

Riverwood Ranch Public Improvement District

SERVICE AND ASSESSMENT PLAN
OCTOBER 12, 2021



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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in Section I unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan, or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On November 12, 2019, the City passed and approved Resolution No. 20191112-011 authorizing the creation of the District in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 78.1 acres located within the City, as described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B-1**.

On December 8, 2020, the City Council adopted Ordinance 20201208-108 which approved an Assessment Ordinance, which was subsequently rescinded by the City Council by ordinance on October 12, 2021. This Service and Assessment Plan replaces in its entirety the previously approved plan approved by Ordinance 20201208-108.

The PID Act requires a Service Plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

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

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property must be sufficient to pay its share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Improvement Area #1 Assessment Roll is included as **Exhibit F**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

“Additional Interest” means the amount collected by application of the Additional Interest Rate if PID Bonds are issued. Additional Interest is not charged on the Improvement Area #1 Reimbursement Obligation.

“Additional Interest Rate” means the 0.50% additional interest charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act, if PID Bonds are issued.

“Administrator” means the City or the person or independent firm designated by the City who shall have the responsibility provided in this Service and Assessment Plan, an Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

“Annual Collection Costs” mean the actual or budgeted costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs

collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Appraisal District” means Brazoria County Appraisal District.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against a Parcel within the District and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an 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 ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment.

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

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

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act as described in **Section III** and **Exhibit C** and depicted on **Exhibit J**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, if issued, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds, if such bonds are issued.

“Captured Appraised Value” means the total taxable value of the District located within the boundary of the TIRZ for a given year less the total taxable value of the District located within the boundary of the TIRZ for the year in which the TIRZ was created.

“City” means the City of Angleton, Texas.

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

“County” means Brazoria County, Texas.

“Delinquent Collection Costs” mean, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan, including costs and expenses to foreclose liens.

“District” means the Riverwood Ranch Public Improvement District containing approximately 78.1 acres located within the City and shown on **Exhibit B-1** and more specifically described in **Exhibit A-1**.

“District Formation Expenses” means the costs associated with forming the District, including but not limited to 1st year District administration reserves, and any other cost or expense directly associated with the establishment of the District.

“Estimated Buildout Value” means the estimated buildout value of an Assessed Property at the time Assessments are levied, and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value.

“Improvement Area #1” means approximately 42.478 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

“Improvement Area #1 Annual Installment” means the annual installment payment of the Improvement Area #1 Assessment after application of the TIRZ Annual Credit Amount, if any, as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest, if applicable.

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

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

“Improvement Area #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property and included in this Service and Assessment Plan as **Exhibit 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 PID Bonds, if issued, or in connection with any Annual Service Plan Update.

“Improvement Area #1 Improvements” mean those Authorized Improvements that only benefit Improvement Area #1, more specifically described in **Section III**.

“Improvement Area #1 Reimbursement Obligation” means an amount not to exceed \$5,180,000 payable from Improvement Area #1 Assessments to be paid to Owner pursuant to the Reimbursement Agreement, but excluding any payments from the net proceeds of PID Bonds.

“Improvement Area #1 Remainder Parcel” means all of the area within Improvement Area #1, save and except the Section 1 Plat, consisting of approximately 19.793 acres. Until a plat has been recorded and a Property ID has been assigned by the Appraisal District to each Lot within the Improvement Area #1 Remainder Parcel, the Annual Installment will be allocated to each property ID within the Improvement Area #1 Remainder Parcel based on the Brazoria County Appraisal District acreage for billing purposes only.

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

“Lot” means (1) for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single-family residential, etc.), as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as determined by the Administrator and confirmed and approved by the City Council.

“Lot Type 1” means a Lot within Improvement Area #1 designated as a 45’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit J**.

“Lot Type 2” means a Lot within Improvement Area #1 designated as a 50’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit J**.

“Lot Type 3” means a Lot within Improvement Area #1 designated as a 60’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit J**.

“Maximum Assessment” means, for each Lot within Improvement Area #1, the amount shown for each Lot Type on **Exhibit I**. The Maximum Assessment shall be reduced annually by the principal portion of the Annual Installment.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property is identified as Non-Benefited Property at the time the Assessments (1) are levied or (2) are reallocated pursuant to a subdivision of a Parcel that receives no benefit.

“Owner” means Riverway Capital Partners, L.L.C., and any successor and assigns.

“Parcel(s)” means a property within the District, identified by either a tax map identification number assigned by the Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” mean bonds issued by the City, if applicable, to finance the Actual Costs of the Authorized Improvements.

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

“Prepayment Costs” mean interest and Annual Collection Costs incurred up to the date of Prepayment.

“Property ID” mean a unique number assigned to each Parcel by the Appraisal District.

“Reimbursement Agreement” means that certain “Riverwood Ranch Public Improvement District Reimbursement Agreement” effective July 14, 2020 entered into by and between the City and Owner, whereby all or a portion of the Actual Costs not paid to Owner from PID Bonds, if issued, will be paid to the Owner from Improvement Area #1 Assessments to reimburse the Owner for Actual Costs paid by the Owner, plus interest, that are eligible to be paid with Improvement Area #1 Assessments.

“Section 1 Plat” means the Final Replat Riverwood Ranch Subdivision Section 1, attached as **Exhibit M**.

“Service and Assessment Plan” means this Service and Assessment Plan as amended, modified and updated from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“TIRZ” means Tax Increment Reinvestment Zone Number 2, Riverwood Ranch TIRZ.

“TIRZ Agreement” means the *Facilities and Creation Costs Reimbursement Agreement*, effective as of July 14, 2020.

“TIRZ Annual Credit Amount” will be calculated pursuant to **Section V.F.** of this Service and Assessment Plan and applied as described in **Section V.F.** hereof, the Reimbursement Agreement and the TIRZ Agreement, which amount shall not exceed the TIRZ Maximum Annual Credit Amount.

“TIRZ Creation Ordinance” means Ordinance No. 20200714-012 adopted by the City Council on July 14, 2020, creating the TIRZ and the TIRZ Fund.

“TIRZ Fund” means the tax increment fund created pursuant to the TIRZ Creation Ordinance.

“TIRZ Increment Receipts” mean, for each Tax Year, an amount equal to 27% of the ad valorem taxes collected and received by the City on the Captured Appraised Value of the District minus administration costs which are deposited in the TIRZ Fund pursuant to the TIRZ Plan Ordinance, as described in the TIRZ Plan, the Reimbursement Agreement, and the TIRZ Agreement.

“TIRZ Maximum Annual Credit Amount” means for each Lot Type, the amount shown on **Exhibit H**.

“TIRZ Plan” means the Tax Increment Reinvestment Zone Number 2, Riverwood Ranch TIRZ Project and Financing Plan, prepared and adopted by the Board of Directors of the TIRZ and approved by the City (including any amendments or supplements thereto).

“TIRZ Plan Ordinance” means an ordinance adopted by the City Council approving the TIRZ Plan and authorizing the use of TIRZ Increment Receipts for project costs related to certain public improvements under the Chapter 311, Texas Tax Code as amended, as provided for in the TIRZ Plan, as amended.

“Trustee” means a trustee (or successor trustee) under the applicable Indenture.

SECTION II: THE DISTRICT

The District includes approximately 78.1 contiguous acres located within the corporate limits of the City, as more particularly described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B-1**. Development of the District is anticipated to include approximately 351 single-family units.

Improvement Area #1 includes approximately 42.478 acres located within the District, as more particularly described by metes and bounds on **Exhibit A-2** and depicted on **Exhibit B-2**. Development of Improvement Area #1 is anticipated to include approximately 205 single-family units.

SECTION III: AUTHORIZED IMPROVEMENTS

The City Council, based on information provided by the Owner and their engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Improvement Area #1 Improvements, and District Formation Expenses and Bond Issuance Costs are Authorized Improvements and confer a special benefit on the Assessed Property. The budget for the Authorized Improvements is shown on **Exhibit C**, and a map depicting the Authorized Improvements is shown on **Exhibit J**.

A. Improvement Area #1 Improvements

▪ *Roadway*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

▪ *Water*

Improvements including trench excavation and embedment, trench safety, plastic/metal piping, service connections, water mains, valves, fire hydrants, testing, earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

▪ *Wastewater*

Improvements including trench excavation and embedment, trench safety, plastic/metal

pipings, manholes, service connections, sewer mains, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Storm Water*

Improvements including earthen channels, swales, curb and curb inlets, storm sewer mains, RCP piping and boxes, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm water. The storm water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Landscape and Park*

Improvements including sidewalk, grade work, landscape, irrigation, signage, sport field, picnic shelter, playground, swing set, sod and hydro-mulch. All improvements will be designed and constructed in accordance with City standards and specifications.

