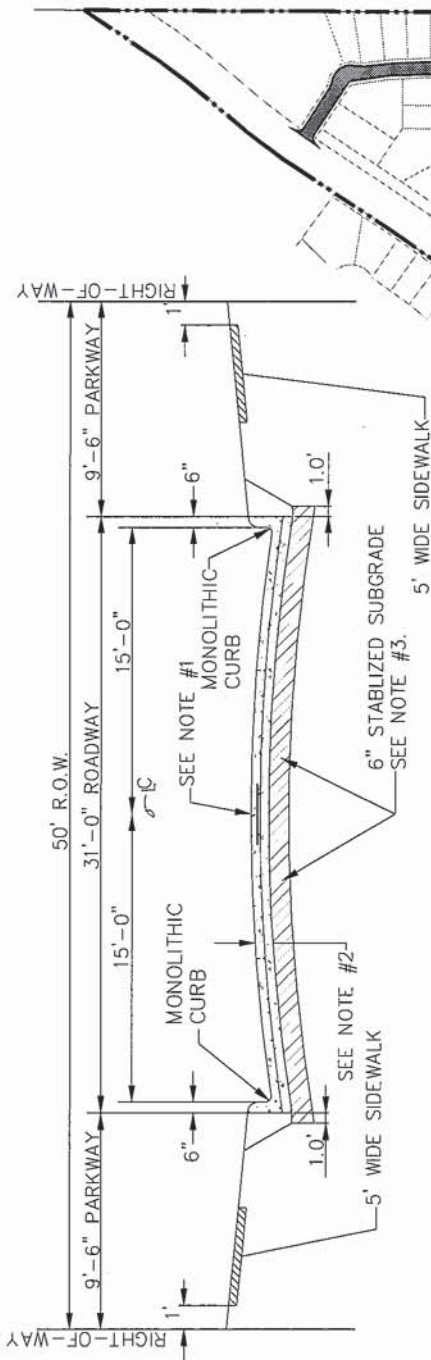
Tel. No. (214) 221-9955
Fax No. (214) 340-3550

300 Municipal Drive
Richardson, Texas 75080

DATE: SEPTEMBER, 2013

SCALE: NTS

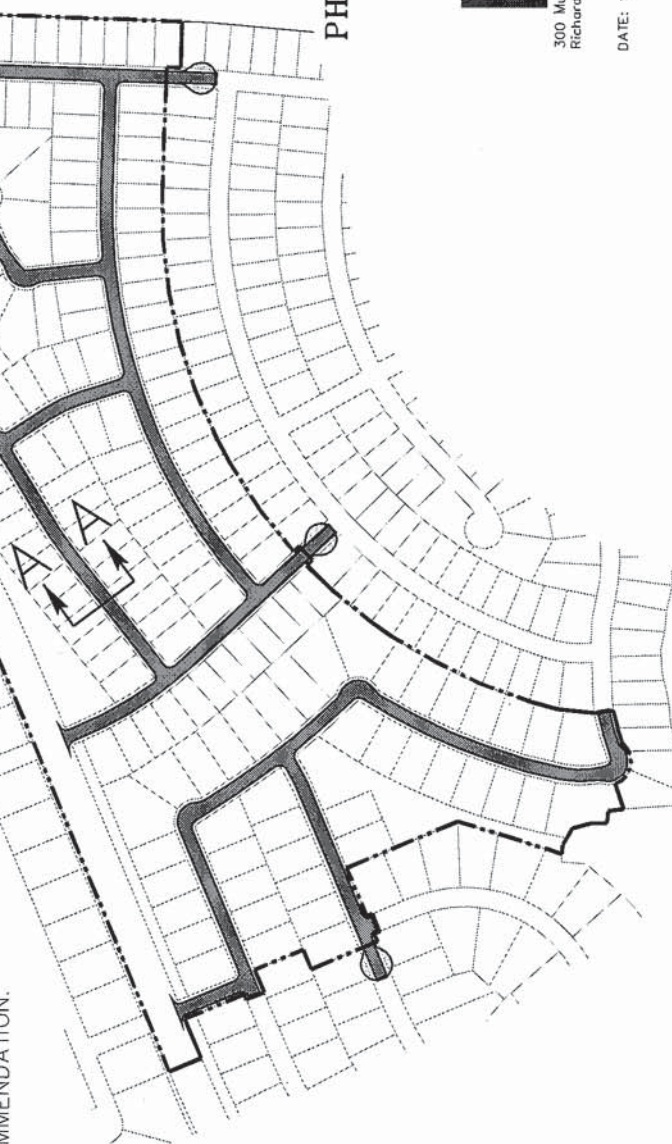
JOB NO. 06017B-00



NOTE:

1. 5" CROWN FOR 31' B-B STREET, SAWED LONGITUDINAL DUMMY JOINT.
2. 6" REINFORCED CONCRETE PAVEMENT THICKNESS (3600 PSI), REINFORCED WITH #3 BARS AT 18" O.C.E.W.
3. RATE OF LIME APPLICATION TO BE DETERMINED BY LIME SERIES TEST PER GEOTECH RECOMMENDATION.