- *Soft Costs*

Costs incurred related to designing, constructing, and installing the Authorized Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, and contingency.

B. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required under an applicable Indenture in connection with the issuance of PID Bonds, if issued. This amount may be updated or revised at the time of issuance if PID Bonds are issued.

- *Capitalized Interest*

Equals the amount of capitalized interest available for payment of interest on PID Bonds, if issued, as reflected in an applicable Indenture. This amount may be updated or revised at the time of issuance if PID Bonds are issued.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds, if issued, and includes a fee for underwriter's counsel. This amount may be updated or revised at the time of issuance if PID Bonds are issued.

- *Cost of Issuance*

Costs associated with issuing PID Bonds, if issued, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds. This amount may be updated or revised at the time of issuance if PID Bonds are issued.

C. District Formation Expenses

Costs associated with forming the District, including but not limited to 1st year District administration reserves, and any other cost or expense directly associated with the establishment of the District.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan must be reviewed and updated, at least annually, and approved by the City Council. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct the Authorized Improvements and pay the District Formation Expenses and Bond Issuance Costs. If PID Bonds are issued, **Exhibit E** will be updated to show the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued. The sources and uses of funds shown on **Exhibit E** shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance reasonable classifications and formulas for the apportionment of the cost between the municipality or the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

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

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Improvement Area #1 Improvements are allocated entirely to Improvement Area #1 Assessed Property.

B. Assessments

Improvement Area #1 Assessments will be levied on the Improvement Area #1 Initial Parcel as shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G**, subject to revisions made during any Annual Service Plan Update.

Upon subdivisions of the Improvement Area #1 Initial Parcel by final plat, the Assessment shall be reallocated pursuant to **Section VI.A**.

C. Findings of Special Benefit

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

- *Improvement Area #1*
 1. The costs of Improvement Area #1 Improvements and District Formation Expenses and Bond Issuance Costs equal \$5,355,625, as shown on **Exhibit C**; and
 2. The Improvement Area #1 Assessed Property receives special benefit from Improvement Area #1 Improvements and District Formation Expenses and Bond Issuance Costs equal to or greater than the Actual Costs of the Improvement Area #1 Improvements and District Formation Expenses and Bond Issuance Costs; and
 3. The Improvement Area #1 Assessed Property will be allocated 100% of the Improvement Area #1 Assessments levied on the Improvement Area #1 Initial Parcel for Improvement Area #1 Improvements and District Formation Expenses and Bond Issuance Costs, which equal \$5,180,000, as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F**; and

4. The special benefit ($\geq \$5,355,625$) received by the Improvement Area #1 Assessed Property from Improvement Area #1 Improvements and District Formation Expenses and Bond Issuance Costs is equal to or greater than the amount of the Improvement Area #1 Assessments (\$5,180,000) levied on the Improvement Area #1 Initial Parcel; and
5. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #1 Assessments, the Owner owned 100% of the Improvement Area #1 Assessed Property. The Owner acknowledged that Improvement Area #1 Improvements and District Formation Expenses and Bond Issuance Costs confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for Improvement Area #1 Improvements and District Formation Expenses and Bond Issuance Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Initial Parcel.

D. Annual Collection Costs

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

E. Additional Interest

If PID Bonds are issued, the interest rate on Assessments levied on the Assessed Property to pay the PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Interest at the rate of the PID Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture. Additional Interest is not charged on the Improvement Area #1 Reimbursement Obligation.

F. TIRZ Annual Credit Amount

In accordance with the TIRZ Plan Ordinance, the Reimbursement Agreement, and the TIRZ Agreement, the City Council has agreed to use a portion of TIRZ Increment Receipts generated from each Assessed Property to offset a portion such property's Assessment by the TIRZ Annual Credit Amount.

- The TIRZ Annual Credit Amount for each Assessed Property is calculated as follows:

1. *For Assessed Property that have not been assigned a Lot Type*

Each Assessed Property that has not been assigned a Lot Type in this Service and Assessment Plan or an Annual Service Plan Update shall receive a TIRZ Annual Credit Amount equal to the TIRZ Increment Receipts generated by such Parcel for the previous Tax Year (i.e. TIRZ Increment Receipts collected from the Parcel for Tax Year 2021 shall be applied as the TIRZ Annual Credit Amount applicable to the Parcel's principal and interest to be collected in Tax Year 2022).

2. *For Assessed Property that have been assigned a Lot Type*

Each Assessed Property that has been assigned a Lot Type in this Service and Assessment Plan or an Annual Service Plan Update shall receive an TIRZ Annual Credit Amount equal to the lesser of:

- a. the TIRZ Increment Receipts generated by the Lot for the previous Tax Year (i.e. TIRZ Increment Receipts collected from the Lot for Tax Year 2021 shall be applied as the TIRZ Annual Credit Amount applicable to the Lot's principal and interest to be collected in Tax Year 2022), or
- b. the TIRZ Maximum Annual Credit Amount. In the event the TIRZ Increment Receipts generated by any Lot that has been assigned a Lot Type are greater than the TIRZ Maximum Annual Credit Amount, the amount the applicable TIRZ Increment Receipts exceed the TIRZ Maximum Credit Amount will be transferred from the TIRZ Fund to the City each year and shall not be available to offset the principal and interest related to such Lot. The TIRZ Maximum Credit Amount for each Lot Type within Improvement Area #1 is shown on **Exhibit H**.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

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

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat and a Property ID has been assigned by the Appraisal District, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefited Property

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the estimated average buildout value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation

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

3. Upon Consolidation

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

B. True-Up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the Owner must partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the Administrator the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

D. Reduction of Assessments

If as a result of cost savings or Authorized Improvements not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event PID Bonds are issued, the Trustee shall apply amounts on deposit in the

applicable account of the project fund, relating to the PID Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

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

E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. If PID Bonds are issued, interest costs from the date of prepayment to the date of redemption of the applicable PID Bonds, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; (4) the Assessed Property is no longer eligible to receive the TIRZ Annual Credit Amount; and (5) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit L**.

If an Assessment is paid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced to the extent of the prepayment made.

F. Prepayment as a Result of Eminent Domain Proceeding or Taking

Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a **"Taking"**), the portion of the

Assessed Property that was taken or transferred (the **“Taken Property”**) shall be reclassified as Non-Benefited Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the **“Remaining Property”**), following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the assessment on the Remainder Property.

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

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

Notwithstanding the previous paragraphs in this subsection, if the owner of the Taken Property notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the

amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. Said owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

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

G. Payment of Assessment in Annual Installments

Exhibit G shows the projected Improvement Area #1 Annual Installments. Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update. Until a plat has been recorded on a Parcel and a Property ID has been assigned by the Appraisal District within Improvement Area #1, the Annual Installment will be allocated to each Property ID within the Improvement Area #1 Initial Parcel based on the Brazoria County Appraisal District acreage for billing purposes only.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any applicable TIRZ Annual Credit Amount and any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the non-delinquent Annual Installments as they become due and payable.

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments shall be due when billed and shall be delinquent if not paid prior to February 1, 2023.

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a City Council meeting, and within 30 days after closing such meeting, the City Council shall make a final determination as to whether or not an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the Assessment Ordinance, or the Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect

Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided at a meeting of the City Council during which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

LIST OF EXHIBITS

Exhibit A-1	District Legal Description
Exhibit A-2	Improvement Area #1 Legal Description
Exhibit B-1	District Boundary Map
Exhibit B-2	Improvement Area #1 Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses
Exhibit F	Improvement Area #1 Assessment Roll
Exhibit G	Improvement Area #1 Annual Installments
Exhibit H	TIRZ Maximum Annual Credit Amount
Exhibit I	Maximum Assessment Per Lot Type
Exhibit J	Lot Type Classification Map
Exhibit K	Map of Improvement Area #1 Improvements
Exhibit L	Notice of PID Assessment Termination
Exhibit M	Section 1 Plat
Exhibit N-1	Lot Type 1 Buyer Disclosure
Exhibit N-2	Lot Type 2 Buyer Disclosure
Exhibit N-3	Lot Type 3 Buyer Disclosure

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

County: Brazoria
Project: 78 Acres Downing Rd
Job No.: 12939

FIELD NOTES FOR 78.10 ACRE

Being a tract of land containing 78.10 acre (3,401,974 square feet), located within T. S. Lee Survey, Abstract Number (No.) 318, in Brazoria County, Texas; Said 78.10 acre being all of Lots 2, 3, 14 and 15 of the subdivision of the T. S. Lee Survey, Abstract 318 recorded in Volume (Vol.) 42, Page (Pg.) 164 of the Brazoria County Deed Records (B.C.D.R.); Said 78.10 acres being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 5/8-inch iron rod found on the east right-of-way (R.O.W.) line of North Downing Street (variable width), at the southwest corner of Brookhollow S/D Section II, a subdivision of record in Vol. 16, Pg. 21 of the Brazoria County Plat Records (B.C.P.R.), for the northwest corner of said Lot 15 and the herein described tract;

Thence, with the south lines of said Brookhollow S/D Section II and Colony Square S/D, a subdivision of record in Vol. 16, pg. 321 of the B.C.P.R., with the north lines of said Lots 15 and 14, North 87 degrees 07 minutes 30 seconds East, a distance of 2,635.39 feet to a found 1/2-inch iron rod with cap stamped "Pinpoint" on the west R.O.W. line of Buchta Road (variable width) at the southeast corner of said Colony Square S/D, for the northeast corner of said Lot 14 and the herein described tract;;

Thence, with the west R.O.W. line of Buchta Road and the east lines of said lots 14 and 3, South 02 degrees 52 minutes 30 seconds East, a distance of 1,290.00 feet to a 5/8-inch iron rod with cap stamped "BAKER & LAWSON" set at the northwest corner of the intersection of said Buchta Road and Hospital Drive (sixty feet wide per Vol. 781, Pg. 204 B.C.D.R.), for the southeast corner of herein described tract;

Thence, with the north R.O.W. line of said Hospital Drive and the south lines of said Lots 3 and 2, South 87 degrees 07 minutes 30 seconds West, a distance of 2,638.99 feet to a 5/8-inch iron rod with cap stamped "BAKER & LAWSON" set for the northeast corner of the intersection of said Downing Road and said Hospital Drive, for the southwest corner of the herein described tract;

THENCE, with the east R.O.W. line of said Downing Road and the west line of said Lots 2 and 15, North 02 degrees 42 minutes 55 seconds West, a distance of 1,290.01 feet to the **POINT OF BEGINNING** and containing 78.10 acres of land.

A land title survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.


Devin R. Royal
Registered Professional Land Surveyor
Texas Registration No. 6667

Baker & Lawson Inc.
Texas Firm Registration No. 10052500
PH: (979) 849-6681
January 4, 2019
Revised: June 6, 2019



EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION



County: Brazoria
Project: Riverwood Ranch
Job No.: 14395

FIELD NOTES FOR 42.478 ACRE

Being a tract of land containing 42.478 acre (1,850,362 square feet), located within T. S. Lee Survey, Abstract Number (No.) 318, in Brazoria County, Texas; Said 42.478 acre being a portion of Lots 2, 3, 14, and 15 of the subdivision of the T. S. Lee Survey, Abstract 318 recorded in Volume (Vol.) 42, Page (Pg.) 164 of the Brazoria County Deed Records (B.C.D.R.) and all of Riverwood Ranch Subdivision Section 1, a subdivision recorded under Clerks' File (C.F.) No. 2021015058 Brazoria County Plat Records (B.C.P.R.); Said 42.478 acres being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 5/8-inch iron rod with cap stamped "BAKER & LAWSON" found on the east right-of-way (R.O.W.) line of North Downing Street (sixty feet wide per Vol. 42, Pg. 164 B.C.D.R.) at the southwest corner of Brookhollow S/D Section II, a subdivision recorded under Vol. 16, Pg. 21 B.C.P.R., for the northwest corner of said Riverwood Ranch Section 1 and herein described tract;

THENCE, with the south line of said Brookhollow S/D Section II, being the north line of said Riverwood Ranch Section 1, North 87 degrees 07 minutes 30 seconds East, a distance of 1,317.70 feet to a 5/8-inch iron rod with cap found at the northeast corner of said Riverwood Ranch Section 1 and the herein described tract;

THENCE, with the east line of said Riverwood Ranch Section 1, South 02 degrees 52 minutes 31 seconds East, at a distance of 630.00 feet pass the southeast corner of said Riverwood Ranch Section 1, continue in all a distance of 685.00 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set for an interior corner of the herein described tract;

THENCE, through and across said Lot 3, the following nine (9) courses:

1. North 87 degrees 07 minutes 30 seconds East, a distance of 170.00 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set for an angle point;
2. South 02 degrees 52 minutes 30 seconds East, a distance of 405.00 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set for the beginning of a curve to the left;
3. 31.42 feet along the arc of said curve to the left, having a radius of 20.00 feet, a central angle of 90 degrees 00 minutes 00 seconds, a chord that bears South 47 degrees 52 minutes 30 seconds East, a distance of 28.28 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set for a point of tangency;

300 E Cedar St, Angleton, Texas 77515 • Phone: (979) 849-6681
Texas Firm Registration No. 10052500



4. North 87 degrees 07 minutes 30 seconds East, a distance of 250.98 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set for an angle point;
5. South 02 degrees 52 minutes 30 seconds East, a distance of 60.00 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set for an angle point;
6. South 87 degrees 07 minutes 30 seconds West, a distance of 11.50 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set for the beginning of a curve to the left;
7. 31.42 feet along the arc of said curve to the left, having a radius of 20.00 feet, a central angle of 90 degrees 00 minutes 00 seconds, a chord that bears South 42 degrees 07 minutes 30 seconds West, a distance of 28.28 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set for a point of tangency;
8. South 02 degrees 52 minutes 30 seconds East, a distance of 80.00 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set for an angle point;
9. South 47 degrees 52 minutes 30 seconds East, a distance of 28.28 feet to a 5/8-inch iron rod with cap stamped "Baker & Lawson" set on the north line of said Hospital Drive, for the southeast corner of the herein described tract;

THENCE, with the north R.O.W. line of Hospital Drive (sixty feet wide per Vol. 781, Pg. 204 B.C.D.R.), South 87 degrees 07 minutes 30 seconds West, a distance of 1,750.77 feet a 5/8-inch iron rod with cap found in the northeast corner of the R.O.W. intersection of said Hospital Drive and North Downing Street, for the southwest corner of the herein described tract;

THENCE, with the east R.O.W. line of said North Downing Street and the west line of said Lots 2 and 15, North 02 degrees 42 minutes 55 seconds West, a distance of 1,290.00 feet to the **POINT OF BEGINNING** and containing 42.478 acres of land.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

Devin Royal 7-14-21
Devin R. Royal
Registered Professional Land Surveyor
Texas Registration No. 6667