TYPICAL SECTION A-A
LOCAL STREET
(L2U - Local Street)
SCALE: N.T.S.



PRELIMINARY
PHASE 1 ROAD IMPROVEMENTS
VALENCIA ON THE LAKE
TOWN OF LITTLE ELM E.T.J.
DENTON COUNTY, TEXAS



300 Municipal Drive
Richardson, Texas 75080
Tel. No. (214) 221-9955
Fax No. (214) 340-3550

DATE: SEPTEMBER, 2013

SCALE: 1"=500'

JOB NO. 06017B-00



LEGEND



PROPOSED FIRE HYDRANT
PROPOSED WATER LINE

PRELIMINARY
PHASE 1 WATER IMPROVEMENTS
VALENCIA ON THE LAKE
TOWN OF LITTLE ELM E.T.J.
DENTON COUNTY, TEXAS

PETTIT BARRAZA
ENGINEERING PLANNING SURVEYING
T&PE FIRM REGISTRATION NO. 1488

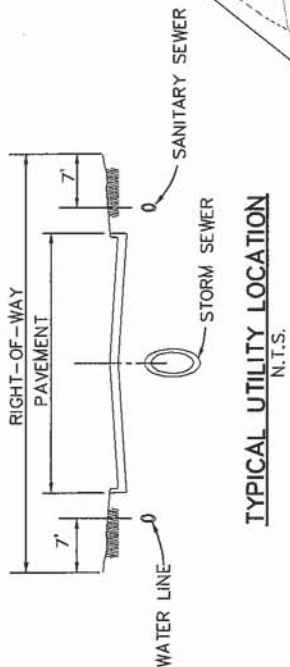
Tel. No. (214) 221-9955
Fax No. (214) 340-3550

300 Municipal Drive
Richardson, Texas 75080

DATE: SEPTEMBER, 2013

SCALE: 1"=500'

JOB NO. 06017B-00





LEGEND

- PROPOSED MANHOLE
- PROPOSED SANITARY SEWER
- PROPOSED CLEANOUT

PRELIMINARY
PHASE 1 SANITARY
IMPROVEMENTS
VALENCIA ON THE LAKE
TOWN OF LITTLE ELM E.T.J.
DENTON COUNTY, TEXAS



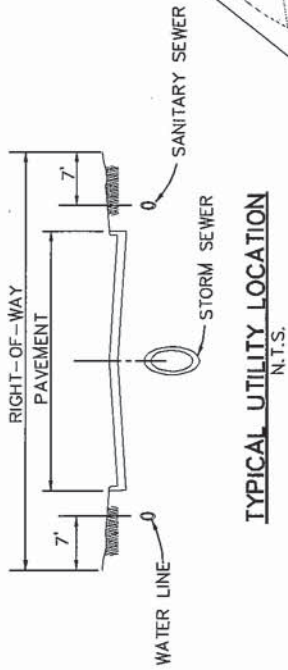
Tel. No. (214) 221-9955
Fax No. (214) 340-3550

300 Municipal Drive
Richardson, Texas 75080

SCALE: 1"=500'

DATE: SEPTEMBER, 2013

JOB NO. 06017B-00



Appendix D

LOT TYPES AND EQUIVALENT UNITS

Appendix D
Lot Types and Equivalent Units

For purposes of allocating the Assessments, the Assessed Property has been classified in one of five Lot Types. The following table shows the proposed residential Lot Types within the PID.

Table D-1
Proposed Development within the PID

Lot Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	100 Ft Lots	164 units
Lot Type 2	80 Ft Lots	163 units
Lot Type 3	60 Ft Lots	409 units
Lot Type 4	40 Ft Lots	450 units
Lot Type 5	25 Ft Lots	53 units
<i>Total</i>		1,239 units

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

Table D-2
Proposed Development – Phase #1

Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 2	80 Ft Lots	41 units
Lot Type 3	60 Ft Lots	168 units
<i>Total</i>		209 units

Table D-3 below shows the proposed residential Lot Types within Phases #2 - 5.