EXHIBIT B-1 – DISTRICT BOUNDARY MAP



EXHIBIT B-2 – IMPROVEMENT AREA #1 BOUNDARY MAP

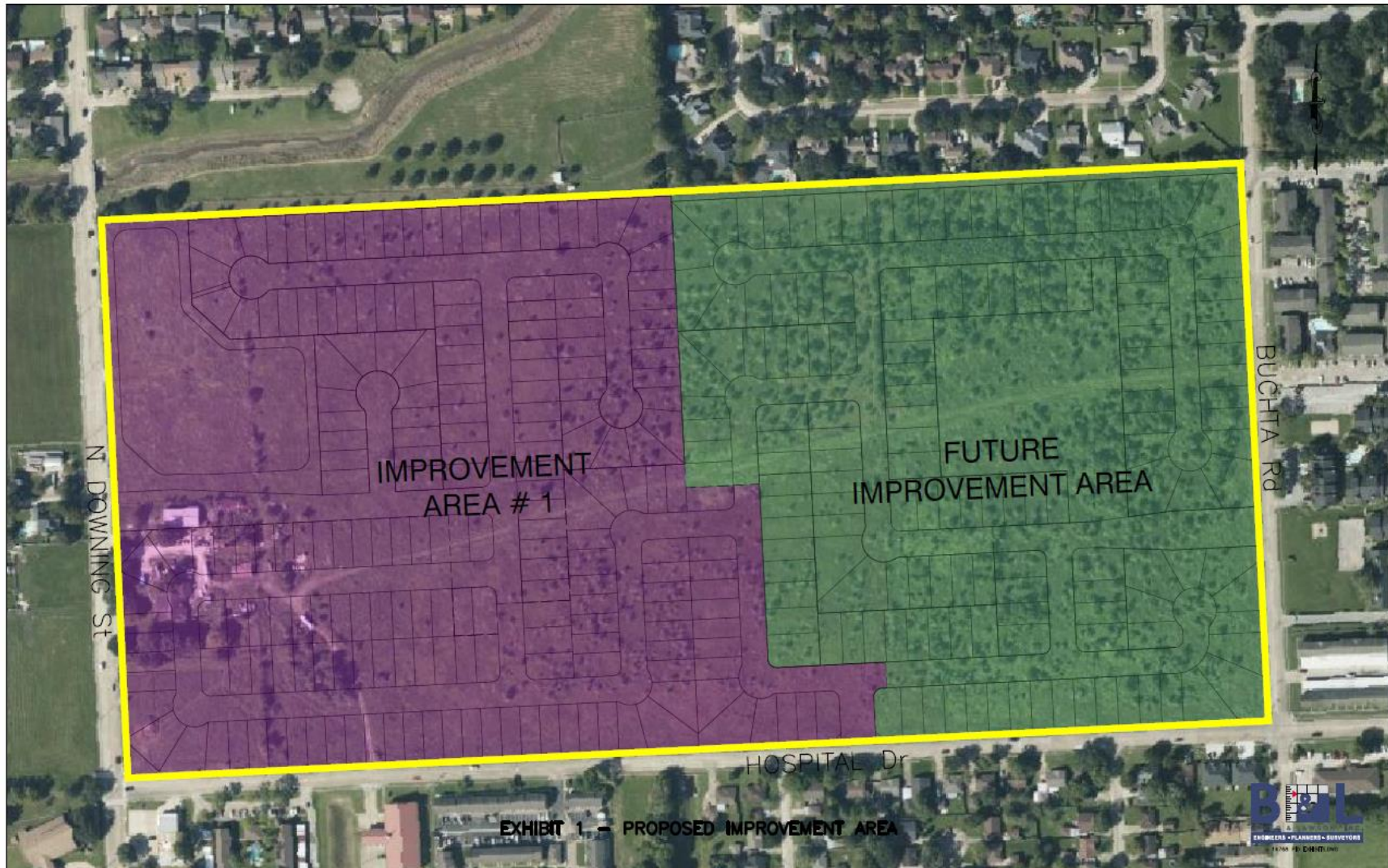


EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs [a]	Improvement Area #1	
		%	Cost
<i>Improvement Area #1 Improvements</i>			
Roadway	\$ 1,698,506	100.00%	\$ 1,698,506
Water	376,407	100.00%	376,407
Wastewater	452,137	100.00%	452,137
Storm Water	655,617	100.00%	655,617
Landscape and Park	425,589	100.00%	425,589
Contingency	360,826	100.00%	360,826
Soft Costs	541,238	100.00%	541,238
	\$ 4,510,321		\$ 4,510,321
<i>Bond Issuance Costs and District Formation Expenses</i>			
Debt Service Reserve Fund [b]	\$ 313,600		\$ 313,600
Capitalized Interest [b]	56,404		56,404
Underwriter Discount [b]	155,400		155,400
Cost of Issuance [b]	284,900		284,900
First Year Annual Collection Costs	35,000		35,000
	\$ 845,304		\$ 845,304
Total	\$ 5,355,625		\$ 5,355,625

[a] Per the Preliminary Construction Estimate dated 6/2/2021 prepared by Baker & Lawson.

[b] The amounts shown for Bond Issuance Costs are estimates and are subject to change if PID Bonds are issued.

EXHIBIT D – SERVICE PLAN

Improvement Area #1						
Annual Installments Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027
<i>Improvement Area #1 Bonds</i>						
Principal		\$ 95,000	\$ 100,000	\$ 105,000	\$ 110,000	\$ 110,000
Interest		207,200	203,400	199,400	195,200	190,800
	(1)	\$ 302,200	\$ 303,400	\$ 304,400	\$ 305,200	\$ 300,800
Annual Collection Costs	(2)	\$ 35,000	\$ 35,700	\$ 36,414	\$ 37,142	\$ 37,885
Additional Interest [a]	(3)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Installments	(4) = (1) + (2) + (3)	\$ 337,200	\$ 339,100	\$ 340,814	\$ 342,342	\$ 338,685

[a] Additional Interest will be collected if PID Bonds are issued.

EXHIBIT E – SOURCES AND USES

		Improvement Area #1
Sources of Funds		
Improvement Area #1 Reimbursement Obligation	\$	5,180,000
Owner Contribution		175,625
Total Sources	\$	5,355,625
Uses of Funds		
Improvement Area #1 Improvements	\$	4,510,321
	\$	4,510,321
<i>Bond Issuance Costs and District Formation Expenses</i>		
Debt Service Reserve Fund [a]	\$	313,600
Capitalized Interest [a]		56,404
Underwriter's Discount [a]		155,400
Cost of Issuance [a]		284,900
First Year's Annual Collection Costs		35,000
	\$	845,304
Total Uses	\$	5,355,625

[a] The amounts shown for Bond Issuance Costs are estimates and are subject to change if PID Bonds are issued.

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Legal Description	Lot Type	Improvement Area #1	
		Outstanding Assessment	Installment Due 1/31/2023
Riverwood Ranch Section 1, Block 1, Lot 1	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 2	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 3	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 4	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 5	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 6	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 7	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 8	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 9	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 10	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 11	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 12	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 13	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 14	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 15	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 16	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 17	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 18	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 19	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 20	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 21	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 22	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 23	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 24	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 25	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 26	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 27	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 28	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 29	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 30	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 31	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 32	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 33	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 34	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 35	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 36	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 37	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 38	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 39	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 40	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 41	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 42	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 43	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 44	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 45	1	\$ 24,351	\$ 1,585

Legal Description	Lot Type	Improvement Area #1	
		Outstanding Assessment	Installment Due 1/31/2023
Riverwood Ranch Section 1, Block 1, Lot 46	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 47	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 48	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 49	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 50	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 51	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 52	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 53	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 54	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 55	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 56	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 57	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 58	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 59	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 60	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 61	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 62	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 63	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 64	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 65	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 66	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 67	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 68	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 69	3	\$ 28,866	\$ 1,879
Riverwood Ranch Section 1, Block 1, Lot 70	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 71	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 72	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 73	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 74	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 75	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 76	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 77	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 78	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 79	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 80	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 81	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 82	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 83	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 84	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 85	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 86	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 87	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 88	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 89	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 1, Lot 90	1	\$ 24,351	\$ 1,585

		Improvement Area #1	
Legal Description	Lot Type	Outstanding Assessment	Installment Due 1/31/2023
Riverwood Ranch Section 1, Block 1, Lot 91	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 1, Lot 92	2	\$ 26,555	\$ 1,729
Riverwood Ranch Section 1, Block 2, Lot 1	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 2, Lot 2	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 3, Lot 1	1	\$ 24,351	\$ 1,585
Riverwood Ranch Section 1, Block 3, Lot 2	1	\$ 24,351	\$ 1,585
Improvement Area #1 Remainder Parcel		\$ 2,759,463	\$ 179,631
		\$ 5,180,000	\$ 337,200.00

EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest [b]	Total Annual Installment [c]
2023	\$ 95,000.00	207,200.00	\$ 35,000.00	\$ -	\$ 337,200.00
2024	100,000.00	203,400.00	35,700.00	-	339,100.00
2025	105,000.00	199,400.00	36,414.00	-	340,814.00
2026	110,000.00	195,200.00	37,142.28	-	342,342.28
2027	110,000.00	190,800.00	37,885.13	-	338,685.13
2028	115,000.00	186,400.00	38,642.83	-	340,042.83
2029	120,000.00	181,800.00	39,415.68	-	341,215.68
2030	125,000.00	177,000.00	40,204.00	-	342,204.00
2031	130,000.00	172,000.00	41,008.08	-	343,008.08
2032	135,000.00	166,800.00	41,828.24	-	343,628.24
2033	145,000.00	161,400.00	42,664.80	-	349,064.80
2034	150,000.00	155,600.00	43,518.10	-	349,118.10
2035	155,000.00	149,600.00	44,388.46	-	348,988.46
2036	160,000.00	143,400.00	45,276.23	-	348,676.23
2037	170,000.00	137,000.00	46,181.76	-	353,181.76
2038	175,000.00	130,200.00	47,105.39	-	352,305.39
2039	180,000.00	123,200.00	48,047.50	-	351,247.50
2040	190,000.00	116,000.00	49,008.45	-	355,008.45
2041	200,000.00	108,400.00	49,988.62	-	358,388.62
2042	205,000.00	100,400.00	50,988.39	-	356,388.39
2043	215,000.00	92,200.00	52,008.16	-	359,208.16
2044	225,000.00	83,600.00	53,048.32	-	361,648.32
2045	235,000.00	74,600.00	54,109.29	-	363,709.29
2046	245,000.00	65,200.00	55,191.47	-	365,391.47
2047	255,000.00	55,400.00	56,295.30	-	366,695.30
2048	265,000.00	45,200.00	57,421.21	-	367,621.21
2049	275,000.00	34,600.00	58,569.63	-	368,169.63
2050	290,000.00	23,600.00	59,741.03	-	373,341.03
2051	300,000.00	12,000.00	60,935.85	-	372,935.85
Total	\$ 5,180,000.00	\$ 3,691,600.00	\$ 1,357,728.21	\$ -	\$ 10,229,328.21

[a] Interest is calculated at a 4.00% rate.

[b] Additional Interest will be collected if PID Bonds are issued.

[c] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H - TIRZ MAXIMUM ANNUAL CREDIT AMOUNT

Lot Type	TIRZ Maximum Annual Credit Amount	
	Improvement Area #1	
Lot Type 1	\$	406.77
Lot Type 2	\$	443.58
Lot Type 3	\$	482.20

EXHIBIT I – MAXIMUM ASSESSMENT PER LOT TYPE

Lot Type	Units	Maximum Assessment
		per Lot Type
Improvement Area #1		
1	148	\$24,351.05 Per Unit
2	30	\$26,555.01 Per Unit
3	27	\$28,866.47 Per Unit

EXHIBIT J – LOT TYPE CLASSIFICATION MAP

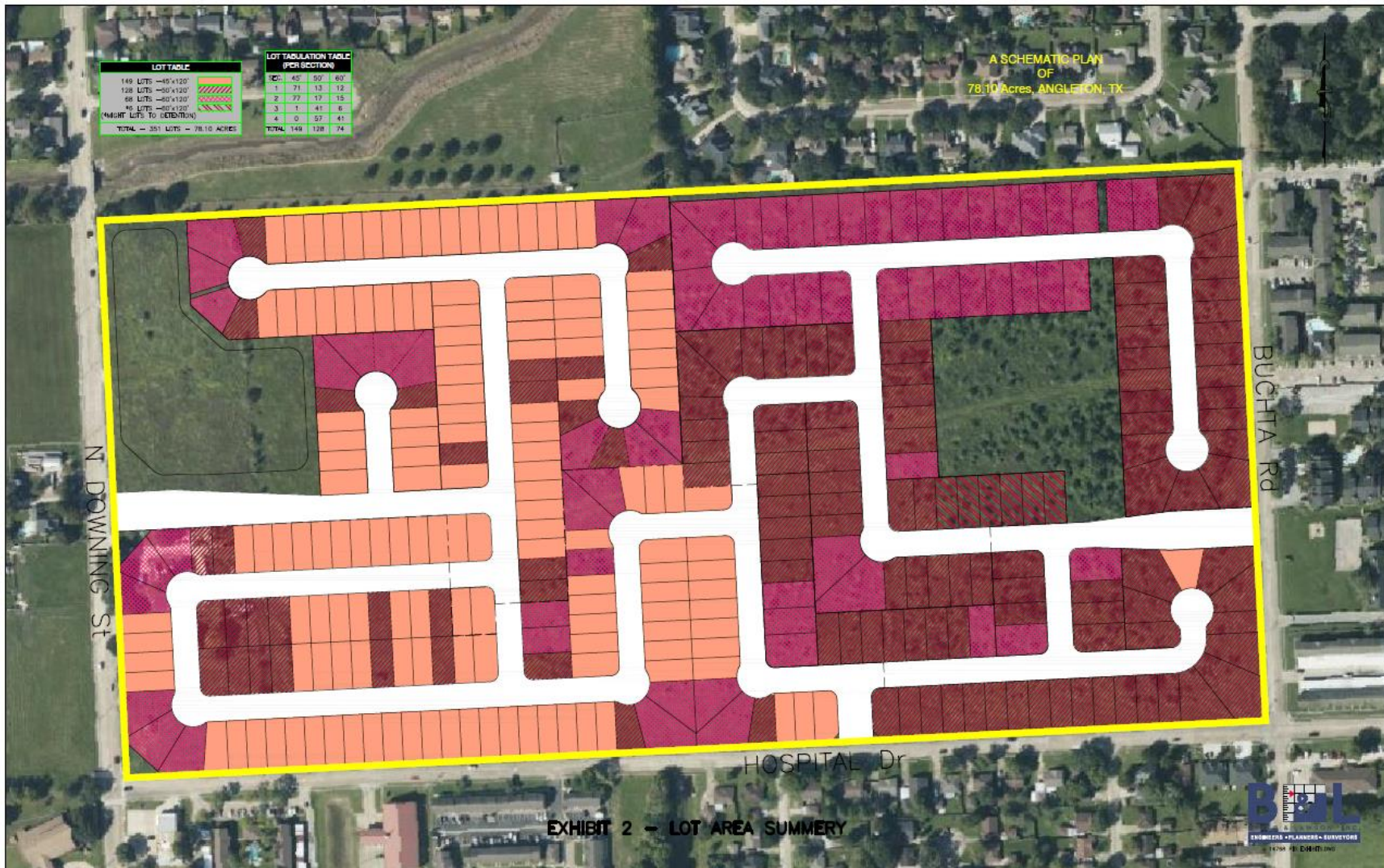
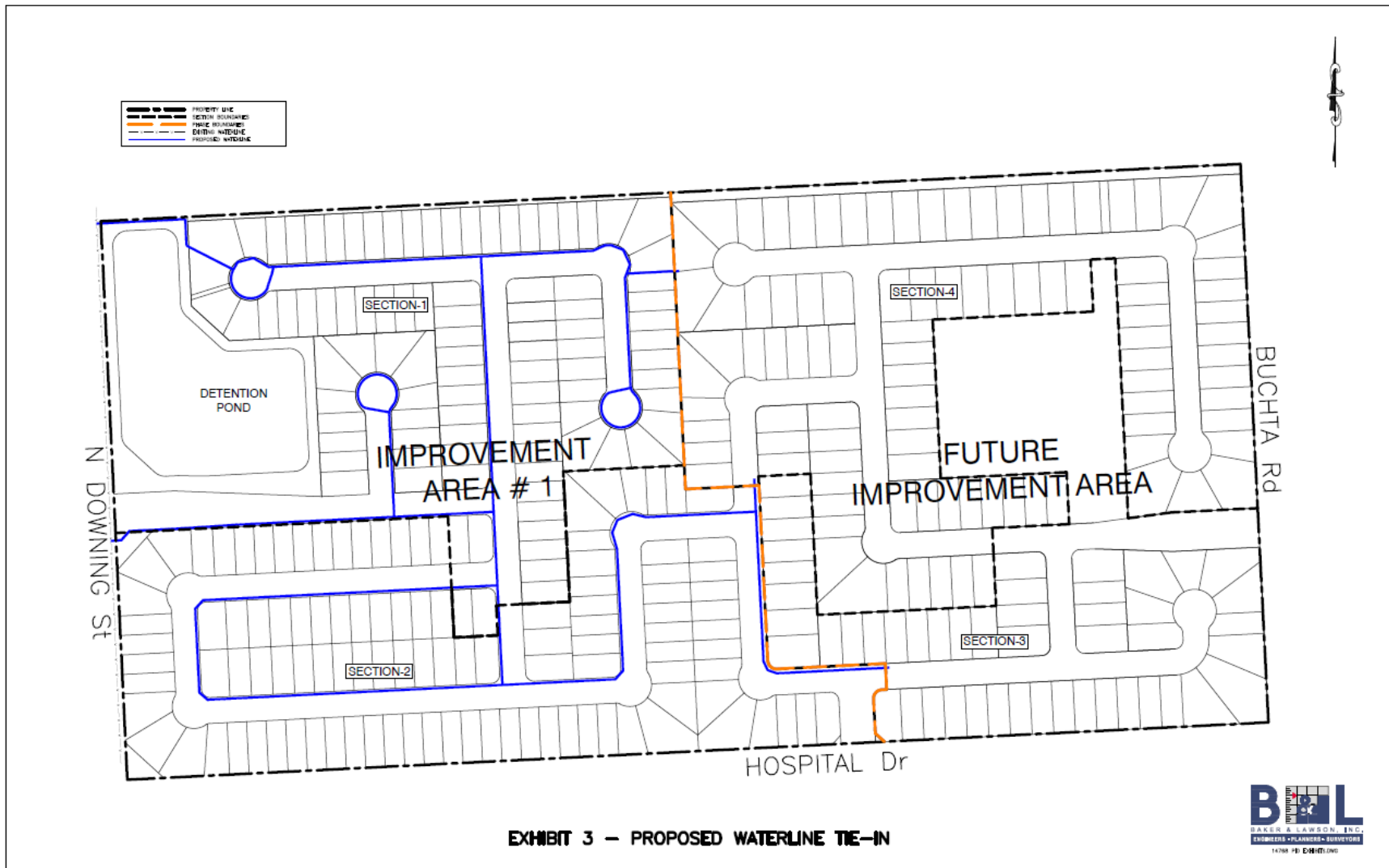