Table D-3
Proposed Development - Phases #2 - 5

Type	Description	Proposed Development
<u>Residential</u>		
Lot Type 1	100 Ft Lots	164 units
Lot Type 2	80 Ft Lots	122 units
Lot Type 3	60 Ft Lots	241 units
Lot Type 4	40 Ft Lots	450 units
Lot Type 5	25 Ft Lots	53 units
<i>Total</i>		1,030 units

As explained under Section IV-D, For purpose of this Service and Assessment Plan, the Town Council has determined that the Actual Costs of the portion of the Major Improvements to be financed with the Phases #2 – 5 Major Improvement Bonds shall be allocated to the Phases #2 - 5 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the Town Council has determined that the Assessments shall be allocated to the Phases #2 -5 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the Town Council has taken into consideration (i) the type of lots (i.e., 100 Ft, 80 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the Town Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (100 Ft Lots) representing the highest value to Lot Type 5 (25 Ft Lot) representing the lowest value for residential lots are set forth in Table D-4 below. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (100 Ft Lots) to 1.0.

Table D-4
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor
Lot Type 1 (100 ft Lots)	\$450,000	1.00 per dwelling unit
Lot Type 2 (80 ft Lots)	\$350,000	0.78 per dwelling unit
Lot Type 3 (60 ft Lots)	\$300,000	0.67 per dwelling unit
Lot Type 4 (40 ft Lots)	\$240,000	0.53 per dwelling unit
Lot Type 5 (25 ft Lots)	\$175,000	0.39 per dwelling unit

The total estimated Equivalent Units for Phase #1 are shown in Table D-5 below as calculated based on the Equivalent Unit factors shown above, estimated Lot Types and number of units estimated to be built within Phase 1.

Table D-5
Estimated Equivalent Units - Phase #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 2 (80 ft Lots)	41	0.78	31.98
Lot Type 3 (60 ft Lots)	168	0.67	112.56
Total Equivalent Units	209		144.54

The total estimated Equivalent Units for Phases #2 - 5 are shown in Table D-6 below as calculated based on the Equivalent Unit factors shown in Table D-4, estimated Lot Types and number of units estimated to be built within Phases #2 - 5.

Table D-6
Estimated Equivalent Units - Phases #2 - 5

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (100 ft Lots)	164	1.00	164.00
Lot Type 2 (80 ft Lots)	122	0.78	95.16
Lot Type 3 (60 ft Lots)	241	0.67	161.47
Lot Type 4 (40 ft Lots)	450	0.53	238.50
Lot Type 5 (25 ft Lots)	53	0.39	20.67
Total Equivalent Units	1,030		679.80

Appendix E

ALLOCATION OF ASSESSMENTS

Appendix E Allocation of Assessments

A) Allocation of Assessments to Lot Types in Phases #2 - 5

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phases #2 – 5 Major Improvement Bonds, which represents the total Assessment to be allocated to all Parcels in the Phases #2 – 5 Assessed Property, is \$12,240,000. As shown in Appendix D, there are a total of 679.80 estimated Equivalent Units in Phases #2 - 5, resulting in an Assessment per Equivalent Unit of \$18,005.30.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$18,005.30 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (100 Ft Lot) dwelling unit is \$18,005.30 (i.e. $\$18,005.30 \times 1.00$). The Assessment for a Lot Type 2 (80 Ft Lot) dwelling unit is \$14,044.13 (i.e. $\$18,005.30 \times 0.78$). Table E-1 sets forth the Assessment per dwelling unit for each of the five Lot Types in Phases #2 - 5.

**Table E-1
Assessment per Unit - Phases #2 - 5**

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit	Total Assessments
<u>Residential</u>					
Lot Type 1	164	\$18,005.30	1.00	\$18,005.30 per dwelling unit	\$2,952,868
Lot Type 2	122	\$18,005.30	0.78	\$14,044.13 per dwelling unit	\$1,713,384
Lot Type 3	241	\$18,005.30	0.67	\$12,063.55 per dwelling unit	\$2,907,315
Lot Type 4	450	\$18,005.30	0.53	\$9,542.81 per dwelling unit	\$4,294,263
Lot Type 5	53	\$18,005.30	0.39	\$7,022.07 per dwelling unit	\$372,169
Total	1,030				\$12,240,000

B) Allocation of Assessments to Lot Types in Phase #1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #1 Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$7,435,000. As shown in Appendix D, there are a total of 144.54 estimated Equivalent Units in Phase #1, resulting in an Assessment per Equivalent Unit of \$51,439.05.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$51,439.05 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 2 (80 Ft Lot) dwelling unit is \$40,122.46 (i.e. $\$51,439.05 \times 0.78$). The Assessment for a Lot Type 3 (60 Ft Lot) dwelling unit is \$34,464.16 (i.e. $\$51,439.05 \times 0.67$). Table E-2 sets forth the Assessment per dwelling unit for each of the two Lot Types in Phase #1.