EXHIBIT K – MAP OF IMPROVEMENT AREA #1 IMPROVEMENTS



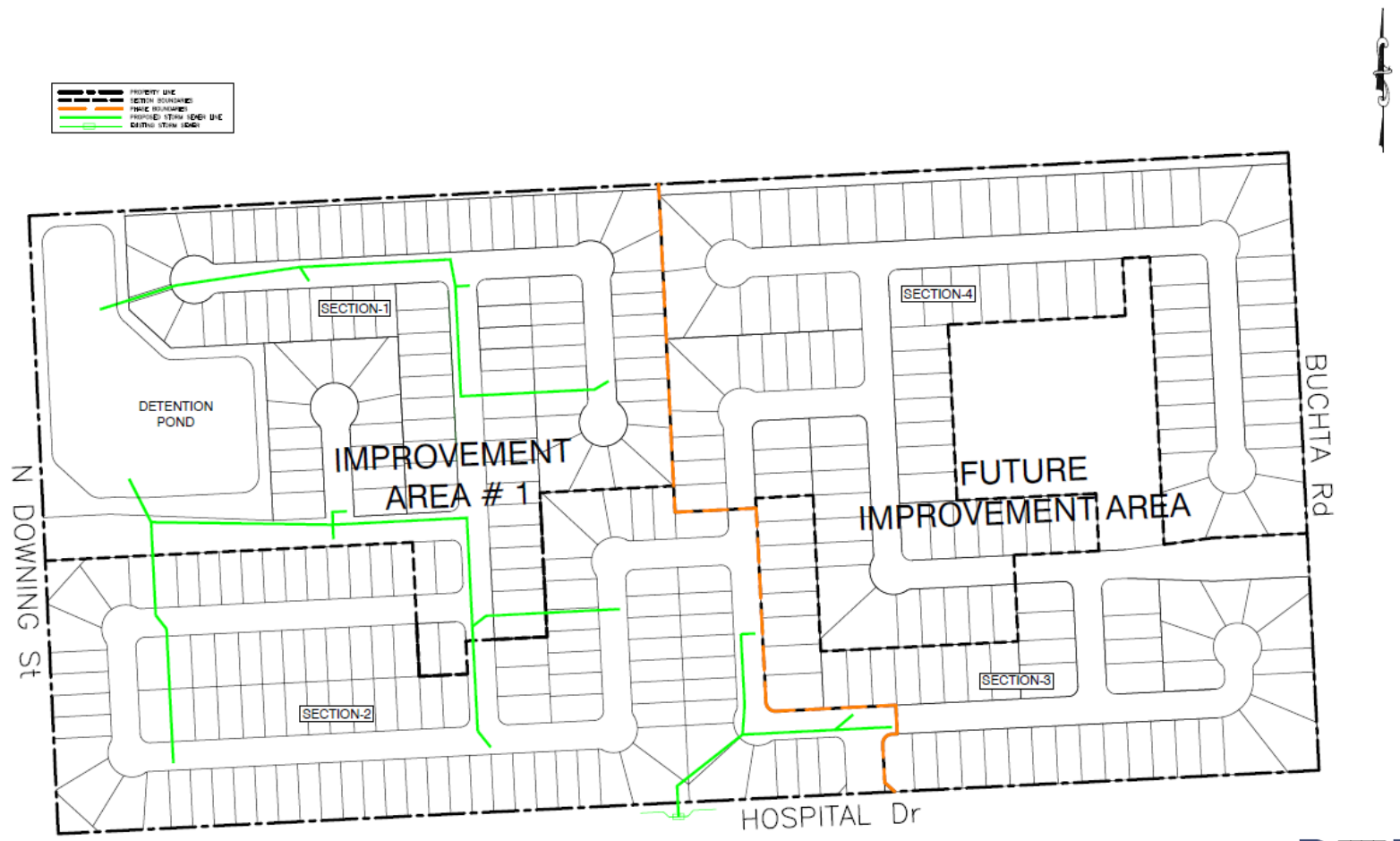
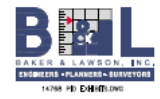


EXHIBIT 4 – PROPOSED STORM SEWER



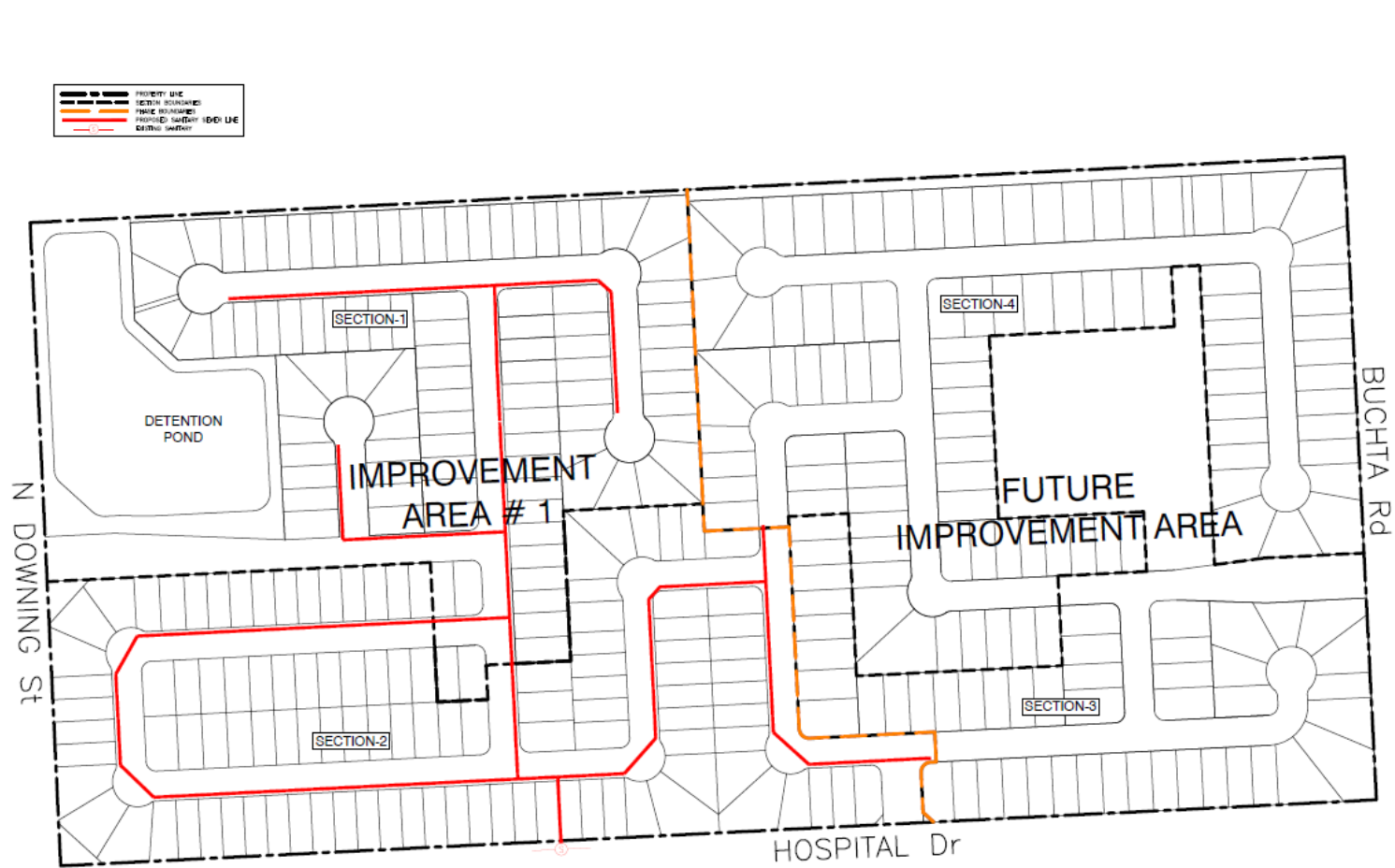
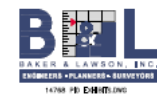
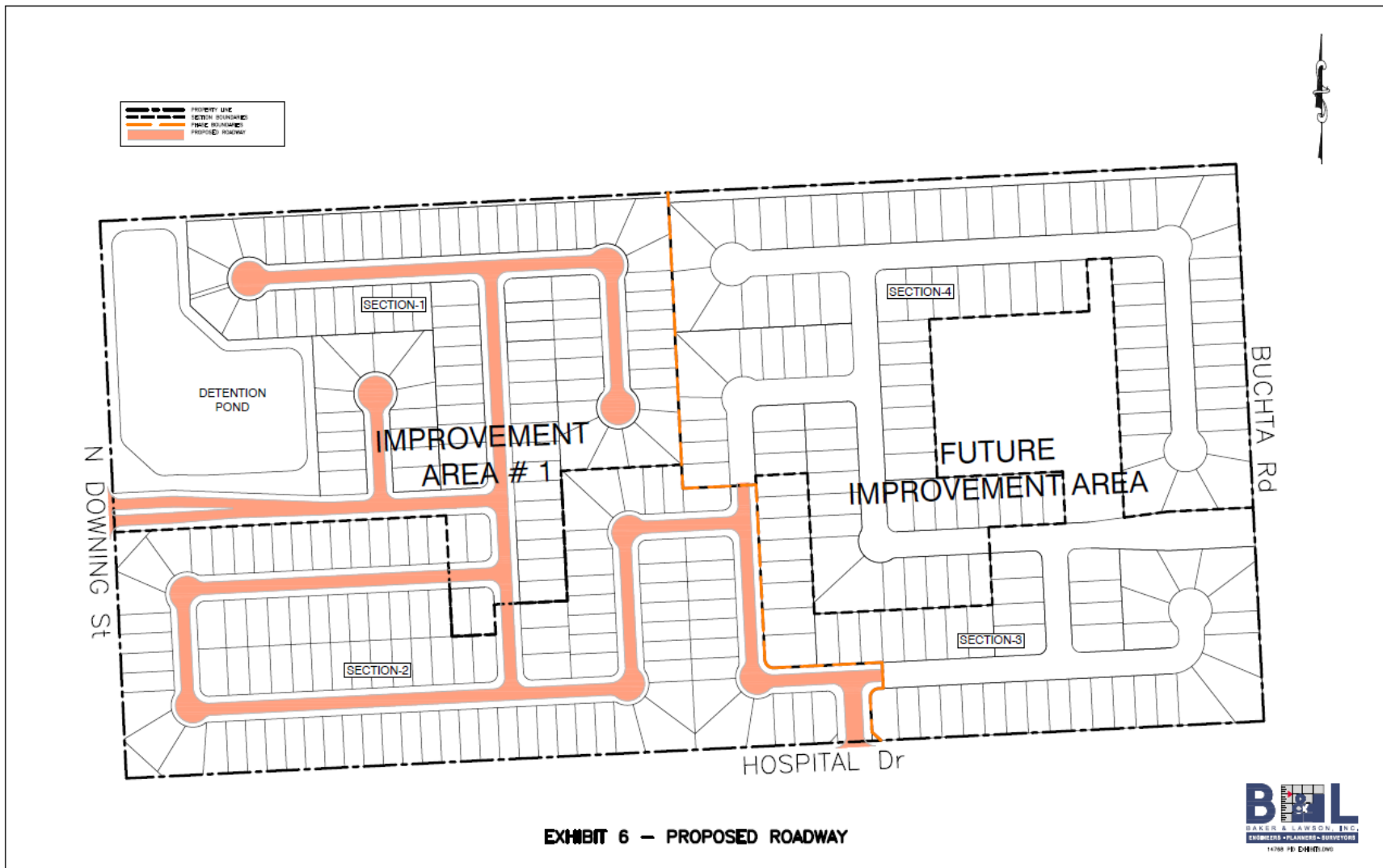


EXHIBIT 5 – PROPOSED SANITARY SEWER





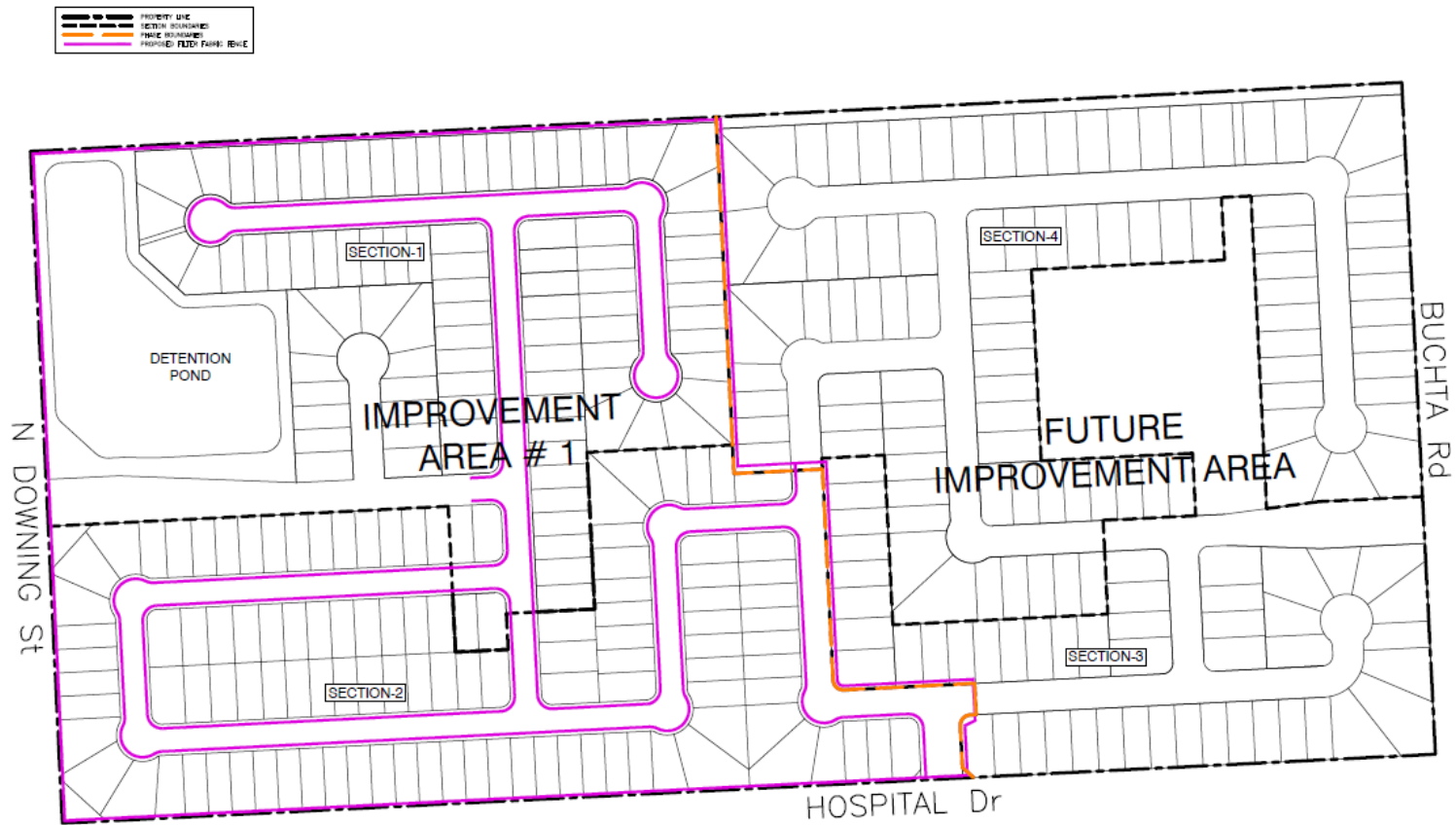


EXHIBIT 7 – PROPOSED FILTER FABRIC FENCE



EXHIBIT L – NOTICE OF PID ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Brazoria County Clerk's Office
Honorable [County Clerk Name]
1524 E Mulberry St
Angleton, Texas 77515