Table E-2
Assessment per Unit - Phase #1

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Residential						
Lot Type 2	41	\$51,439.05	0.78	\$40,122.46	per dwelling unit	\$1,645,021
Lot Type 3	168	\$51,439.05	0.67	\$34,464.16	per dwelling unit	\$5,789,979
Total	209					\$7,435,000

Appendix F

ASSESSMENT ROLL –Phases #2-5 Assessed Property

Appendix F
Phases #2 - 5 Major Improvement Assessment Roll

Parcel Assessment	All Parcels
Total Equivalent Units	\$12,240,000
	679.80

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$0	\$466,343	\$24,480	\$490,823
2	\$0	\$912,410	\$24,970	\$937,380
3	\$535,000	\$912,410	\$25,469	\$1,472,879
4	\$590,000	\$874,158	\$25,978	\$1,490,136
5	\$640,000	\$831,973	\$26,498	\$1,498,470
6	\$700,000	\$786,213	\$27,028	\$1,513,240
7	\$760,000	\$736,163	\$27,568	\$1,523,731
8	\$830,000	\$681,823	\$28,120	\$1,539,942
9	\$900,000	\$622,478	\$28,682	\$1,551,160
10	\$980,000	\$555,878	\$29,256	\$1,565,133
11	\$1,065,000	\$483,358	\$29,841	\$1,578,198
12	\$1,155,000	\$404,548	\$30,438	\$1,589,985
13	\$1,250,000	\$316,190	\$31,047	\$1,597,237
14	\$1,360,000	\$220,565	\$31,667	\$1,612,232
15	\$1,475,000	\$116,525	\$32,301	\$1,623,826
16	\$0	\$0	\$0	\$0
17	\$0	\$0	\$0	\$0
18	\$0	\$0	\$0	\$0
19	\$0	\$0	\$0	\$0
20	\$0	\$0	\$0	\$0
21	\$0	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0
24	\$0	\$0	\$0	\$0
25	\$0	\$0	\$0	\$0
26	\$0	\$0	\$0	\$0
27	\$0	\$0	\$0	\$0
28	\$0	\$0	\$0	\$0
29	\$0	\$0	\$0	\$0
30	\$0	\$0	\$0	\$0
Total	\$12,240,000	\$8,921,030	\$423,343	\$21,584,373

1 - The principal and interest amounts are based on the Series 2014 Phase#2-5 Bonds.

2 - The Administrative Expenses shown include the estimated District administration and assessment collection costs. The additional 0.5% interest to be collected for Prepayment reserve, Delinquency reserve and other authorized costs is included under Interest together with the estimated Bond interest.

Appendix F
Phases #2 - 5 Major Improvement Assessment Roll

Parcel	R38646
Assessment	\$1,084,099
Total Equivalent Units	60.21

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$0	\$41,304	\$2,168	\$43,472
2	\$0	\$80,812	\$2,212	\$83,024
3	\$47,385	\$80,812	\$2,256	\$130,453
4	\$52,256	\$77,424	\$2,301	\$131,982
5	\$56,685	\$73,688	\$2,347	\$132,720
6	\$61,999	\$69,635	\$2,394	\$134,028
7	\$67,313	\$65,202	\$2,442	\$134,957
8	\$73,513	\$60,389	\$2,491	\$136,393
9	\$79,713	\$55,133	\$2,540	\$137,386
10	\$86,799	\$49,234	\$2,591	\$138,624
11	\$94,327	\$42,811	\$2,643	\$139,781
12	\$102,299	\$35,831	\$2,696	\$140,825
13	\$110,713	\$28,005	\$2,750	\$141,468
14	\$120,455	\$19,535	\$2,805	\$142,796
15	\$130,641	\$10,321	\$2,861	\$143,823
16	\$0	\$0	\$0	\$0
17	\$0	\$0	\$0	\$0
18	\$0	\$0	\$0	\$0
19	\$0	\$0	\$0	\$0
20	\$0	\$0	\$0	\$0
21	\$0	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0
24	\$0	\$0	\$0	\$0
25	\$0	\$0	\$0	\$0
26	\$0	\$0	\$0	\$0
27	\$0	\$0	\$0	\$0
28	\$0	\$0	\$0	\$0
29	\$0	\$0	\$0	\$0
30	\$0	\$0	\$0	\$0
Total	\$1,084,099	\$790,137	\$37,496	\$1,911,732

1 - The principal and interest amounts are based on the Series 2014 Phase#2-5 Bonds.

2 - The Administrative Expenses shown include the estimated District administration and assessment collection costs. The additional 0.5% interest to be collected for Prepayment reserve, Delinquency reserve and other authorized costs is included under Interest together with the estimated Bond interest.

Appendix F
Phases #2 - 5 Major Improvement Assessment Roll

Parcel	R43806
Assessment	\$3,960,265
Total Equivalent Units	219.95

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$0	\$150,886	\$7,921	\$158,806
2	\$0	\$295,211	\$8,079	\$303,290
3	\$173,100	\$295,211	\$8,241	\$476,552
4	\$190,895	\$282,835	\$8,405	\$482,135
5	\$207,073	\$269,186	\$8,573	\$484,832
6	\$226,486	\$254,380	\$8,745	\$489,611
7	\$245,899	\$238,186	\$8,920	\$493,005
8	\$268,547	\$220,604	\$9,098	\$498,250
9	\$291,196	\$201,403	\$9,280	\$501,879
10	\$317,080	\$179,855	\$9,466	\$506,401
11	\$344,582	\$156,391	\$9,655	\$510,628
12	\$373,701	\$130,892	\$9,848	\$514,441
13	\$404,439	\$102,304	\$10,045	\$516,788
14	\$440,029	\$71,364	\$10,246	\$521,640
15	\$477,238	\$37,702	\$10,451	\$525,391
16	\$0	\$0	\$0	\$0
17	\$0	\$0	\$0	\$0
18	\$0	\$0	\$0	\$0
19	\$0	\$0	\$0	\$0
20	\$0	\$0	\$0	\$0
21	\$0	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0
24	\$0	\$0	\$0	\$0
25	\$0	\$0	\$0	\$0
26	\$0	\$0	\$0	\$0
27	\$0	\$0	\$0	\$0
28	\$0	\$0	\$0	\$0
29	\$0	\$0	\$0	\$0
30	\$0	\$0	\$0	\$0
Total	\$3,960,265	\$2,886,409	\$136,973	\$6,983,647

1 - The principal and interest amounts are based on the Series 2014 Phase#2-5 Bonds.

2 - The Administrative Expenses shown include the estimated District administration and assessment collection costs. The additional 0.5% interest to be collected for Prepayment reserve, Delinquency reserve and other authorized costs is included under Interest together with the estimated Bond interest.

Appendix F
Phases #2 - 5 Major Improvement Assessment Roll

Parcel	R43910
Assessment	\$2,994,821
Total Equivalent Units	166.33

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$0	\$114,102	\$5,990	\$120,092
2	\$0	\$223,244	\$6,109	\$229,353
3	\$130,901	\$223,244	\$6,232	\$360,377
4	\$144,358	\$213,884	\$6,356	\$364,599
5	\$156,592	\$203,563	\$6,483	\$366,638
6	\$171,272	\$192,366	\$6,613	\$370,252
7	\$185,953	\$180,120	\$6,745	\$372,819
8	\$203,080	\$166,825	\$6,880	\$376,785
9	\$220,207	\$152,305	\$7,018	\$379,530
10	\$239,781	\$136,009	\$7,158	\$382,949
11	\$260,579	\$118,265	\$7,301	\$386,146
12	\$282,600	\$98,983	\$7,447	\$389,030
13	\$305,844	\$77,364	\$7,596	\$390,804
14	\$332,758	\$53,967	\$7,748	\$394,473
15	\$360,895	\$28,511	\$7,903	\$397,309
16	\$0	\$0	\$0	\$0
17	\$0	\$0	\$0	\$0
18	\$0	\$0	\$0	\$0
19	\$0	\$0	\$0	\$0
20	\$0	\$0	\$0	\$0
21	\$0	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0
24	\$0	\$0	\$0	\$0
25	\$0	\$0	\$0	\$0
26	\$0	\$0	\$0	\$0
27	\$0	\$0	\$0	\$0
28	\$0	\$0	\$0	\$0
29	\$0	\$0	\$0	\$0
30	\$0	\$0	\$0	\$0
Total	\$2,994,821	\$2,182,752	\$103,581	\$5,281,154

1 - The principal and interest amounts are based on the Series 2014 Phase#2-5 Bonds.

2 - The Administrative Expenses shown include the estimated District administration and assessment collection costs. The additional 0.5% interest to be collected for Prepayment reserve, Delinquency reserve and other authorized costs is included under Interest together with the estimated Bond interest.

Appendix F
Phases #2 - 5 Major Improvement Assessment Roll

Parcel	R44219
Assessment	\$4,056,773
Total Equivalent Units	225.31

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$0	\$154,563	\$8,114	\$162,676
2	\$0	\$302,405	\$8,276	\$310,681
3	\$177,318	\$302,405	\$8,441	\$488,165
4	\$195,547	\$289,727	\$8,610	\$493,884
5	\$212,119	\$275,745	\$8,782	\$496,647
6	\$232,005	\$260,579	\$8,958	\$501,542
7	\$251,891	\$243,991	\$9,137	\$505,019
8	\$275,092	\$225,980	\$9,320	\$510,392
9	\$298,292	\$206,311	\$9,506	\$514,110
10	\$324,807	\$184,238	\$9,696	\$518,741
11	\$352,979	\$160,202	\$9,890	\$523,071
12	\$382,808	\$134,081	\$10,088	\$526,978
13	\$414,295	\$104,797	\$10,290	\$529,381
14	\$450,753	\$73,103	\$10,496	\$534,351
15	\$488,868	\$38,621	\$10,706	\$538,194
16	\$0	\$0	\$0	\$0
17	\$0	\$0	\$0	\$0
18	\$0	\$0	\$0	\$0
19	\$0	\$0	\$0	\$0
20	\$0	\$0	\$0	\$0
21	\$0	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0
24	\$0	\$0	\$0	\$0
25	\$0	\$0	\$0	\$0
26	\$0	\$0	\$0	\$0
27	\$0	\$0	\$0	\$0
28	\$0	\$0	\$0	\$0
29	\$0	\$0	\$0	\$0
30	\$0	\$0	\$0	\$0
Total	\$4,056,773	\$2,956,748	\$140,311	\$7,153,832

1 - The principal and interest amounts are based on the Series 2014 Phase#2-5 Bonds.

2 - The Administrative Expenses shown include the estimated District administration and assessment collection costs. The additional 0.5% interest to be collected for Prepayment reserve, Delinquency reserve and other authorized costs is included under Interest together with the estimated Bond interest.

Appendix F
Phases #2 - 5 Major Improvement Assessment Roll

Parcel	R584981
Assessment	\$144,042
Total Equivalent Units	8.00

Year	Principal ¹	Interest ¹	Administrative Expenses ²	Total Annual Installment
1	\$0	\$5,488	\$288	\$5,776
2	\$0	\$10,737	\$294	\$11,031
3	\$6,296	\$10,737	\$300	\$17,333
4	\$6,943	\$10,287	\$306	\$17,536
5	\$7,532	\$9,791	\$312	\$17,634
6	\$8,238	\$9,252	\$318	\$17,808
7	\$8,944	\$8,663	\$324	\$17,932
8	\$9,768	\$8,024	\$331	\$18,122
9	\$10,591	\$7,325	\$338	\$18,254
10	\$11,533	\$6,542	\$344	\$18,419
11	\$12,533	\$5,688	\$351	\$18,573
12	\$13,592	\$4,761	\$358	\$18,711
13	\$14,710	\$3,721	\$365	\$18,797
14	\$16,005	\$2,596	\$373	\$18,973
15	\$17,358	\$1,371	\$380	\$19,109
16	\$0	\$0	\$0	\$0
17	\$0	\$0	\$0	\$0
18	\$0	\$0	\$0	\$0
19	\$0	\$0	\$0	\$0
20	\$0	\$0	\$0	\$0
21	\$0	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0
24	\$0	\$0	\$0	\$0
25	\$0	\$0	\$0	\$0
26	\$0	\$0	\$0	\$0
27	\$0	\$0	\$0	\$0
28	\$0	\$0	\$0	\$0
29	\$0	\$0	\$0	\$0
30	\$0	\$0	\$0	\$0
Total	\$144,042	\$104,984	\$4,982	\$254,009

1 - The principal and interest amounts are based on the Series 2014 Phase#2-5 Bonds.

2 - The Administrative Expenses shown include the estimated District administration and assessment collection costs. The additional 0.5% interest to be collected for Prepayment reserve, Delinquency reserve and other authorized costs is included under Interest together with the estimated Bond interest.

Appendix G

ASSESSMENT ROLL – Phase #1 Assessed Property

Appendix G
Phase #1 Assessment Roll

Parcel	All Parcels
Assessment	\$7,435,000
Total Equivalent Units	144.54

Year	Principal¹	Interest¹	Principal²	Interest²	Administrative Expenses³	Total Annual Installment
1	\$0	\$149,934	\$0	\$136,459	\$8,000	\$294,393
2	\$0	\$295,545	\$0	\$249,038	\$8,160	\$552,742
3	\$85,000	\$310,525	\$0	\$249,038	\$8,323	\$652,886
4	\$90,000	\$304,660	\$0	\$249,038	\$8,490	\$652,187
5	\$95,000	\$298,450	\$0	\$249,038	\$8,659	\$651,147
6	\$105,000	\$291,895	\$0	\$249,038	\$8,833	\$654,765
7	\$110,000	\$284,650	\$0	\$249,038	\$9,009	\$652,697
8	\$115,000	\$277,060	\$0	\$249,038	\$9,189	\$650,287
9	\$125,000	\$269,125	\$0	\$249,038	\$9,373	\$652,536
10	\$135,000	\$260,500	\$0	\$249,038	\$9,561	\$654,098
11	\$140,000	\$251,185	\$0	\$249,038	\$9,752	\$649,974
12	\$150,000	\$241,175	\$0	\$249,038	\$9,947	\$650,159
13	\$160,000	\$230,450	\$0	\$249,038	\$10,146	\$649,633
14	\$170,000	\$219,010	\$0	\$249,038	\$10,349	\$648,396
15	\$185,000	\$206,855	\$0	\$249,038	\$10,556	\$651,448
16	\$195,000	\$193,628	\$0	\$249,038	\$10,767	\$648,432
17	\$210,000	\$179,198	\$0	\$249,038	\$10,982	\$649,217
18	\$225,000	\$163,658	\$0	\$249,038	\$11,202	\$648,897
19	\$240,000	\$147,008	\$0	\$249,038	\$11,426	\$647,471
20	\$255,000	\$129,248	\$0	\$249,038	\$11,654	\$644,939
21	\$270,000	\$109,740	\$0	\$249,038	\$11,888	\$640,665
22	\$290,000	\$89,085	\$0	\$249,038	\$12,125	\$640,248
23	\$315,000	\$66,900	\$0	\$249,038	\$12,368	\$643,305
24	\$335,000	\$42,803	\$0	\$249,038	\$12,615	\$639,455
25	\$0	\$0	\$395,000	\$266,213	\$12,867	\$674,080
26	\$0	\$0	\$420,000	\$235,600	\$13,125	\$668,725
27	\$0	\$0	\$455,000	\$203,050	\$13,387	\$671,437
28	\$0	\$0	\$485,000	\$167,788	\$13,655	\$666,443
29	\$0	\$0	\$520,000	\$130,200	\$13,928	\$664,128
30	\$0	\$0	\$560,000	\$89,900	\$14,207	\$664,107
31	\$0	\$0	\$600,000	\$46,500	\$14,491	\$660,991
Total	4,000,000	\$5,012,284	\$3,435,000	\$7,003,571	\$339,036	\$19,789,891

1 - The principal and interest amounts are base don the Series 2014 Phase #1A Bonds.

2 - The principal and interest amounts are based on the Phase #1 Reimbursement Agreement.

3 - The Administrative Expenses shown include the estimated District administration and assessment collection costs.

The additional 0.5% interest to be collected for prepayment reserve, delinquency reserve and other authorized costs is included under Interest together with the estimated Phase #1A Bond interest.

Appendix G
Phase #1 Assessment Roll

Parcel	R38646
Assessment	\$2,102,314
Total Equivalent Units	40.87

Year	Principal ¹	Interest ¹	Principal ²	Interest ²	Administrative Expenses ³	Total Annual Installment
1	\$0	\$42,395	\$0	\$38,585	\$2,262	\$83,242
2	\$0	\$83,568	\$0	\$70,418	\$2,307	\$156,293
3	\$24,035	\$87,804	\$0	\$70,418	\$2,353	\$184,609
4	\$25,448	\$86,145	\$0	\$70,418	\$2,401	\$184,412
5	\$26,862	\$84,389	\$0	\$70,418	\$2,449	\$184,118
6	\$29,690	\$82,536	\$0	\$70,418	\$2,498	\$185,141
7	\$31,104	\$80,487	\$0	\$70,418	\$2,547	\$184,556
8	\$32,517	\$78,341	\$0	\$70,418	\$2,598	\$183,875
9	\$35,345	\$76,098	\$0	\$70,418	\$2,650	\$184,510
10	\$38,172	\$73,659	\$0	\$70,418	\$2,703	\$184,952
11	\$39,586	\$71,025	\$0	\$70,418	\$2,757	\$183,786
12	\$42,414	\$68,194	\$0	\$70,418	\$2,813	\$183,839
13	\$45,241	\$65,162	\$0	\$70,418	\$2,869	\$183,690
14	\$48,069	\$61,927	\$0	\$70,418	\$2,926	\$183,340
15	\$52,310	\$58,490	\$0	\$70,418	\$2,985	\$184,203
16	\$55,138	\$54,750	\$0	\$70,418	\$3,044	\$183,350
17	\$59,379	\$50,670	\$0	\$70,418	\$3,105	\$183,572
18	\$63,621	\$46,276	\$0	\$70,418	\$3,167	\$183,482
19	\$67,862	\$41,568	\$0	\$70,418	\$3,231	\$183,078
20	\$72,104	\$36,546	\$0	\$70,418	\$3,295	\$182,363
21	\$76,345	\$31,030	\$0	\$70,418	\$3,361	\$181,154
22	\$82,000	\$25,190	\$0	\$70,418	\$3,429	\$181,036
23	\$89,069	\$18,917	\$0	\$70,418	\$3,497	\$181,900
24	\$94,724	\$12,103	\$0	\$70,418	\$3,567	\$180,812
25	\$0	\$0	\$111,690	\$75,274	\$3,638	\$190,602
26	\$0	\$0	\$118,759	\$66,618	\$3,711	\$189,088
27	\$0	\$0	\$128,655	\$57,414	\$3,785	\$189,855
28	\$0	\$0	\$137,138	\$47,443	\$3,861	\$188,443
29	\$0	\$0	\$147,035	\$36,815	\$3,938	\$187,788
30	\$0	\$0	\$158,345	\$25,420	\$4,017	\$187,782
31	\$0	\$0	\$169,655	\$13,148	\$4,097	\$186,901
Total	\$1,131,036	\$1,417,269	\$971,278	\$1,980,324	\$95,865	\$5,595,772

1 - The principal and interest amounts are base don the Series 2014 Phase #1A Bonds.

2 - The principal and interest amounts are based on the Phase #1 Reimbursement Agreement.

3 - The Administrative Expenses shown include the estimated District administration and assessment collection costs.

The additional 0.5% interest to be collected for prepayment reserve, delinquency reserve and other authorized costs is included under Interest together with the estimated Phase #1A Bond interest.

Appendix G
Phase #1 Assessment Roll

Parcel	R43806
Assessment	\$5,332,686
Total Equivalent Units	103.67

Year	Principal ¹	Interest ¹	Principal ²	Interest ²	Administrative Expenses ³	Total Annual Installment
1	\$0	\$107,539	\$0	\$97,874	\$5,738	\$211,151
2	\$0	\$211,977	\$0	\$178,620	\$5,853	\$396,449
3	\$60,965	\$222,721	\$0	\$178,620	\$5,970	\$468,276
4	\$64,552	\$218,515	\$0	\$178,620	\$6,089	\$467,775
5	\$68,138	\$214,061	\$0	\$178,620	\$6,211	\$467,029
6	\$75,310	\$209,359	\$0	\$178,620	\$6,335	\$469,624
7	\$78,896	\$204,163	\$0	\$178,620	\$6,462	\$468,141
8	\$82,483	\$198,719	\$0	\$178,620	\$6,591	\$466,412
9	\$89,655	\$193,027	\$0	\$178,620	\$6,723	\$468,025
10	\$96,828	\$186,841	\$0	\$178,620	\$6,857	\$469,146
11	\$100,414	\$180,160	\$0	\$178,620	\$6,995	\$466,188
12	\$107,586	\$172,981	\$0	\$178,620	\$7,134	\$466,321
13	\$114,759	\$165,288	\$0	\$178,620	\$7,277	\$465,944
14	\$121,931	\$157,083	\$0	\$178,620	\$7,423	\$465,056
15	\$132,690	\$148,365	\$0	\$178,620	\$7,571	\$467,245
16	\$139,862	\$138,878	\$0	\$178,620	\$7,722	\$465,082
17	\$150,621	\$128,528	\$0	\$178,620	\$7,877	\$465,645
18	\$161,379	\$117,382	\$0	\$178,620	\$8,034	\$465,415
19	\$172,138	\$105,440	\$0	\$178,620	\$8,195	\$464,393
20	\$182,896	\$92,702	\$0	\$178,620	\$8,359	\$462,577
21	\$193,655	\$78,710	\$0	\$178,620	\$8,526	\$459,511
22	\$208,000	\$63,895	\$0	\$178,620	\$8,697	\$459,212
23	\$225,931	\$47,983	\$0	\$178,620	\$8,871	\$461,405
24	\$240,276	\$30,700	\$0	\$178,620	\$9,048	\$458,643
25	\$0	\$0	\$283,310	\$190,938	\$9,229	\$483,478
26	\$0	\$0	\$301,241	\$168,982	\$9,414	\$479,637
27	\$0	\$0	\$326,345	\$145,636	\$9,602	\$481,582
28	\$0	\$0	\$347,862	\$120,344	\$9,794	\$478,000
29	\$0	\$0	\$372,965	\$93,385	\$9,990	\$476,340
30	\$0	\$0	\$401,655	\$64,480	\$10,190	\$476,325
31	\$0	\$0	\$430,345	\$33,352	\$10,393	\$474,090
Total	2,868,964	\$3,595,015	\$2,463,722	\$5,023,248	\$243,170	\$14,194,119

1 - The principal and interest amounts are base don the Series 2014 Phase #1A Bonds.

2 - The principal and interest amounts are based on the Phase #1 Reimbursement Agreement.

3 - The Administrative Expenses shown include the estimated District administration and assessment collection costs.

The additional 0.5% interest to be collected for prepayment reserve, delinquency reserve and other authorized costs is included under Interest together with the estimated Phase #1A Bond interest.