Re: City of Angleton Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Angleton is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

City of Angleton
Attn: [City Secretary]
121 S Velasco St
Angleton, TX 77515

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
P: (817) 393-0353
admin@p3-works.com

**[City Secretary Name]
121 S Velasco St
Angleton, TX 77515**

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS §

§ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF BRAZORIA §

RECITALS

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of \$ _____ (hereinafter referred to as the "Lien Amount") for the following property:

EXHIBIT M – SECTION 1 PLAT



EXHIBIT N-1 – LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
ANGLETON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$24,351.05

As the purchaser of the real property described above, you are obligated to pay assessments to City of Angleton, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Riverwood Ranch Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from City of Angleton. The exact amount of each annual installment will be approved each year by the Angleton City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Angleton.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Brazoria County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Brazoria County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Brazoria County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest [b]	Total Annual Installment [c]
2023	\$ 446.59	\$ 974.04	\$ 164.53	\$ -	\$ 1,585.17
2024	470.10	956.18	167.82	-	1,594.10
2025	493.60	937.37	171.18	-	1,602.16
2026	517.11	917.63	174.60	-	1,609.34
2027	517.11	896.95	178.10	-	1,592.15
2028	540.61	876.26	181.66	-	1,598.53
2029	564.12	854.64	185.29	-	1,604.05
2030	587.62	832.07	189.00	-	1,608.69
2031	611.13	808.57	192.78	-	1,612.47
2032	634.63	784.12	196.63	-	1,615.39
2033	681.64	758.74	200.57	-	1,640.94
2034	705.15	731.47	204.58	-	1,641.20
2035	728.65	703.27	208.67	-	1,640.59
2036	752.16	674.12	212.84	-	1,639.12
2037	799.17	644.03	217.10	-	1,660.30
2038	822.67	612.07	221.44	-	1,656.18
2039	846.18	579.16	225.87	-	1,651.21
2040	893.19	545.31	230.39	-	1,668.89
2041	940.19	509.59	235.00	-	1,684.78
2042	963.70	471.98	239.70	-	1,675.37
2043	1,010.71	433.43	244.49	-	1,688.63
2044	1,057.72	393.00	249.38	-	1,700.10
2045	1,104.73	350.69	254.37	-	1,709.79
2046	1,151.74	306.50	259.45	-	1,717.70
2047	1,198.75	260.43	264.64	-	1,723.83
2048	1,245.76	212.48	269.94	-	1,728.18
2049	1,292.77	162.65	275.33	-	1,730.76
2050	1,363.28	110.94	280.84	-	1,755.07
2051	1,410.29	56.41	286.46	-	1,753.16
Total	\$ 24,351.05	\$ 17,354.12	\$ 6,382.65	\$ -	\$ 48,087.81

[a] Interest is calculated at a 4.00% rate.

[b] Additional Interest will be collected if PID Bonds are issued.

[c] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT N-2 – LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1. under a court order or foreclosure sale;
2. by a trustee in bankruptcy;
3. to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4. by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5. by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6. from one co-owner to another co-owner of an undivided interest in the real property;
7. to a spouse or a person in the lineal line of consanguinity of the seller;
8. to or from a governmental entity; or
9. of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
ANGLETON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$26,555.01

As the purchaser of the real property described above, you are obligated to pay assessments to City of Angleton, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Riverwood Ranch Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from City of Angleton. The exact amount of each annual installment will be approved each year by the Angleton City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Angleton.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Brazoria County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Brazoria County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Brazoria County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest [b]	Total Annual Installment [c]
2023	\$ 487.01	\$ 1,062.20	\$ 179.43	\$ -	\$ 1,728.64
2024	512.64	1,042.72	183.01	-	1,738.38
2025	538.28	1,022.21	186.67	-	1,747.17
2026	563.91	1,000.68	190.41	-	1,755.00
2027	563.91	978.13	194.22	-	1,736.25
2028	589.54	955.57	198.10	-	1,743.21
2029	615.17	931.99	202.06	-	1,749.22
2030	640.81	907.38	206.10	-	1,754.29
2031	666.44	881.75	210.23	-	1,758.41
2032	692.07	855.09	214.43	-	1,761.59
2033	743.34	827.41	218.72	-	1,789.46
2034	768.97	797.68	223.09	-	1,789.74
2035	794.60	766.92	227.56	-	1,789.07
2036	820.23	735.13	232.11	-	1,787.47
2037	871.50	702.32	236.75	-	1,810.57
2038	897.13	667.46	241.48	-	1,806.08
2039	922.76	631.58	246.31	-	1,800.65
2040	974.03	594.67	251.24	-	1,819.93
2041	1,025.29	555.71	256.26	-	1,837.26
2042	1,050.92	514.70	261.39	-	1,827.01
2043	1,102.19	472.66	266.62	-	1,841.46
2044	1,153.45	428.57	271.95	-	1,853.97
2045	1,204.72	382.43	277.39	-	1,864.54
2046	1,255.98	334.24	282.94	-	1,873.16
2047	1,307.24	284.01	288.60	-	1,879.84
2048	1,358.51	231.72	294.37	-	1,884.59
2049	1,409.77	177.38	300.25	-	1,887.40
2050	1,486.67	120.98	306.26	-	1,913.91
2051	1,537.93	61.52	312.38	-	1,911.84
Total	\$ 26,555.01	\$ 18,924.80	\$ 6,960.32	\$ -	\$ 52,440.13

[a] Interest is calculated at a 4.00% rate.

[b] Additional Interest will be collected if PID Bonds are issued.

[c] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT N-3 – LOT TYPE 3 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1. under a court order or foreclosure sale;
2. by a trustee in bankruptcy;
3. to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4. by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5. by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6. from one co-owner to another co-owner of an undivided interest in the real property;
7. to a spouse or a person in the lineal line of consanguinity of the seller;
8. to or from a governmental entity; or
9. of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
ANGLETON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$28,866.47

As the purchaser of the real property described above, you are obligated to pay assessments to City of Angleton, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Riverwood Ranch Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from City of Angleton. The exact amount of each annual installment will be approved each year by the Angleton City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Angleton.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Brazoria County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Brazoria County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Brazoria County.

ANNUAL INSTALLMENTS - LOT TYPE 3

Annual Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest [b]	Total Annual Installment [c]
2023	\$ 529.40	\$ 1,154.66	\$ 195.04	\$ -	\$ 1,879.11
2024	557.27	1,133.48	198.94	-	1,889.70
2025	585.13	1,111.19	202.92	-	1,899.25
2026	612.99	1,087.79	206.98	-	1,907.76
2027	612.99	1,063.27	211.12	-	1,887.38
2028	640.86	1,038.75	215.34	-	1,894.95
2029	668.72	1,013.11	219.65	-	1,901.49
2030	696.58	986.36	224.04	-	1,906.99
2031	724.45	958.50	228.52	-	1,911.47
2032	752.31	929.52	233.10	-	1,914.93
2033	808.04	899.43	237.76	-	1,945.23
2034	835.90	867.11	242.51	-	1,945.52
2035	863.77	833.67	247.36	-	1,944.80
2036	891.63	799.12	252.31	-	1,943.06
2037	947.36	763.46	257.36	-	1,968.17
2038	975.22	725.56	262.50	-	1,963.28
2039	1,003.08	686.55	267.75	-	1,957.39
2040	1,058.81	646.43	273.11	-	1,978.35
2041	1,114.54	604.08	278.57	-	1,997.18
2042	1,142.40	559.50	284.14	-	1,986.04
2043	1,198.13	513.80	289.82	-	2,001.75
2044	1,253.85	465.88	295.62	-	2,015.35
2045	1,309.58	415.72	301.53	-	2,026.83
2046	1,365.31	363.34	307.56	-	2,036.21
2047	1,421.03	308.73	313.72	-	2,043.47
2048	1,476.76	251.89	319.99	-	2,048.63
2049	1,532.49	192.81	326.39	-	2,051.69
2050	1,616.08	131.52	332.92	-	2,080.51
2051	1,671.80	66.87	339.58	-	2,078.25
Total	\$ 28,866.47	\$ 20,572.10	\$ 7,566.18	\$ -	\$ 57,004.76

[a] Interest is calculated at a 4.00% rate.

[b] Additional Interest will be collected if PID Bonds are issued.

[c] Excludes the TIRZ Annual Credit Amount which will be calculated annually in each Annual Service Plan Update.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment