

Wood Leaf Reserve Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN

MARCH 7, 2022



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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 January 18, 2021, the City passed and approved Resolution No. 2021-04 authorizing the creation of the District in accordance with the PID Act, as amended, which authorization was effective upon publication as required by the PID Act.

The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 90.54 acres located within the City, as described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B-1**.

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 in the District determined by the method chosen by the City Council. The Assessment against each Parcel must be sufficient to pay the share of the Actual Costs apportioned to the Parcel and cannot exceed the special benefit conferred on the Parcel 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 Developer’s demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvements, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the amount for each Authorized Improvement as set forth in this Service and Assessment Plan, except for authorized reallocations, which include Cost Underruns (as defined in the Development Agreement) in any category of Authorized Improvements being reallocated to cover Cost Overruns (as defined in the Development Agreement) in any different category of Authorized Improvements as approved by the City. Actual Costs may include: (1) the costs incurred by, caused to be incurred by, or on behalf of the Developer (either directly or through affiliates) for the design, planning, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) construction management fees equal to 4% of cost of the Authorized Improvements; (4) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (5) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; and (6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, and governmental fees and charges.

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

“Additional Interest Rate” means an amount not to exceed 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the PID Act. The Additional Interest Rate is not charged on Improvement Area #1 Assessments securing the Improvement Area #1 Reimbursement Obligation.

“Administrator” means the City or the person or 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 responsibilities of the administration of the District.

“Annual Collection Costs” mean the actual or budgeted annual 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, including the costs of foreclosure; (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 PID Act with respect to the issuance and sale of PID Bonds, the administration of the Improvement Area #1 Reimbursement Agreement, including continuing disclosure requirements; (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel; and (9) administering the construction of the Authorized Improvements. 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 on the 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, as 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.

“Assessed Property” means any Parcel within the District against which an Assessment is levied and does not include Non-Benefitted Parcels.

“Assessment” means an assessment (including interest thereon) 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 the District based on the special benefits conferred on the District by the Authorized Improvements, more specifically described in **Section V**.

“Assessment Roll” means the assessment roll 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 in this Service and Assessment Plan as **Exhibit F**.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including Bond Issuance Costs, as described in **Section III**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, 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 discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

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

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

“**County**” means Harris County, Texas.

“**Delinquent Collection Costs**” mean costs related to the foreclosure of the lien on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan including penalties and reasonable attorney’s fees to the extent permitted by law, but excluding amounts representing interest and penalty interest.

“**Developer**” means Chesmar Homes, LLC, a Texas limited liability corporation and any successor developer of property in the District or any portion thereof.

“**Development Agreement**” means that certain Wood leaf Reserve Development Agreement between the City and the Developer effective January 18, 2021, as may be amended.

“**District**” means the Wood Leaf Reserve Public Improvement District containing approximately 90.54 acres located within the City as shown on **Exhibit B-1** and more specifically described on **Exhibit A-1**.

“**District Formation Expenses**” means costs incurred in the formation of the District, including attorney fees, financial consultant fees, and other fees related to the formation of the District and the levy of Assessments.

“**Estimated Buildout Value**” means the estimated buildout value of an Assessed Property, 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 factors that may impact value.

“**First Year Annual Collection Costs**” means the estimated Annual Collection Costs to be accrued prior to collection of the first Annual Installment of the Assessment securing the applicable PID Bonds, as shown on **Exhibit E**.

“**Future Improvement Areas**” means the property within the District, excluding Improvement Area #1. Future Improvement Areas may be developed in phases after Improvement Area #1.

“**Future Improvement Area Bonds**” mean bonds issued to fund Future Improvement Area Improvements (or a portion thereof) in a Future Improvement Area that are secured by Assessments levied on Assessed Property within such Future Improvement Area.

“**Future Improvement Area Improvements**” mean those Authorized Improvements which will confer a special benefit solely on the related Future Improvement Area.

“Improvement Area” means specifically defined and designated portions of the District that are developed in phases, including Improvement Area #1 and each area within the Future Improvement Areas that is specifically defined and designated as a phase of the District.

“Improvement Area #1” means approximately 33.4418 acres located within the District, as described in **Exhibit A-2** and more specifically detailed on **Exhibit B-2**.

“Improvement Area #1 Additional Bonds” means any PID Bonds issued after the Improvement Area #1 Initial Bonds used to refinance the Improvement Area #1 Reimbursement Obligation, if such bonds are issued.

“Improvement Area #1 Annual Installment” means the annual installment payment on the Improvement Area #1 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, as applicable. Additional Interest is not charged on Improvement Area #1 Assessments securing the Improvement Area #1 Reimbursement Obligation.

“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 a Parcel within Improvement Area #1 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 Improvement Area #1 Assessed Property included in this Service and Assessment Plan as **Exhibit F**.

“Improvement Area #1 Initial Bonds” means those certain “City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2022 (Wood Leaf Reserve Public Improvement District Improvement Area #1)”, that are secured by Improvement Area #1 Assessments.

“Improvement Area #1 Improvements” mean those Authorized Improvements described in Section III.A that only benefit Improvement Area #1.

“Improvement Area #1 Plat” means the plat recorded in the Official Public Records of the County on January 4, 2021 and attached as **Exhibit M**.

“Improvement Area #1 Projects” mean the Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements.

“Improvement Area #1 Reimbursement Agreement” means that certain “Wood Leaf Reserve Public Improvement District Improvement Area #1 Reimbursement Agreement” effective March 1, 2021, entered into by and between the City and Developer, whereby all or a portion of the

Actual Costs will be paid to the Developer from Improvement Area #1 Assessments to reimburse the Developer for Actual Costs paid by the Developer, that are eligible to be paid with Improvement Area #1 Assessments plus interest.

“Improvement Area #1 Reimbursement Obligation” means an amount not to exceed \$2,272,310 secured by Improvement Area #1 Assessments to be paid to Developer pursuant to the Improvement Area #1 Reimbursement Agreement.

“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.

“Lot” means a tract of land upon which the levy of Assessments is based in this Service and Assessment Plan, that is (1) a “lot” in a subdivision plat recorded in the official records of the County, (2) a development/concept plan or (3) a preliminary plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. general retail, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed and approved by the City Council.

“Lot Type 1” means a single family residential Lot within Improvement Area #1 marketed to homebuilders as a 40’ Lot.

“Lot Type 2” means a single family residential Lot within Improvement Area #1 marketed to homebuilders as a 50’ Lot.

“Major Improvements” means those Authorized Improvements described in Section III.B that benefit all areas within the District.

“Maximum Assessment” means for each Lot Type, the amount shown on **Exhibit H**.

“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. Assessed Property converted to Non-Benefited Property, if the Assessments are not reallocated pursuant to the provisions herein, remain subject to the Assessments and requires the Assessments to be prepaid as provided herein.

“Owner” means the person in whom is vested the ownership, dominion, or title of property.

“Parcel(s)” means a property, within the District, identified by either a tax map identification number assigned by the Harris County 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” means one or more series of bonds issued by the City to finance the Authorized Improvements and secured in whole or in part by Assessments, including Annual Installments thereof.

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

“Prepayment Costs” means principal and interest, including Additional Interest, and Annual Collection Costs incurred up to the date of Prepayment, and including any penalties.

“Reimbursement Agreement” means any reimbursement agreement, including the Improvement Area #1 Reimbursement Agreement, between the City and the Developer pursuant to which the City agrees to levy Assessments on an Improvement Area and all or a portion of such Assessments are paid to the Developer to reimburse the Actual Costs related to such Improvement Area.

“Reimbursement Obligation” means the amount to be paid to the Developer pursuant to a Reimbursement Agreement.

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

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

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

SECTION II: THE DISTRICT

The District includes approximately 90.54 contiguous acres located within 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 299 single-family homes, as shown on **Exhibit I**.

Improvement Area #1 includes approximately 33.414 acres as more particularly described on **Exhibit A-2** and depicted on **Exhibit B-2**. Development of Improvement Area #1 is anticipated to contain 123 single-family homes.

It is anticipated there will be two additional Future Improvement Areas within the District. As Future Improvement Areas are developed and in connection with the issuance of any Future Improvement Area Bonds, or the levy of Assessments in a Future Improvement Area pursuant to a Reimbursement Agreement, this Service and Assessment Plan will be amended to update the Exhibits. A map of the property that will comprise the Future Improvement Areas is depicted on **Exhibit B-1**.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements confer a special benefit on the Assessed Property. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C** and depicted on **Exhibit J-1** and **Exhibit J-2**.

A. Improvement Area #1 Improvements

▪ *Streets*

Improvements include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot. These projects will provide access to community roadways and state highways. 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 include trench excavation and embedment, trench safety, PVC piping,

service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications will be owned and operated by the City.

- *Wastewater*

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Detention, Clearing and Grubbing*

Improvements include clearing and grubbing, trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels/swales and ponds including spreading and compaction of excavated materials. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Natural Gas*

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

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, and contingency.

B. Major Improvements

- *Wastewater*

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections and testing. These lines will include the necessary

appurtenances to be fully operational extending wastewater service to the limits of the improvement area. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Drainage*

Improvements include trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels/swales and ponds. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Soft Costs*

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

C. Future Improvement Area Improvements

As Future Improvement Areas are developed and Assessments are levied on Assessed Property within the Future Improvement Areas, this Service and Assessment Plan will be amended to identify the specific Future Improvement Area Improvements that confer a special benefit to the Assessed Property inside each Future Improvement Area.

D. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required to fund a reserve under an applicable Indenture.

- *Capitalized Interest*

Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds and includes a fee for underwriter's counsel.

- *Cost of Issuance*

Costs associated with issuing PID Bonds, 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, paying agent fees, Trustee fees and any other cost or expense directly associated with the issuance of PID Bonds.

E. First Year Annual Collection Costs

Estimated cost of the First Year Annual Collection Costs.

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. The Service Plan for the District is summarized on **Exhibit D**.

The sources and uses of funds required to construct the Authorized Improvements and pay the Bond Issuance Costs and First Year Annual Collection Costs are summarized on **Exhibit E**. 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 or order reasonable classifications and formulas for the apportionment of the cost between 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 Developer 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 Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements, Bond Issuance Costs, and First Year Annual Collection Costs shall be allocated as follows:

- Major Improvements shall be allocated pro rata between the Improvement Area #1 Assessed Property and the Future Improvement Areas based on Estimated Buildout Value, as shown on **Exhibit K**.
- The Improvement Area #1 Improvements are allocated entirely to the Improvement Area #1 Assessed Property.
- Bond Issuance Costs and First Year Annual Collection Costs shall be allocated entirely to the Assessed Property securing the applicable series of PID Bonds.

When, and if, Future Improvement Areas are developed and the issuance of Future Improvement Area Bonds or the adoption of a Reimbursement Agreement relating to a Future Improvement Area is contemplated, this Service and Assessment Plan will be amended to determine the assessment methodology necessary to apply equal shares of Actual Costs of Future Improvement Area Improvements on Assessed Property similarly benefited within that Future Improvement Area.

B. Assessments

Improvement Area #1 Assessments will be levied on the Improvement Area #1 Assessed Property 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.

The Maximum Assessment for each Lot Type is shown on **Exhibit H**. In no case will the Assessment for any Lot Type exceed the Maximum Assessment.

When, and if, Future Improvement Areas are developed and the levy of Assessments on Future Improvement Areas is contemplated, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installment associated with the costs of Future Improvement Area Improvements on each Lot located within a Future Improvement Area. The Assessment shall not exceed the benefit received by the Assessed Property.

C. Findings of Special Benefit

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

▪ *Improvement Area #1*

1. The cost of Improvement Area #1 Projects and the applicable First Year Annual Collection Costs and Bond Issuance Costs equal \$5,982,266 as shown on **Exhibit C**; and
2. The Improvement Area #1 Assessed Property receives special benefit from Improvement Area #1 Projects and applicable First Year Annual Collection Costs and Bond Issuance Costs equal to or greater than the Actual Costs of the Improvement Area #1 Projects and applicable First Year Annual Collection Costs 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 Assessed Property for Improvement Area #1 Projects and the applicable First Year Annual Collection Costs and Bond Issuance Costs, which equal \$4,568,310, as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F**; and
4. The special benefit (\geq \$5,982,266) received by the Improvement Area #1 Assessed Property from Improvement Area #1 Projects and applicable First Year Annual Collection Costs and Bond Issuance Costs is equal to or greater than the amount of the Improvement Area #1 Assessments (\$4,568,310) levied on the Improvement Area #1 Assessed Property; and
5. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #1 Assessments, the Developer owned 100% of the Improvement Area #1 Assessed Property. The Developer acknowledged that Improvement Area #1 Projects and the applicable First Year Annual Collection Costs 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 Projects and applicable First Year Annual Collection Costs and Bond Issuance Costs associated therewith. The Developer 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 Assessed Property.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessments remaining on the Assessed Property. The Annual

Collection Costs shall be collected as part of Annual Installments in the amounts shown on **Exhibit G**, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on the portion of Assessments securing 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 Indenture.

Additional Interest is not charged on the portion of the Assessments that secure the Reimbursement Obligation. The interest on the Assessments securing the Reimbursement Obligation shall be collected at rates established under the applicable Reimbursement Agreement as part of each Annual Installment.

F. Future Bonds to Finance Improvement Area #1 Reimbursement Obligation

The City may issue one or more series of PID Bonds to finance all or part of the Improvement Area #1 Reimbursement Obligation then outstanding. At the time of any such financing, the interest charged and paid on the portion of the Improvement Area #1 Assessments allocated to the portion of the Improvement Area #1 Reimbursement Obligation being financed shall cease being paid to the Developer and the portion of the Improvement Area #1 Assessments previously allocated to the portion of the Improvement Area #1 Reimbursement Obligation being financed shall then bear interest at the rate of the applicable PID Bonds plus the Additional Interest.

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 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, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Parcel 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 the same Lot Type

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

E = the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer 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.

The sum of the Assessments for all newly subdivided Parcels 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 Assessed Properties are consolidated, the Administrator shall allocate the Assessments against the Assessed Properties before the consolidation to the consolidated Assessed Property, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

The Assessment for any resulting Lot will not exceed the Maximum Assessment, shown on **Exhibit H** for the applicable Lot Type, and compliance may require a mandatory Prepayment of

Assessments pursuant to **Section VI.B.**

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 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 Developer 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 City 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 to the City 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 an Improvement Area #1 Project not being constructed, the Actual Costs of completed Improvement Area #1 Projects are less than the Improvement Area #1 Assessments, (i) in the event PID Bonds are not issued, the Improvement Area #1 Assessments shall be reduced on a pro-rata basis such that the sum of the resulting reduced Improvement Area #1 Assessments for all Assessed Properties equals the reduced Actual Costs, or (ii) in the event that PID Bonds have been issued, the City shall direct the Trustee to apply amounts on deposit in the applicable account of the project fund, relating to the PID Bonds, that are not expected to be used to pay costs of Improvement Area #1 Projects to redeem outstanding PID Bonds, in accordance with the applicable Indenture. Any such reduction in the costs of the Improvement Area #1 Projects shall also reduce the Reimbursement Obligation under the related Reimbursement Agreement.

The City Council may reduce the Improvement Area #1 Assessments and the Annual Installments for Assessed Property (1) in an amount that represents the Improvement Area #1 Projects provided for each property; (2) by an equal percentage per Lot; or (3) in any other manner

determined by the City Council to be the most fair and practical means of reducing the Improvement Area #1 Assessments for Assessed Property, such that the sum of the resulting reduced Improvement Area #1 Assessments equals the amount required to repay the PID Bonds, including interest on the PID Bonds, Additional Interest, the Annual Collection Costs portion of the Improvement Area #1 Assessment, and any Reimbursement Obligation, as reduced pursuant to this Section.

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 portion of an Assessment in accordance with the PID Act, including all Prepayment Costs. Interest costs from the date of Prepayment to the date of redemption of the applicable PID Bonds, if any, may be paid from a fund established under the applicable Indenture for such purpose. 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 the principal portion of an Assessment is paid in full, with interest accrued to the date of Prepayment: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) 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 interest: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval 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

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 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-Benefitted Property. 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.

Following the initiation of the Taking, the Administrator will be required to determine the portion of the Assessment that was levied against the Assessed Property that would have been allocated to the Taken Property prior to its reclassification as Non-Benefitted Property based on a manner that results in imposing equal shares of the costs of the applicable Authorized Improvements on property similarly benefitted.

The Owner shall make a Prepayment of the Assessment in an amount equal to the amount determined by the Administrator in the preceding paragraph prior to the transfer of ownership of the Taken Property.

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-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment, and the Owner shall owe \$10 as a Prepayment for the Taken Property.

Notwithstanding the previous paragraphs in this subsection if the Administrator determines that the Taking prevents the Remaining Property from being developed as shown on the final plat, the Owner shall be required to prepay the total amount of the Assessment levied against the Remaining Property within sixty (60) days of such determination.

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.

If any Parcel shown on the Assessment Roll is assigned multiple tax identification numbers, the Annual Installment shall be allocated pro rata based on the acreage of the property as shown by Harris County Appraisal District for each tax identification number.

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 pro rata among Assessed

Property for which Assessments remain unpaid based on the amount of the outstanding Assessment on each Assessed Property. 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.

Foreclosure 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. 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 relating to the Improvement Area #1 Initial Bonds shall be due when billed and shall be delinquent if not paid prior to February 1, 2023.

Failure of an Owner to receive an invoice for an Annual Installment on the property tax bill shall not relieve the Owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act.

H. Allocating Annual Installments if Assessed Property is Sold

If Assessed Property is sold, the Annual Installment shall be allocated between the buyer and seller in the same methodology as property taxes.

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 Assessment Roll and Annual Installments for each Parcel as part of each Annual Service Plan Update.

As Future Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the Assessment for each Lot located within such Future Improvement Areas.

SECTION VIII: ADDITIONAL PROVISIONS

A. Administrative Review

To the extent consistent with the PID Act, an Owner of Assessed Property claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date the invoice or other bill for the Annual Installment is received. If the Owner fails to give such notice, such Owner shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the Owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred. The City may elect to designate a third party who is not an officer or employee of the City to serve as Administrator of the District.

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

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

B. Termination of Assessments

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the Owner of the affected Assessed Property a recordable "Notice of the PID Assessment Termination," attached hereto as **Exhibit L**.

C. 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; (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan; and (4) for any other purpose authorized by the PID Act.

D. 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 by 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.

E. Form of Buyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Exhibit N-1** and **Exhibit N-2**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance approving this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in its entirety.

F. 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

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

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	Maximum Assessment per Lot Type
Exhibit I	Concept Plan
Exhibit J-1	Maps of Improvement Area #1 Improvements
Exhibit J-2	Maps of Major Improvements
Exhibit K	Estimated Buildout Value
Exhibit L	Notice of PID Assessment Termination
Exhibit M	Improvement Area #1 Plat
Exhibit N-1	Lot Type 1 Buyer Disclosure
Exhibit N-2	Lot Type 2 Buyer Disclosure

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

A **METES & BOUNDS** description of a certain 90.54 acre (3,943,901 square feet) tract of land situated in the Claude N. Pillot Survey, Abstract No. 632 in Harris County, Texas, being all of the remainder of a called 2.84 acre tract (Tract I) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP- 2020-405995, Harris County Official Public Records of Real Property, also being all of the remainder of a called 5.00 acre tract (Tract II) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, also being all of a called 1.13 acre tract (Tract III) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, also being all of a called 18.334 acre tract (Tract IV) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, also being all of a called 4.990 acre tract (Tract V) conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, also being a portion of a called 61.013 acre tract conveyed to Chesmar Homes, LLC, by deed recorded in Clerk's File No. RP-2020-407771, Harris County Official Public Records of Real Property; said 90.54 acre (3,943,901 square feet) tract of land being more particularly described as follows with all bearings being based on the Texas Coordinate System, South Central Zone, NAD 83, 2001 Adjustment:

BEGINNING at a 2-inch iron pipe found, being the most westerly northwest corner of the herein described tract, being the most westerly northwest corner of said called 61.013 acre tract, also being the southwest corner of a called 6.7133 acre tract conveyed to Worldwide Rock Enterprises, L.P., by deed recorded in Clerk's File No. 20150562448, Harris County Official Public Records of Real Property, also being on the east line of Restricted Reserve "A", Replat of Wal-Mart Tomball, by plat recorded in Clerk's File No. W008922, Harris County Map Records;

THENCE, North 87°45'25" East, 472.90 feet along the south line of said called 6.7133 acre tract to a 1-inch iron pipe found, being the southeast corner of said called 6.7133 acre tract;

THENCE, North 02°26'51" West, 368.19 feet along the east line of said called 6.7133 acre tract to a 5/8-inch iron rod (with cap) found, being the most northerly northwest corner of said called 61.013 acre tract;

THENCE, North 87°17'42" East, 542.42 feet to a 5/8-inch iron rod (with cap) found, being the southeast corner of a called 1.167 acre tract (Tract 2) conveyed to Alejandro and Apolinar Gomez by deed recorded in Clerk's File No. RP-2020-410875, Harris County Official Public Records of Real Property;

THENCE, North 11°11'31" East, 257.21 feet to a point for corner, being the northeast corner of said called 1.167 acre tract (Tract 2), from which a 5/8-inch iron rod (with cap) found bears North 11°11'31" East, 0.41 feet;

THENCE, North 87°21'24" East, 629.28 feet to a point for the northeast corner of the herein described tract, being the northeast corner of said Tract V, also being the northwest corner of a called 39.03 acre tract conveyed to Meritage Homes of Texas, LLC, by deed recorded in Clerk's File No. RP-2019-7816, Harris County Official Public Records of Real Property, from which a 5/8-inch iron rod (with cap) found bears North 03°29'29" West, 0.92 feet;

THENCE, along the west line of said called 39.03 acre tract, the following five (5) courses and distances:

1. South 03°29'29" East, 776.09 feet to a 1/2-inch iron rod found;
2. South 87°21'07" West, 448.18 feet to a 5/8-inch iron rod found;
3. South 02°27'59" East, 1,331.96 feet to a 1/2-inch iron rod found;
4. North 87°39'22" East, 720.29 feet to a 1/2-inch iron rod found;

5. South 02°27'41" East, 1,545.47 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set for the southeast corner of the herein described tract, being 10 feet north of and parallel to the north right-of-way line of Holderrieth Road (width varies per Volume 816, Page 359, and Volume 1036, Page 256, Harris County Deed Records);

THENCE, South 87°39'37" West, 10 feet north of and parallel to said north right-of-way line of Holderrieth Road, 129.42 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set, being the beginning of a curve to the left;

THENCE, along said curve to the left in a northerly direction, with a radius of 30.00 feet, a central angle of 40°10'02", an arc length of 21.03 feet, and a chord bearing of North 17°44'38" East, 20.60 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set;

THENCE, North 02°20'23" West, 198.70 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set, being the beginning of a curve to the left;

THENCE, along said curve to the left in a northerly direction, with a radius of 810.05 feet, a central angle of 15°17'16", an arc length of 216.14 feet, and a chord bearing of North 09°59'01" West, 215.50 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set;

THENCE, South 87°39'37" West, 132.30 feet to a 5/8-inch iron rod (with cap stamped "Manhard") set, being on the east line of a called 0.6462 acre tract (Tract 2) conveyed to Alejandro Gomez and Apolinar Gomez by deed recorded in Clerk's File No. 20060092123, Harris County Official Public Records of Real Property;

THENCE, North 03°36'41" West, 204.00 feet along said east line of said called 0.6462 acre tract to the northeast corner of said called 0.6462 acre tract, from which a 1-inch iron pipe found bears North 22°52'28" West, 1.14 feet;

THENCE, South 87°37'15" West, along the north line of said called 0.6462 acre tract, at a distance of 100.11 feet passing a 1/2-inch iron rod found, being the northwest corner of said called 0.6462 acre tract, also being the northeast corner of the remainder of a called 10.0 acre tract conveyed to Walter John Rumfolo and wife, Lucille Rumfolo, by deed recorded in Clerk's File No. D055346, Harris County Official Public Records, continuing along the north line of said called 10.0 acre tract for a total distance of 675.32 feet to a 3/8-inch iron rod found, being the northwest corner of said remainder of said called 10.0 acre tract, also being on the east line of a called 25.950 acre tract conveyed to Maple Group, Ltd., by deed recorded in Clerk's File No. X273577, Harris County Official Public Records of Real Property;

THENCE, North 03°35'52" West, 551.72 feet along said east line of said called 25.950 acre tract to a 5/8-inch iron rod (with cap) found, being the northeast corner of said called 25.950 acre tract;

THENCE, South 87°39'58" West, 1,019.61 feet along the north line of said called 25.950 acre tract to a point for corner, being the northwest corner of said called 25.950 acre tract, also being on the east line of a called 1.3488 acre tract conveyed to Gordon Bruce Glanville by deed recorded in Clerk's File No. P064837, Harris County Official Public Records of Real Property, from which a 5/8-inch iron rod (with cap) found bears South 87°39'58" West, 1.07 feet;

THENCE, North 02°26'12" West, at a distance of 766.87 feet passing a 1/2-inch iron rod found, being the northeast corner of a called 5.0074 acre tract conveyed to Alvin W. Theis and wife, Thelma Theis, by deed recorded in Clerk's File No. J142169, Harris County Official Public Records of Real Property, also being the southeast corner of a called 4.9837 acre tract conveyed to Tractor Supply Co. of Texas, LP, by deed recorded in Clerk's File No. 20140022360, Harris County Official Public Records of Real Property, at a distance of 1,726.03 feet passing a 1/2-inch iron rod inside of a 2" iron pipe found on said east line of Restricted Reserve "A", Replat of Wal-Mart Tomball, in all a distance of 1,844.67 feet to the **POINT OF BEGINNING, CONTAINING** 90.54 acres (3,943,901 square feet) of land in Montgomery County, Texas, filed in the office of Manhard Consulting, Ltd. In The Woodlands, Texas.

EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

Chesmar Homes, LLC
33.4418 acres

Claude N. Pillot Survey
Abstract No. 632

STATE OF TEXAS §

COUNTY OF HARRIS §

A **METES & BOUNDS** description of a certain 33.4418 acre (1,456,725 square feet) tract of land situated in the Claude N. Pillot Survey, Abstract No. 632, in Harris County, Texas, being all of Wood Leaf Reserve Section 1 according to the plat thereof recorded in Clerk's File No. RP-2021-200807, Harris County Official Public Records of Real Property, being a portion of the remainder of a called 2.84 acre tract (Tract I) conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, being a portion of the remainder of a called 5.00 acre tract (Tract II) conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, being a portion of a called 18.334 acre tract (Tract IV) conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, being all of a called 4.990 acre tract (Tract V) conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-405995, Harris County Official Public Records of Real Property, and being a portion of a called 61.013 acre tract conveyed to Chesmar Homes, LLC, a Texas Limited Liability Company by deed recorded in Clerk's File No. RP-2020-407771, Harris County Official Public Records of Real Property; said 33.4418 acre (1,456,725 square feet) tract of land being more particularly described as follows with all bearings being based on the Texas Coordinate System, South Central Zone, NAD 83, 2001 Adjustment:

BEGINNING at a 5/8-inch iron rod (with cap) found, being the northwest corner of said called 61.013 acre tract and being on the east line of a called 6.7133 acre tract conveyed to Worldwide Rock Enterprises, L.P. by deed recorded in Clerk's File No. 20150562448, Harris County Official Public Records;

THENCE, North 87°17'42" East, 542.42 feet to a 5/8-inch iron rod (with cap) found, being the southeast corner of a called 1.167 acre tract (Tract 2) conveyed to Maritia LP, an Arizona Limited Partnership, by deed recorded in Clerk's File No. RP-2020-410875, Harris County Official Public Records of Real Property;

THENCE, North 11°11'31" East, 257.21 feet to a 5/8-inch iron rod (with cap) found, being the northeast corner of said called 1.167 acre tract and being on the south right-of-way line of Theis Lane (60 foot right-of way per based on a width of 60 feet) recorded in Clerk's File No. J558545 and Clerk's File No. S551096, Harris County Official Public Records of Real Property;

THENCE, along the south right-of-way line of said Theis Lane, North 87°21'24" East, 629.28 feet to a 5/8-inch iron rod (with cap) found, being the northeast corner of said called 4.990 acre tract (Tract V), being the northwest corner of a called 39.03 acre tract conveyed to Meritage Homes of Texas, LLC by deed recorded in Clerk's File No. RP-2019-7816, Harris County Official Public Records of Real Property, and being the northeast corner of the herein described tract;

THENCE, South 03°29'29" East, 776.09 feet to a 1/2-inch iron rod found, being the southeast corner of said called 4.990 acre tract (Tract V);

THENCE, South 87°21'07" West, 408.18 feet to a 5/8-inch iron rod (with cap) found, being on an interior line of said called 18.334 acre tract (Tract IV);

P:\610.042 Chesmar Homes\00-Surveying Services\Legal Descriptions\042-00 33.4418 acres Section 1 plat m&b.doc

THENCE, South 87°32'01" West, at 40.00 feet passing a 5/8-inch iron rod found, being an exterior corner of said called 39.0554 acre tract and being an interior corner of said called 18.334 acre tract (Tract IV), and continuing for a total distance of 80.00 feet to a 5/8-inch iron rod (with cap) found, being on the north line of the remainder of said called 18.334 acre tract (Tract IV);

THENCE, along the north line of the remainder of said called 18.334 acre tract (Tract IV), the following nine (9) courses and distances:

1. South 02°27'59" East, 217.82 feet to a 5/8-inch iron rod (with cap) found;
2. South 87°31'54" West, 227.76 feet to a 5/8-inch iron rod (with cap) found;
3. South 02°28'06" East, 295.16 feet to a 5/8-inch iron rod (with cap) found;
4. South 25°22'36" West, 54.93 feet to a 5/8-inch iron rod (with cap) found;
5. South 87°48'00" West, 95.46 feet to a 5/8-inch iron rod (with cap) found;
6. South 42°40'08" West, 14.11 feet to a 5/8-inch iron rod (with cap) found;
7. South 02°27'43" East, 140.00 feet to a 5/8-inch iron rod (with cap) found;
8. South 87°48'00" West, 247.32 feet to a 5/8-inch iron rod (with cap) found;
9. North 02°24'47" West, 225.00 feet to a 5/8-inch iron rod (with cap) found, being on the north line of the remainder of said called 61.013 acre tract;

THENCE, along the north line of the remainder of said called 61.013 acre tract, the following eight (8) courses and distances:

1. South 87°48'00" West, 125.00 feet to a 5/8-inch iron rod (with cap) found;
2. North 02°24'47" West, 19.46 feet to a 5/8-inch iron rod (with cap) found;
3. South 87°35'13" West, 180.00 feet to a 5/8-inch iron rod (with cap) found;
4. North 02°24'47" West, 106.21 feet to a 5/8-inch iron rod (with cap) found;
5. South 87°48'00" West, 94.91 feet to a 5/8-inch iron rod (with cap) found, being the beginning of a curve to the left;
6. Along said curve to the left in a southwesterly direction, with a radius of 25.00 feet, a central angle of 90°12'47", an arc length of 39.36 feet, and a chord bearing South 42°41'37" West, 35.42 feet to a 5/8-inch iron rod (with cap) found;
7. South 02°24'47" East, 15.69 feet to a 5/8-inch iron rod (with cap) found;

Chesmar Homes, LLC
33.4418 acres

Claude N. Pillot Survey
Abstract No. 632


8. South 87°35'13" West, 200.54 feet to a 5/8-inch iron rod (with cap) found, being on the west line of said called 61.013 acre tract, being on the east line of Restricted Reserve "A" of Replat Wal-Mart Tomball recorded in Film Code No. 519114, Harris County Map Records, and being the southwest corner of the herein described tract;

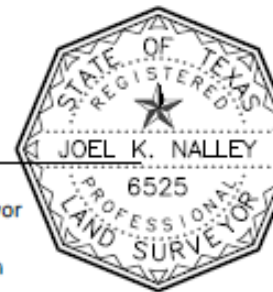
THENCE, North 02°26'12" West, 555.32 feet to a 2-inch iron pipe found, being on the east line of said Restricted Reserve "A", being an exterior corner of said called 61.013 acre tract, and being the southwest corner of said called 6.7133 acre tract;

THENCE, North 87°45'25" East, 472.90 feet to a 1-inch iron pipe found, being the southeast corner of said called 6.7133 acre tract, being an interior corner of said called 61.013 acre tract;

THENCE, North 02°26'51" West, 368.19 feet to the **POINT OF BEGINNING, CONTAINING 33.4418 acres (1,456,725 square feet)** of land in Harris County, Texas, filed in the offices of Elevation Land Solutions in The Woodlands, Texas.

Elevation Land Solutions
2445 Technology Forest Blvd, Suite #200
The Woodlands, Texas 77381
(832) 823-2200
*Texas Board of Professional Engineers &
Land Surveyors Firm Reg. No. 10194692*

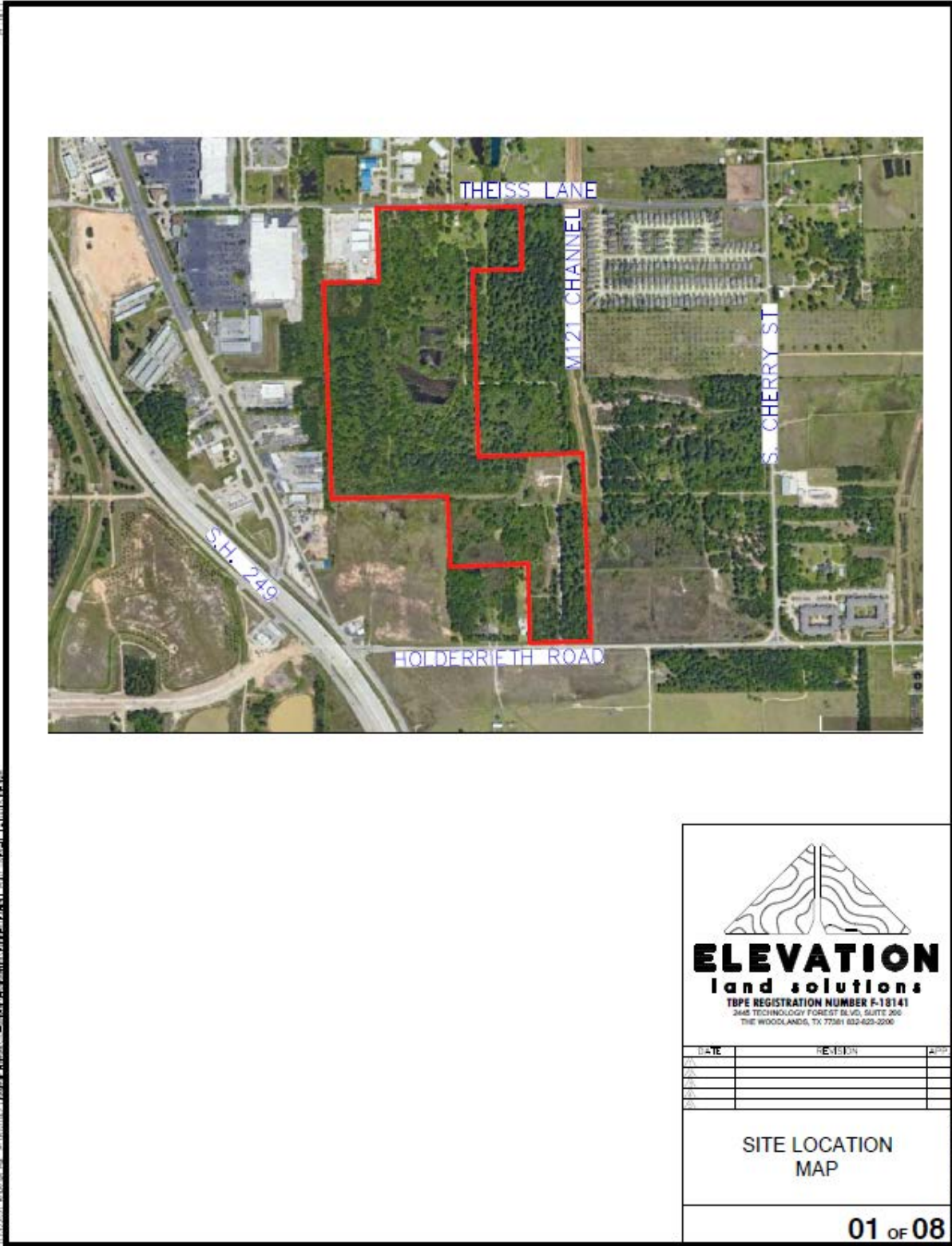

Acting By/Through Joel K. Nalley
Registered Professional Land Surveyor
No. 6525
jnalley@elevationlandsolutions.com

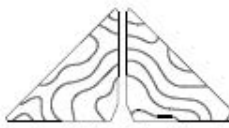


12/17/2021

P:\610.042 Chesmar Homes\00-Surveying Services\Legal Descriptions\042-00 33.4418 acres Section 1 plat m&b.doc

EXHIBIT B-1 – DISTRICT BOUNDARY MAP





ELEVATION
land solutions

TBPE REGISTRATION NUMBER F-18141
3445 TECHNOLOGY FOREST BLVD, SUITE 200
THE WOODLANDS, TX 77381 832-623-2206

DATE	REVISION	APP'D

SITE LOCATION
MAP

01 OF 08

ELEVATION LAND SOLUTIONS - WOOD LEAF

EXHIBIT B-2 – IMPROVEMENT AREA #1 BOUNDARY MAP

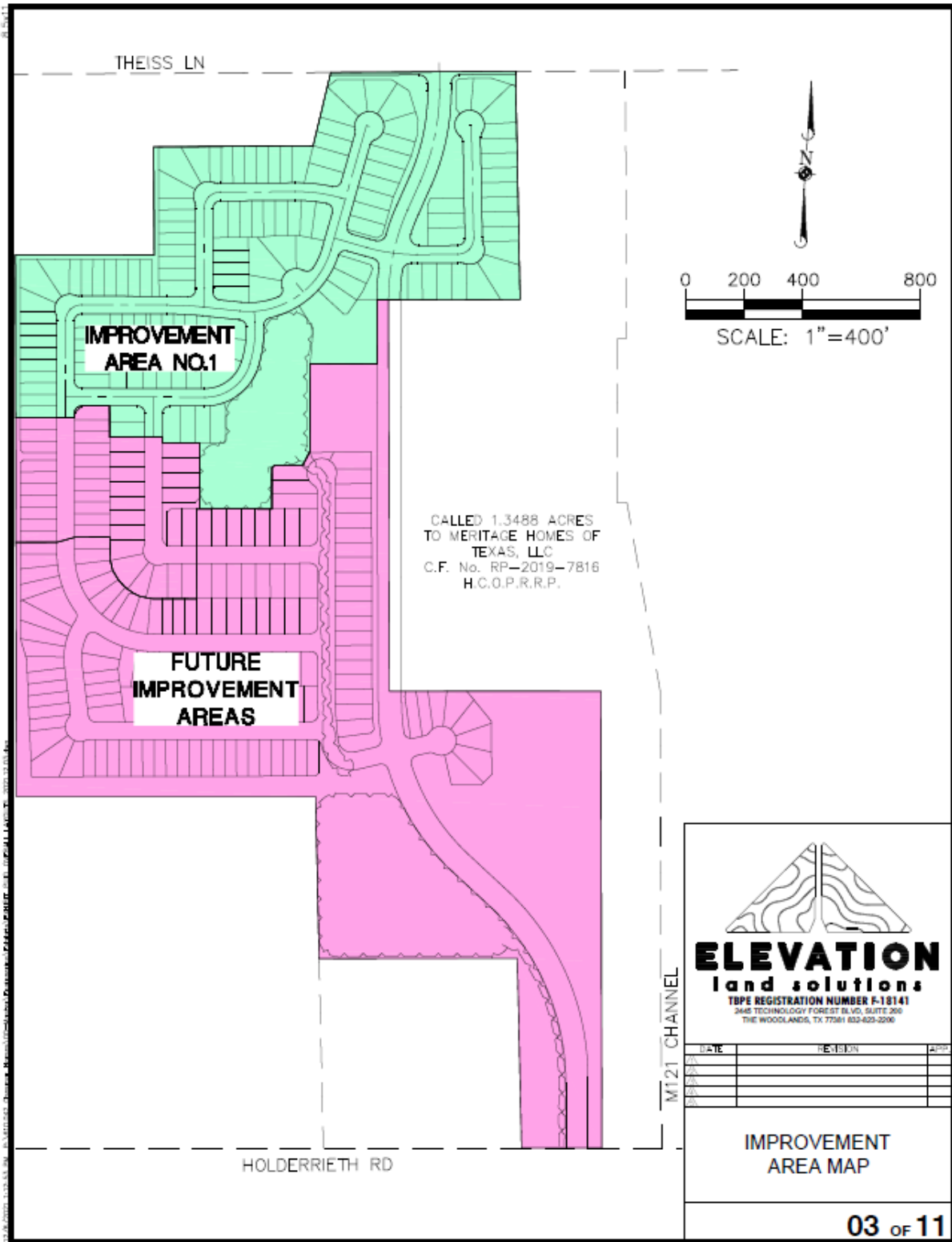


EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs [a]	Improvement Area #1		Future Improvement Areas	
		%	Costs	%	Cost
<i>Improvement Area #1 Improvements</i>					
Streets	\$ 1,791,578	100.00%	\$ 1,791,578	0.00%	\$ -
Water	336,661	100.00%	336,661	0.00%	-
Wastewater	405,763	100.00%	405,763	0.00%	-
Drainage	583,655	100.00%	583,655	0.00%	-
Natural Gas	259,329	100.00%	259,329	0.00%	-
Soft Costs	1,097,520	100.00%	1,097,520	0.00%	-
	<u>\$ 4,474,506</u>		<u>\$ 4,474,506</u>		<u>\$ -</u>
<i>Major Improvements</i>					
Wastewater	263,685	41.33%	108,971	58.67%	154,714
Detention, Clearing and Grubbing	1,553,026	41.33%	641,804	58.67%	911,222
Soft Costs	690,431	41.33%	285,328	58.67%	405,103
	<u>\$ 2,507,142</u>		<u>\$ 1,036,102</u>		<u>\$ 1,471,040</u>
<i>Improvement Area #1 Initial Bond Issuance Costs</i>					
Debt Service Reserve Fund	\$ 149,320	100.00%	\$ 149,320	0.00%	\$ -
Capitalized Interest	61,418	100.00%	61,418	0.00%	-
Underwriter Discount	75,920	100.00%	75,920	0.00%	-
Cost of Issuance	140,000	100.00%	140,000	0.00%	-
	<u>\$ 426,658</u>		<u>\$ 426,658</u>		<u>\$ -</u>
<i>First Year Annual Collection Costs</i>					
First Year Annual Collection Costs	45,000	100.00%	45,000	0.00%	-
	<u>\$ 45,000</u>		<u>\$ 45,000</u>		<u>\$ -</u>
Total	\$ 7,453,306		\$ 5,982,266		\$ 1,471,040

Notes:

[a] Costs were determined by the Engineer's Opinion of Probable Cost prepared by Elevation Land Solutions dated November 2021.

EXHIBIT D – SERVICE PLAN

		Improvement Area #1				
Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
<i>Improvement Area #1 Initial Bonds</i>						
Principal		\$ -	\$ 46,000	\$ 48,000	\$ 49,000	\$ 51,000
Interest		61,418	103,320	101,250	99,090	96,885
Capitalized Interest		(61,418)	-	-	-	-
	(1)	\$ -	\$ 149,320	\$ 149,250	\$ 148,090	\$ 147,885
<i>Improvement Area #1 Reimbursement Obligation</i>						
Principal		\$ -	\$ 37,725	\$ 38,805	\$ 41,015	\$ 42,355
Interest		-	103,163	101,450	99,688	97,826
	(2)	\$ -	\$ 140,888	\$ 140,255	\$ 140,703	\$ 140,181
Annual Collection Costs		\$ -	\$ 45,900	\$ 46,818	\$ 47,754	\$ 48,709
Additonal Interest [a]		-	11,480	11,250	11,010	10,765
	(3)	\$ -	\$ 57,380	\$ 58,068	\$ 58,764	\$ 59,474
Total Annual Installment	(4) = (1) + (2) + (3)	\$ -	\$ 347,588	\$ 347,573	\$ 347,558	\$ 347,541

Notes:

[a] Additional Interest is applied to Improvement Area #1 Initial Bonds only

EXHIBIT E – SOURCES AND USES

	Improvement Area #1	Future Improvement Area (b)	Total
Sources of Funds			
Improvement Area #1 Bond Par	\$ 2,296,000	\$ -	\$ 2,296,000
Improvement Area #1 Reimbursement Obligation [a]	2,272,310	-	2,272,310
Owner Contribution	1,413,956	1,471,040	2,884,996
Total Sources	\$ 5,982,266	\$ 1,471,040	\$ 7,453,306
Uses of Funds			
<i>Improvement Area #1 Projects</i>			
Improvement Area #1 Improvements	\$ 4,474,506	\$ -	\$ 4,474,506
Major Improvements	1,036,102	1,471,040	2,507,142
	\$ 5,510,608	\$ 1,471,040	\$ 6,981,648
<i>Improvement Area #1 Initial Bond Issuance Costs</i>			
Debt Service Reserve Fund	\$ 149,320	\$ -	\$ 149,320
Capitalized Interest	61,418	-	61,418
Underwriter Discount	75,920	-	75,920
Cost of Issuance	140,000	-	140,000
	\$ 426,658	\$ -	\$ 426,658
<i>First Year Annual Collection Costs</i>			
First Year Annual Collection Costs	\$ 45,000	\$ -	\$ 45,000
	\$ 45,000	\$ -	\$ 45,000
Total Uses	\$ 5,982,266	\$ 1,471,040	\$ 7,453,306

Notes:

[a] Subject to Improvement Area #1 Reimbursement Agreement.

[b] The Owner Contribution relating to the Future Improvement Area may be reimbursed with Future Improvement Area Bonds.

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Legal Description	Lot Type	Outstanding Assessment	Annual Installment due 1/31/23
TBD ^a	Block 1 Lot 1	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 2	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 3	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 4	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 5	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 6	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 7	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 8	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 9	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 10	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 11	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 12	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 13	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 14	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 15	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 16	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 17	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 18	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 19	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 20	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 1 Lot 21	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 2 Lot 1	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 2 Lot 2	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 2 Lot 3	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 2 Lot 4	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 2 Lot 5	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 2 Lot 6	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 2 Lot 7	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 3 Lot 1	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 3 Lot 2	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 1	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 2	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 3	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 4	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 5	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 6	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 7	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 8	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 9	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 10	Lot Type 2	\$ 40,322.57	\$ 3,068.01

Property ID	Legal Description	Lot Type	Outstanding Assessment	Annual Installment due 1/31/23
TBD ^a	Block 4 Lot 11	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 12	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 13	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 14	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 15	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 4 Lot 16	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 17	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 18	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 19	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 20	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 21	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 22	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 23	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 24	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 25	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 26	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 27	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 28	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 29	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 30	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 31	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 32	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 33	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 34	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 35	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 36	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 37	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 38	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 39	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 40	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 41	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 42	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 43	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 44	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 45	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 46	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 47	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 48	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 49	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 50	Lot Type 1	\$ 34,392.78	\$ 2,616.83

Property ID	Legal Description	Lot Type	Outstanding Assessment	Annual Installment due 1/31/23
TBD ^a	Block 4 Lot 51	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 52	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 4 Lot 53	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 1	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 5 Lot 2	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 5 Lot 3	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 5 Lot 4	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 5 Lot 5	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 6	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 7	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 8	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 9	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 10	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 11	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 12	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 13	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 14	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 15	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 16	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 17	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 5 Lot 18	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 1	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 6 Lot 2	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 6 Lot 3	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 6 Lot 4	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 6 Lot 5	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 6 Lot 6	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 6 Lot 7	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 6 Lot 8	Lot Type 2	\$ 40,322.57	\$ 3,068.01
TBD ^a	Block 6 Lot 9	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 10	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 11	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 12	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 13	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 14	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 15	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 16	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 17	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 18	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 19	Lot Type 1	\$ 34,392.78	\$ 2,616.83

Property ID	Legal Description	Lot Type	Outstanding Assessment	Annual Installment due 1/31/23
TBD ^a	Block 6 Lot 20	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 21	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Block 6 Lot 22	Lot Type 1	\$ 34,392.78	\$ 2,616.83
TBD ^a	Reserve A	Non-Benefited	\$ -	\$ -
TBD ^a	Reserve B	Non-Benefited	\$ -	\$ -
TBD ^a	Reserve C	Non-Benefited	\$ -	\$ -
TBD ^a	Reserve D	Non-Benefited	\$ -	\$ -
TBD ^a	Reserve E	Non-Benefited	\$ -	\$ -
TBD ^a	Reserve F	Non-Benefited	\$ -	\$ -
TBD ^a	Reserve G	Non-Benefited	\$ -	\$ -
TBD ^a	Reserve H	Non-Benefited	\$ -	\$ -
TBD ^a	Reserve I	Non-Benefited	\$ -	\$ -
Total Initial Parcel			\$ 4,568,310.00	\$ 347,587.87

[a] The final plat for Wood Leaf Reserve Section 1 was recorded on January 4, 2021. Property IDs for each Parcel will be assigned by the Harris County Appraisal District in 2022 for Annual Installments due 1/31/23.

EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installments Due	Improvement Area #1 Initial Bonds				Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Installment
	Principal	Interest [a]	Capitalized Interest	Additional Interest [b]	Principal	Interest [c]		
1/31/2022	-	61,418.00	(61,418.00)	-	-	-	-	-
1/31/2023	46,000.00	103,320.00	-	11,480.00	37,725.00	103,162.87	45,900.00	347,587.87
1/31/2024	48,000.00	101,250.00	-	11,250.00	38,805.00	101,450.16	46,818.00	347,573.16
1/31/2025	49,000.00	99,090.00	-	11,010.00	41,015.00	99,688.41	47,754.36	347,557.77
1/31/2026	51,000.00	96,885.00	-	10,765.00	42,355.00	97,826.33	48,709.45	347,540.78
1/31/2027	52,000.00	94,590.00	-	10,510.00	44,837.00	95,903.41	49,683.64	347,524.05
1/31/2028	54,000.00	92,250.00	-	10,250.00	46,461.00	93,867.81	50,677.31	347,506.12
1/31/2029	56,000.00	89,820.00	-	9,980.00	48,239.00	91,758.48	51,690.86	347,488.34
1/31/2030	57,000.00	87,300.00	-	9,700.00	51,176.00	89,568.43	52,724.67	347,469.11
1/31/2031	59,000.00	84,735.00	-	9,415.00	53,274.00	87,245.04	53,779.17	347,448.21
1/31/2032	61,000.00	82,080.00	-	9,120.00	55,546.00	84,826.40	54,854.75	347,427.15
1/31/2033	63,000.00	79,335.00	-	8,815.00	57,998.00	82,304.62	55,951.84	347,404.46
1/31/2034	65,000.00	76,500.00	-	8,500.00	60,639.00	79,671.51	57,070.88	347,381.39
1/31/2035	67,000.00	73,575.00	-	8,175.00	63,476.00	76,918.50	58,212.30	347,356.79
1/31/2036	70,000.00	70,560.00	-	7,840.00	65,519.00	74,036.69	59,376.54	347,332.23
1/31/2037	72,000.00	67,410.00	-	7,490.00	68,779.00	71,062.12	60,564.08	347,305.20
1/31/2038	74,000.00	64,170.00	-	7,130.00	72,263.00	67,939.56	61,775.36	347,277.91
1/31/2039	77,000.00	60,840.00	-	6,760.00	74,980.00	64,658.82	63,010.86	347,249.68
1/31/2040	79,000.00	57,375.00	-	6,375.00	78,943.00	61,254.72	64,271.08	347,218.81
1/31/2041	82,000.00	53,820.00	-	5,980.00	82,160.00	57,670.71	65,556.50	347,187.21
1/31/2042	85,000.00	50,130.00	-	5,570.00	85,646.00	53,940.65	66,867.63	347,154.28
1/31/2043	88,000.00	46,305.00	-	5,145.00	89,413.00	50,052.32	68,204.99	347,120.31
1/31/2044	91,000.00	42,345.00	-	4,705.00	93,473.00	45,992.97	69,569.09	347,085.05
1/31/2045	94,000.00	38,250.00	-	4,250.00	97,838.00	41,749.30	70,960.47	347,047.76
1/31/2046	97,000.00	34,020.00	-	3,780.00	102,521.00	37,307.45	72,379.68	347,008.13
1/31/2047	100,000.00	29,655.00	-	3,295.00	107,537.00	32,653.00	73,827.27	346,967.27
1/31/2048	104,000.00	25,155.00	-	2,795.00	111,900.00	27,770.82	75,303.82	346,924.63
1/31/2049	108,000.00	20,475.00	-	2,275.00	116,629.00	22,690.56	76,809.89	346,879.45
1/31/2050	111,000.00	15,615.00	-	1,735.00	122,741.00	17,395.60	78,346.09	346,832.69
1/31/2051	116,000.00	10,620.00	-	1,180.00	127,247.00	11,823.16	79,913.01	346,783.17
1/31/2052	120,000.00	5,400.00	-	600.00	133,175.00	6,046.15	81,511.27	346,732.42
Total	\$ 2,296,000.00	\$ 1,914,293.00	\$ (61,418.00)	\$ 205,875.00	\$ 2,272,310.00	\$ 1,928,236.56	\$ 1,862,074.84	\$10,417,371.40

[a] Interest is calculated at a 4.50% rate, actual rate will be determined at the time Improvement Area #1 Initial Bonds are issued.

[b] Additional Interest is calculated at a 0.50% rate.

[c] Interest is calculated pursuant to the Bond Buyer's 20 Bond Index rate of 2.54% as of February 22, 2022 plus 2.0%, resulting in a total interest rate of 4.54% for the Reimbursement Obligation.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H – MAXIMUM ASSESSMENT PER LOT TYPE

Improvement Area #1			
Lot Type	Units	Total Assessment	Maximum Assessment per Lot Type
1	66	\$ 2,269,923.50	\$34,392.78 per Unit
2	57	\$ 2,298,386.50	\$40,322.57 per Unit
Total		\$ 4,568,310.00	

EXHIBIT I – CONCEPT PLAN

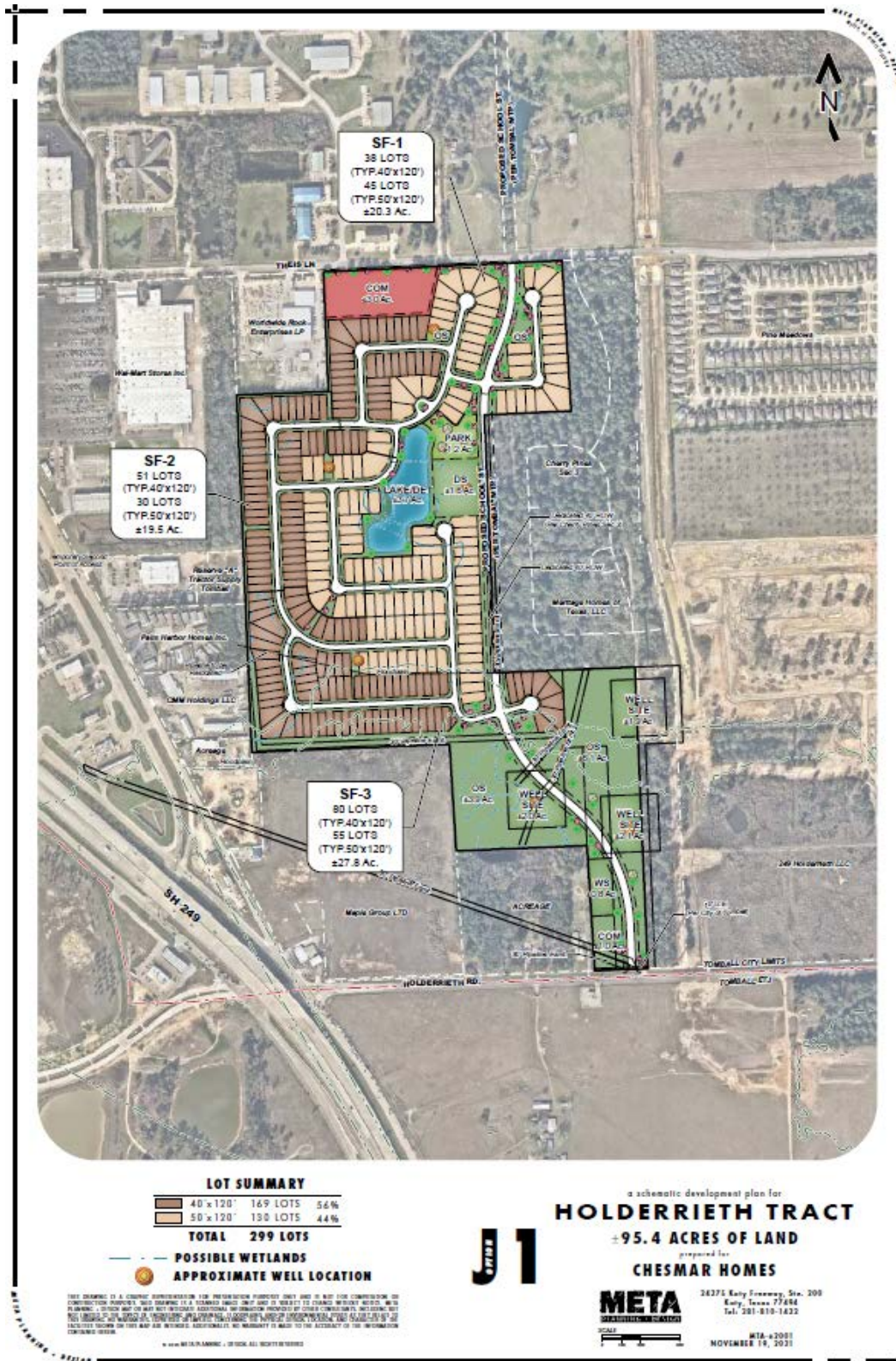
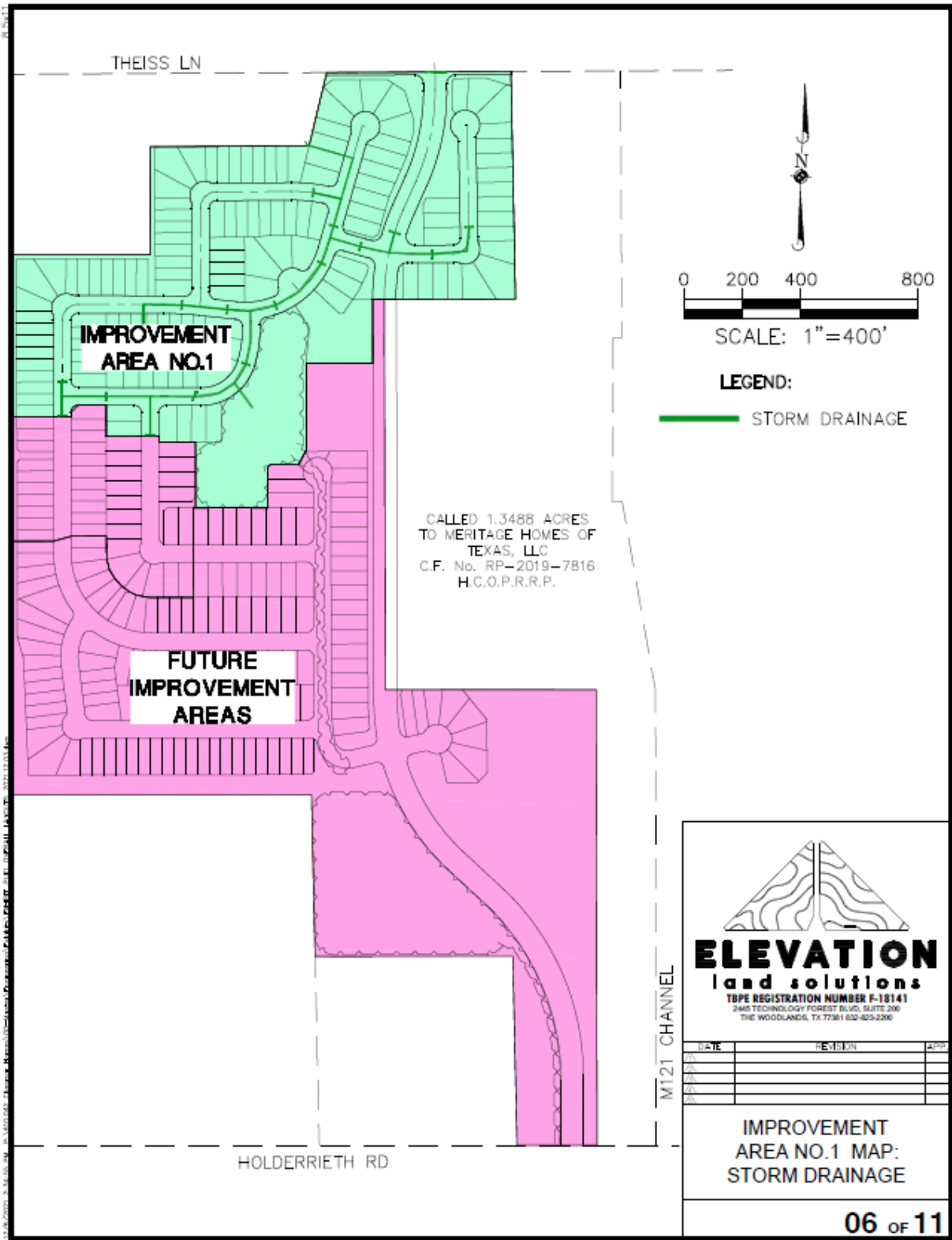
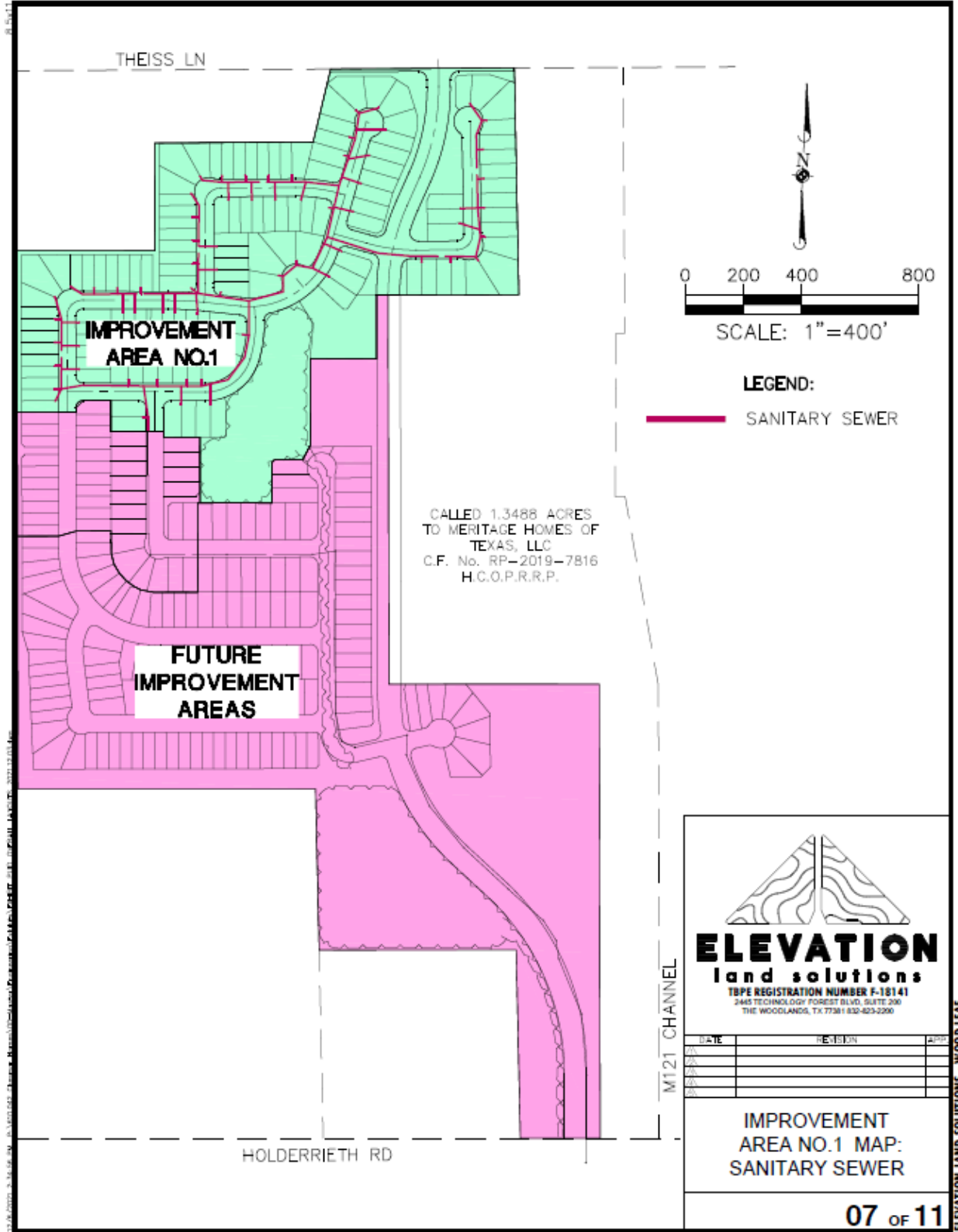
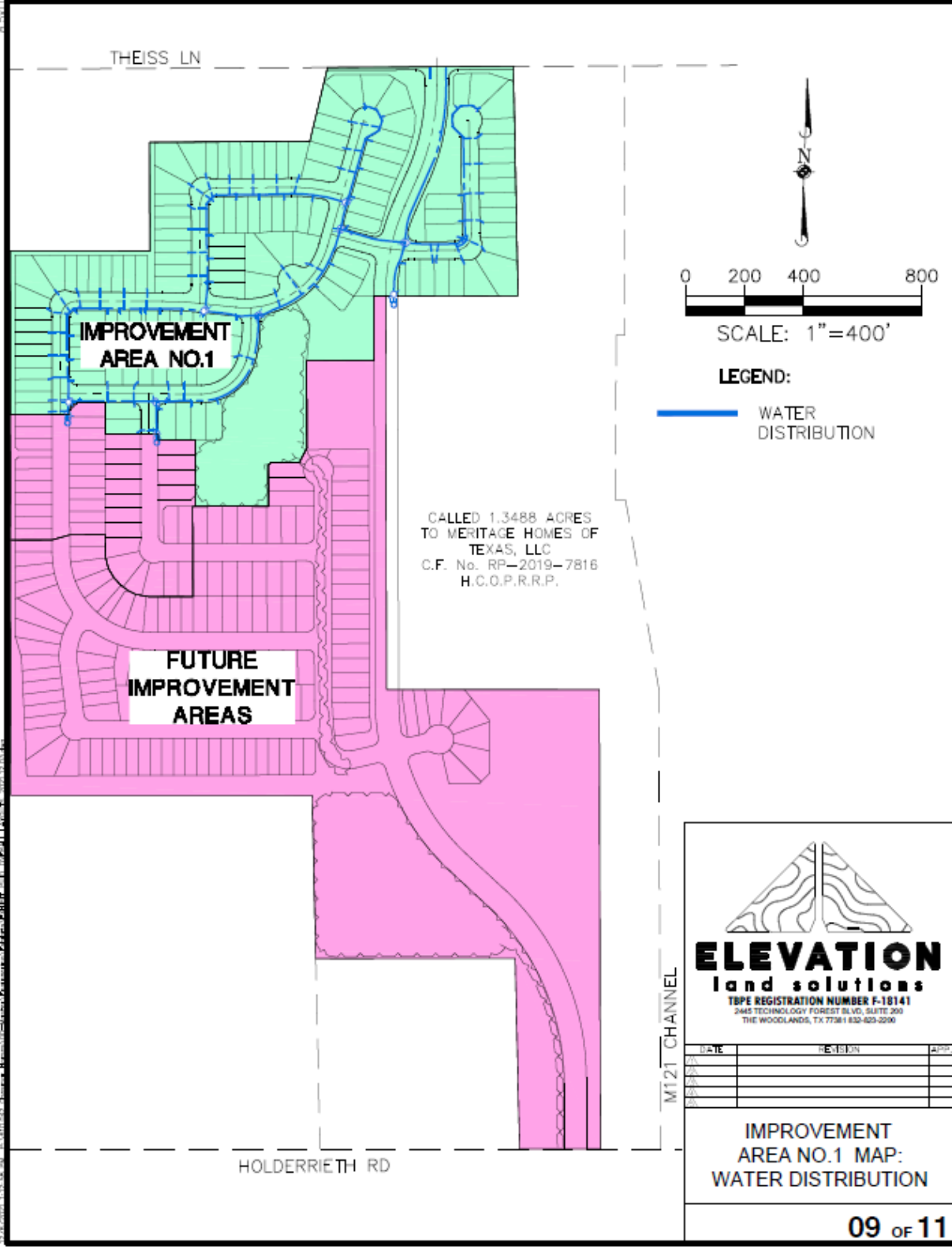
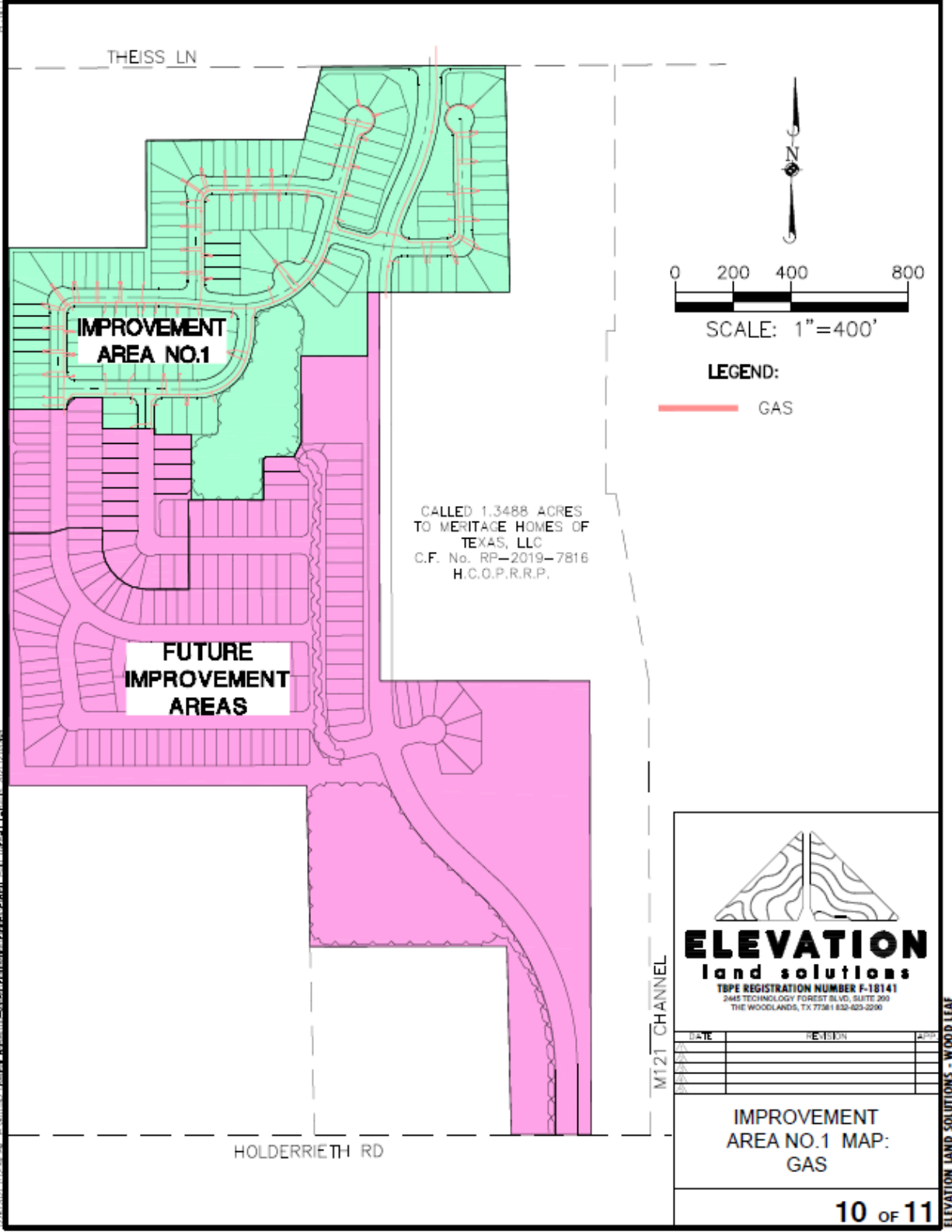


EXHIBIT J-1 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS









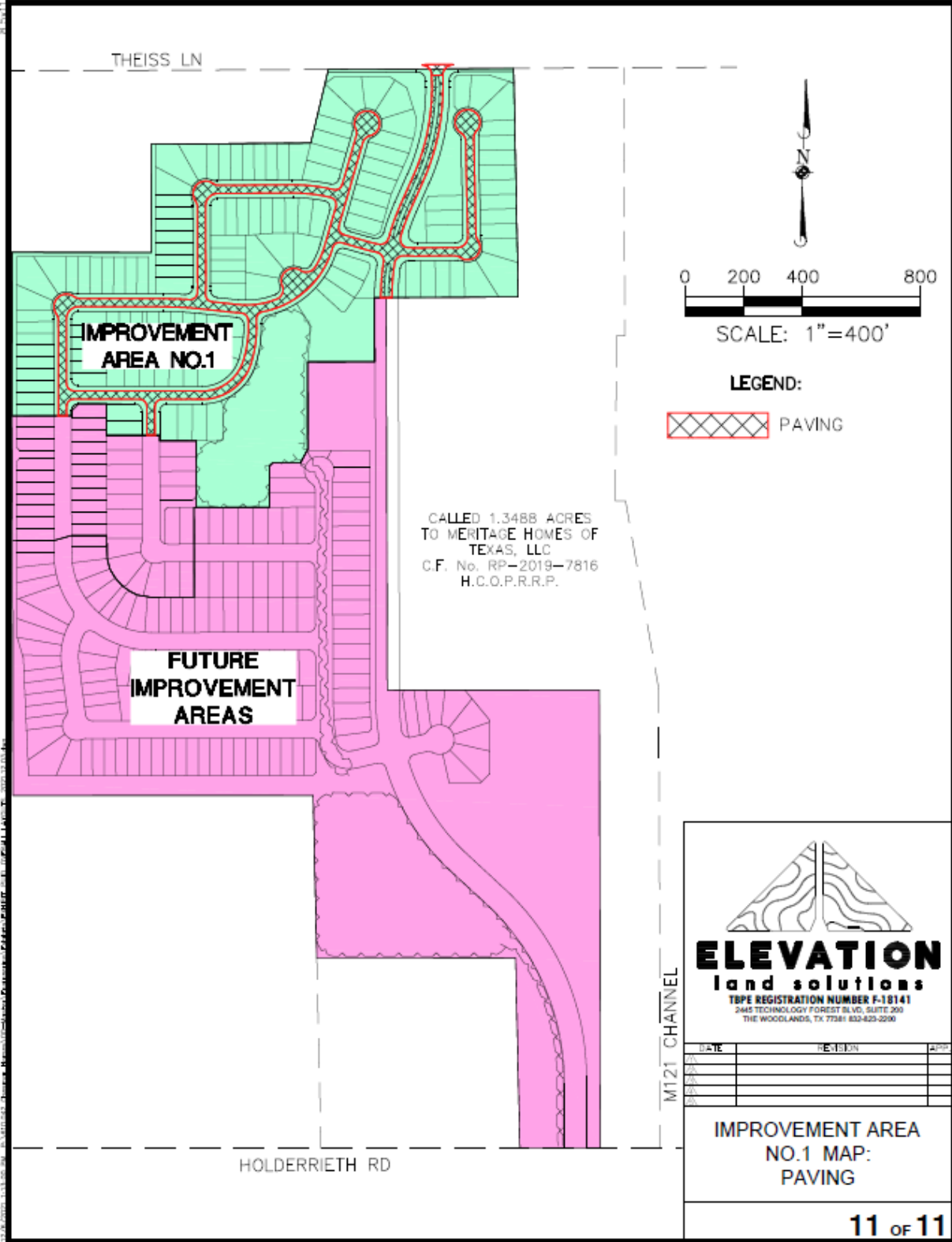
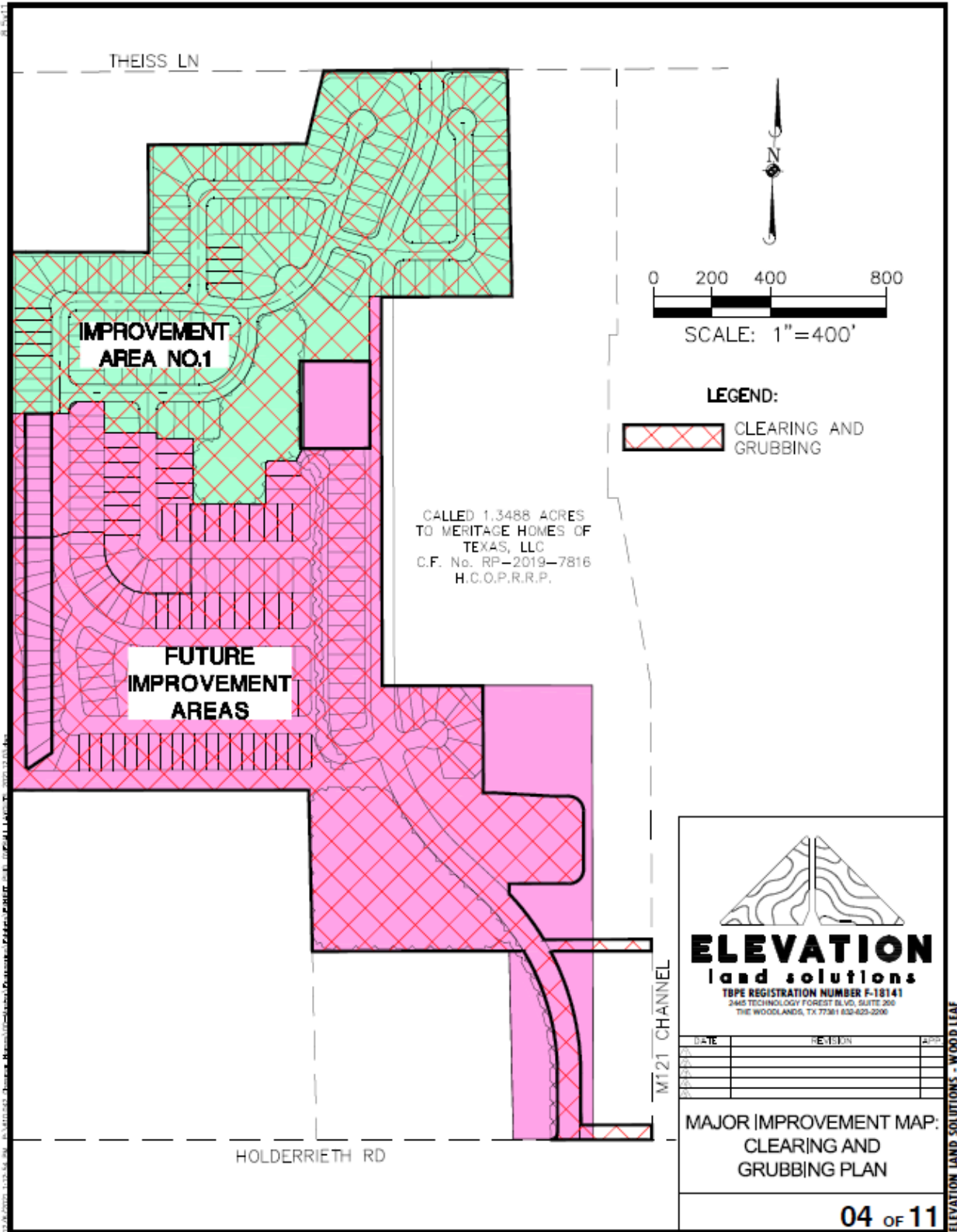
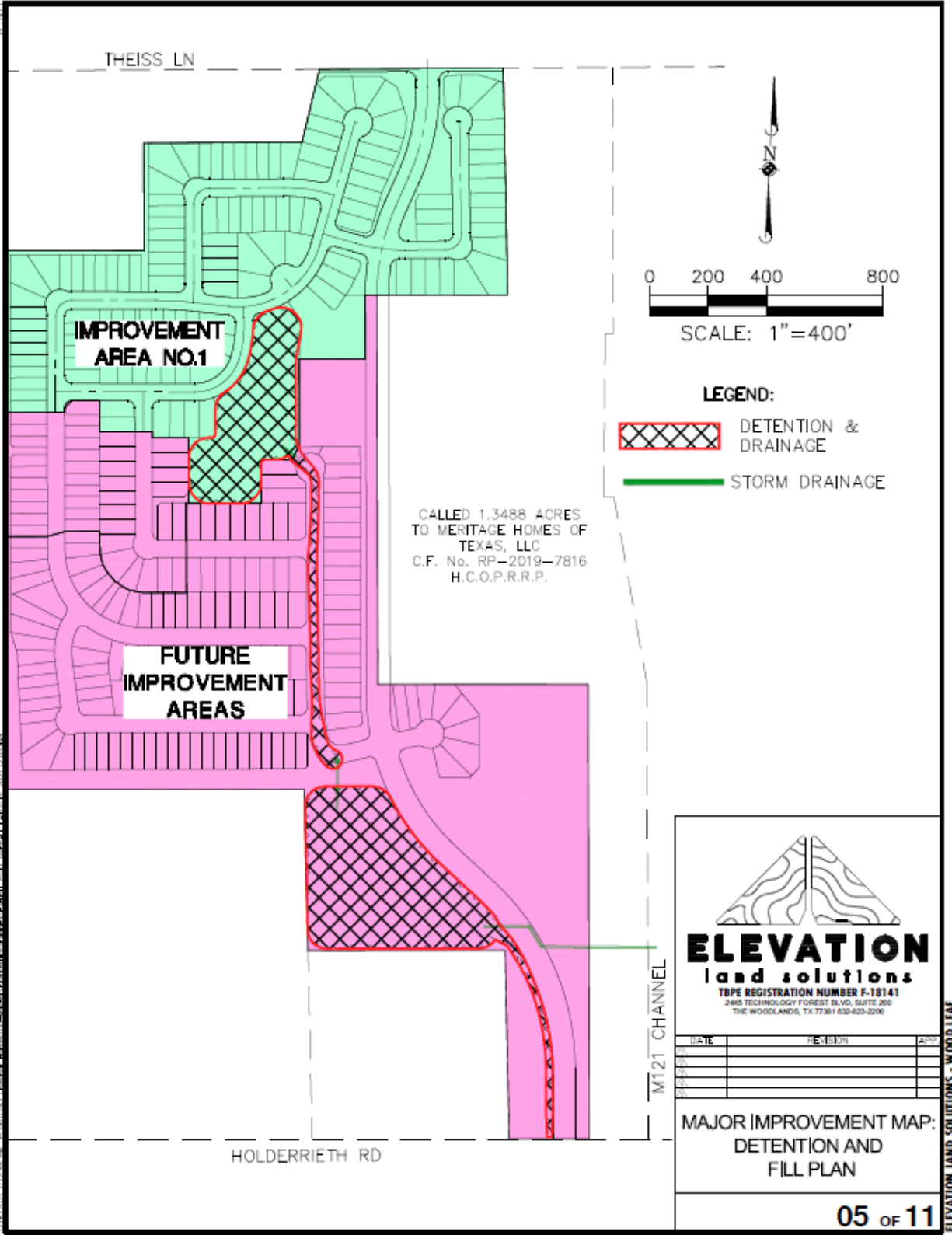


EXHIBIT J-2 – MAPS OF MAJOR IMPROVEMENTS





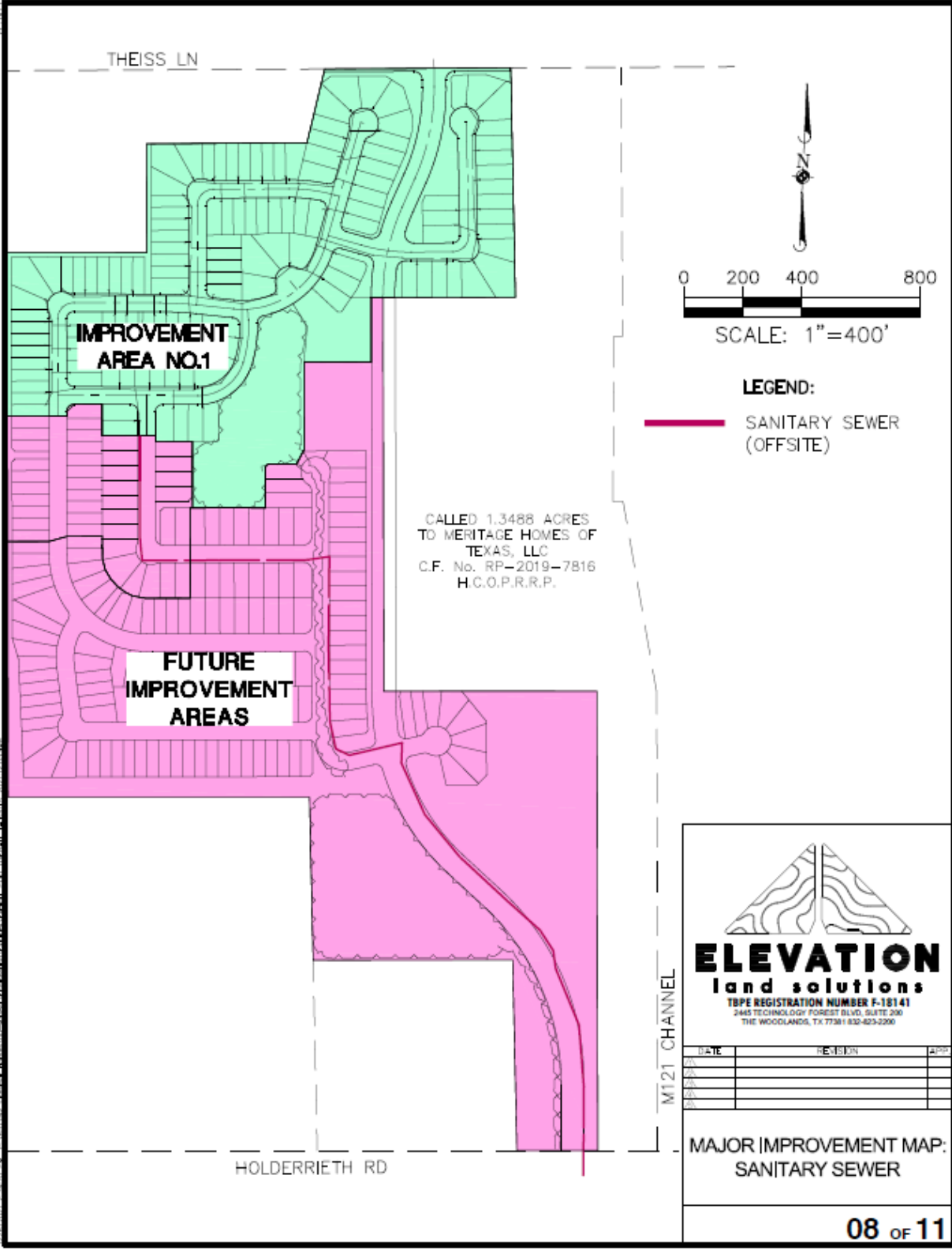


EXHIBIT K – ESTIMATED BUILDOUT VALUE

	Units		Estimated Buildout Value	Total Estimated Buildout Value	% of Estimated Buildout Value
<i>Improvement Area #1</i>					
40'	66	lots	\$ 290,000	\$ 19,140,000	
50'	57	lots	\$ 340,000	\$ 19,380,000	
				\$ 38,520,000	41.33%
<i>Future Improvement Areas</i>					
40'	103	lots	\$ 290,000	\$ 29,870,000	
50'	73	lots	\$ 340,000	\$ 24,820,000	
				\$ 54,690,000	58.67%
				\$ 93,210,000	100.00%



EXHIBIT L – NOTICE OF PID ASSESSMENT TERMINATION

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

[Date]
Harris County Civil Courthouse
Honorable [County Clerk Name]
201 Caroline, Suite 310
Houston, Texas 77002

Re: City of Tomball Lien Release documents for filing

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

Enclosed is a lien release that the City of Tomball 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 Tomball
Attn: [City Secretary]
401 Market Street
Tomball, Texas 77375

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

Sincerely,
[Signature]

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

[legal description], a subdivision in Harris County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Harris County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, as established by Ordinance No. _____, which levied the Assessment in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF TOMBALL, TEXAS,

By: _____
[Name], [Title]

ATTEST:

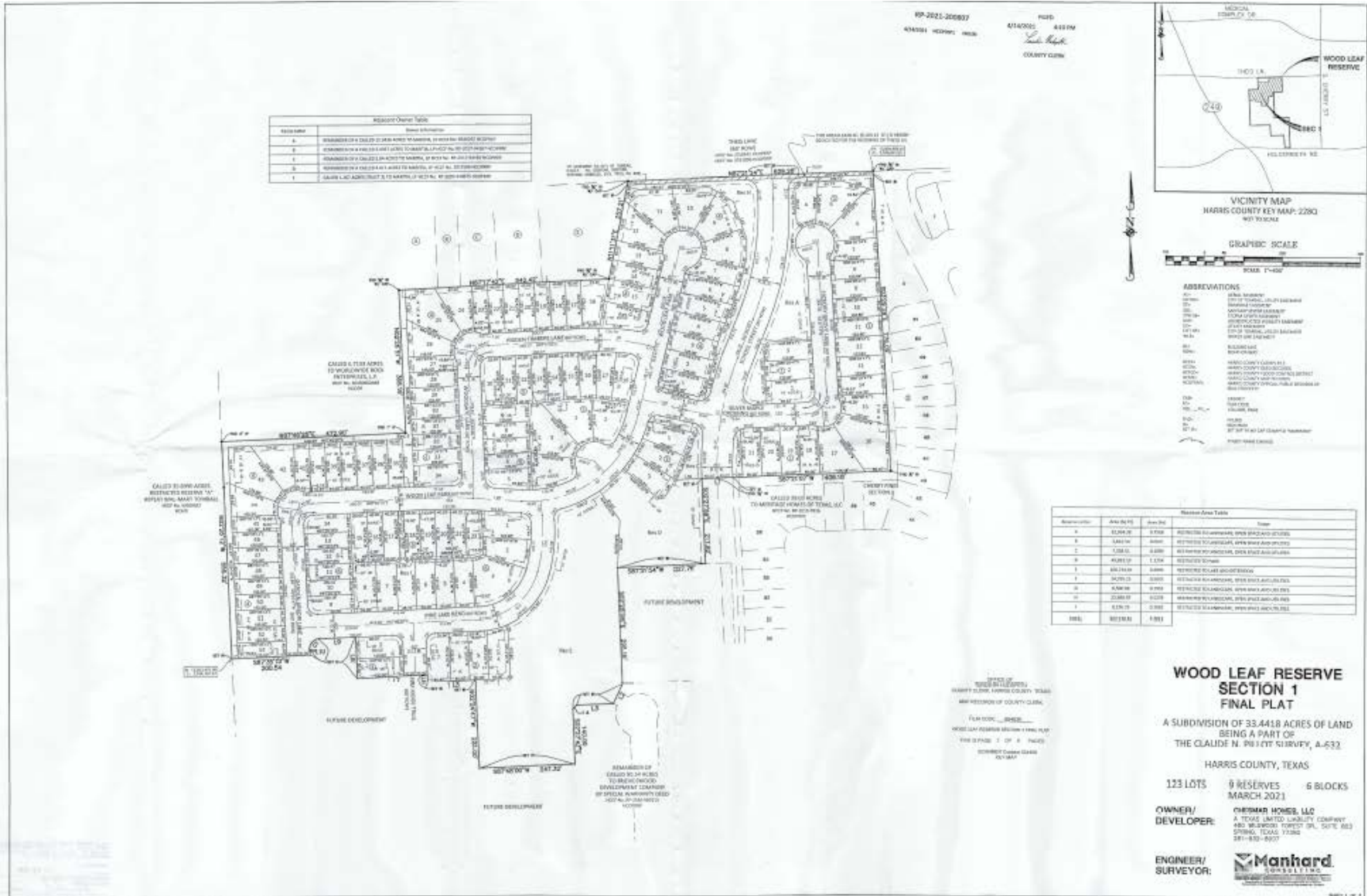
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 20__, by [Name], [Title] for the City of Tomball, Texas, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT M – IMPROVEMENT AREA #1 PLAT



STATE OF TEXAS
COUNTY OF HARRIS

WE, CHEMAR HOMES, LLC, A TEXAS LIMITED LIABILITY COMPANY OWNED BY AND THROUGH DONALD P. KLEIN, ITS
CHIEF EXECUTIVE OFFICER, OWNER IN THIS SECTION AFTER NOTICED BY AN OWNER (NUMBER ONE OR MORE) OF THE
LARGE LOTS TRACT DESCRIBED IN THE ABOVE AND FOREGOING PLAT OF WOOD LEAF RESERVE SECTION 1, DO HEREBY
MADE AND ESTABLISH THIS SUBDIVISION OF SAID PROPERTY ACCORDING TO ALL LEGAL REQUISITES, REGULATIONS AND
NOTATIONS ON SAID PLAT AND HEREBY DEDICATE TO THE USE OF THE PUBLIC FOREVER, ALL STREETS, ALLEYS,
METEOROLOGICAL PIPES, EASEMENTS AND PUBLIC PLACES SHOWN THEREON FOR THE PURPOSES AND CONSIDERATIONS
THEREIN EXPRESSED, AND TO HEREBY BIND OURSELVES, OUR HEIRS, SUCCESSORS AND ASSIGNS TO MAINTAIN AND
FOREVER HOLD THE TITLE TO THE LAND SO DEDICATED.

FURTHER, OWNERS HAVE DEDICATED AND BY THESE PRESENTS DO DEDICATE TO THE USE OF THE PUBLIC FOR
PUBLIC STREET PURPOSES FOREVER AN UNDERSIDEWAY EASEMENT, FIVE (5) FEET IN WIDTH FROM A PLAIN
TWENTY (20) FEET ABOVE FINISHED LEVEL GRADUAL, LOCATED AS SHOWN TO ALL PUBLIC UTILITY EASEMENTS THAT ARE
RENDERED WITH THESE PRESENTS (SEE 8.A.1.) AS INDICATED AND LOCATED HEREON.

ADDITIONAL, OWNERS DO HEREBY DEDICATE TO THE PUBLIC A STRIP OF LAND 10 FEET WIDE ON EACH SIDE OF THE
CENTERS OF ANY AND ALL EXISTING DITCHES, DRAINS, CANALS, BRACKS, RICHES, OR OTHER NATURAL DRAINAGE
COURSES LOCATED AND SHOWN UPON IN SAID PLAT, AS EASEMENTS FOR DRAINAGE PURPOSES, GIVING THE CITY OF
TOMBALL, HARRIS COUNTY, OR ANY OTHER GOVERNMENTAL AGENCY, THE RIGHT TO ENTER UPON SAID EASEMENT AT
ANY AND ALL TIMES FOR THE PURPOSE OF CONSTRUCTION AND MAINTENANCE OF DRAINAGE FACILITIES AND
STRUCTURES.

FURTHER, OWNERS DO HEREBY COVENANT AND AGREE THAT ALL OF THE PROPERTIES WITHIN THE BOUNDARIES OF
THIS PLAT AND SUBJECT TO ANY DRAINAGE EASEMENTS, DITCH, DRAIN, TRENCH, OR NATURAL DRAINAGE SHALL
HEREBY BE OBLIGATED TO KEEP SUCH DRAINAGE AND EASEMENTS CLEAR OF FENCES, BUILDINGS, PLANTING, AND
OTHER OBSTRUCTIONS TO THE OPERATION AND MAINTENANCE OF THE DRAINAGE FACILITY AND THAT SUCH OBLIGATION
SHALL NOT BE RELIEVED TO OBTAIN SPECIALLY INTO THIS INSTRUMENT, EXCEPT BY MEANS OF AN APPROVED
DRAINAGE ORDINANCE.

IN WITNESS WHEREOF, CHEMAR HOMES, LLC, A TEXAS LIMITED LIABILITY COMPANY HAS CAUSED THESE
PRESENTS TO BE SIGNED BY DONALD P. KLEIN, ITS CHIEF EXECUTIVE OFFICER THEREAFTER AUTHORIZED, AND ITS
CORPORATE SEAL, HEREBY WITNESSED.

THIS 4 DAY OF September, 2021

CHEMAR HOMES, LLC
A TEXAS LIMITED LIABILITY COMPANY

By: Donald P. Klein
DONALD P. KLEIN
CHIEF EXECUTIVE OFFICER

I, PAUL R. BRETHERTON, AN AUTHORIZED (OR REGISTERED) UNDER THE LAWS OF THE
STATE OF TEXAS TO PRACTICE THE PROFESSION OF SURVEYING AND HEREBY CERTIFY THAT
THE ABOVE SUBDIVISION IS TRUE AND ACCURATE, WAS PREPARED FROM AN ACTUAL SURVEY
OF THE PROPERTY MADE UNDER MY SUPERVISION OR THE GUIDANCE, THAT EXCEPT AS SHOWN
ALL BOUNDARY CORNERS, ANGLES, POINTS, POINTS OF CURVATURE AND OTHER POINTS OF
REFERENCE HAVE BEEN MARKED WITH IRON OR OTHER OBJECTS OF A PERMANENT NATURE,
PIPES OR BILLS HAVING AN OUTSIDE DIAMETER OF NOT LESS THAN THREE QUARTERS (3/4) OF
AN INCH AND A LENGTH OF NOT LESS THAN THREE (3) FEET, AND THAT THE PLAT BOUNDARY
CORNERS HAVE BEEN TIED TO THE TEXAS COORDINATE SYSTEM OF 1983, SOUTH CENTRAL
ZONE.

Paul R. Bretterton
PAUL R. BRETHERTON
TEXAS REGISTRATION NO. 9677

I, TESHERA HUGHES, COUNTY CLERK OF HARRIS COUNTY, DO HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WITH ITS
CERTIFICATE OF AUTHENTICITY WAS FILED FOR REGISTRATION IN MY OFFICE ON April 14, 2021 AT 9:10 O'CLOCK
P.M. AND WAS RECORDED ON April 16, 2021 AT 8:55 O'CLOCK A.M. AND AT FILE CODE NUMBER
14346 OF THE MAP RECORDS OF HARRIS COUNTY FOR SAID COUNTY.

WITNESS MY HAND AND SEAL OF OFFICE, AT HEUSTON, THE DAY AND DATE LAST ABOVE WRITTEN.

Teshera Hughes
TESHERA HUGHES
COUNTY CLERK
HARRIS COUNTY, TEXAS



THIS IS TO CERTIFY THAT THE PLANNING & ZONING COMMISSION OF THE CITY OF TOMBALL, TEXAS, HAS APPROVED THIS PLAT AND
SUBDIVISION OF WOOD LEAF RESERVE SECTION 1, IN CONFORMANCE WITH THE CHARTER OF THE CITY OF TOMBALL AND THE ORDINANCE
OF THE CITY OF TOMBALL AS AMEND HERETO AND AUTHORIZED THE RECORDING OF THIS PLAT THIS 4th DAY OF April, 2021.

Barbara Taber
BARBARA TABER
CHAIRMAN

Daniel Rodman
DANIEL RODMAN
VICE CHAIRMAN

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED DONALD P. KLEIN, CHIEF EXECUTIVE
OFFICER, CHEMAR HOMES, LLC, A TEXAS LIMITED LIABILITY COMPANY, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS
RESPONSIBLE TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES
AND CONSIDERATIONS THEREIN EXPRESSED AND IN THE CAPACITY THEREIN AND HEREIN STATED.



SIGN SIGNED BY HAND AND SEAL OF OFFICE, ON
4 DAY OF September, 2021
Donald P. Klein
DONALD P. KLEIN
CHIEF EXECUTIVE OFFICER
BY COMMISSION EXPIRES 2/16/2024

OFFICE OF
TESHERA HUGHES
COUNTY CLERK, HARRIS COUNTY, TEXAS
MAP RECORDS OF COUNTY CLERK

FILE NO. _____
BOOK AND PAGE NO. _____
FILED IN _____
RECORDED IN _____

WOOD LEAF RESERVE SECTION 1 FINAL PLAT

A SUBDIVISION OF 33.4418 ACRES OF LAND
BEING A PART OF
THE CLAUDE N. PILLOT SURVEY, A-632
HARRIS COUNTY, TEXAS

123 LOTS 9 RESERVES 6 BLOCKS
MARCH 2021

OWNER/DEVELOPER: CHEMAR HOMES, LLC
A TEXAS LIMITED LIABILITY COMPANY
481 WILLOW FOREST DR., SUITE 300
SPRING, TEXAS 77380
281-832-9897

ENGINEER/SURVEYOR: **Manhard**
CIVIL & LAND SURVEYING

MANHARD CIVIL & LAND SURVEYING
10000 WESTHEIMER ROAD, SUITE 100
HOUSTON, TEXAS 77042
281-416-1100
WWW.MANHARD-SURVEYING.COM

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 372.0035), 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
TOMBALL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$34,392.78

As the purchaser of the real property described above, you are obligated to pay assessments to Tomball, 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 *Wood Leaf Reserve 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 the City of Tomball. The exact amount of each annual installment will be approved each year by the Tomball 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 the City of Tomball.

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 Harris 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 HARRIS

§

§

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 Harris 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 HARRIS

§

§

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 Harris County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Installments Due	Lot Type 1 - Improvement Area #1 Initial Bonds				Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Installment
	Principal	Interest [a]	Capitalized Interest	Additional Interest [b]	Principal	Interest [c]		
1/31/2022	-	462.39	(462.39)	-	-	-	-	-
1/31/2023	346.31	777.85	-	86.43	284.01	776.67	345.56	2,616.83
1/31/2024	361.37	762.27	-	84.70	292.15	763.77	352.47	2,616.72
1/31/2025	368.90	746.00	-	82.89	308.78	750.51	359.52	2,616.61
1/31/2026	383.96	729.40	-	81.04	318.87	736.49	366.71	2,616.48
1/31/2027	391.48	712.13	-	79.13	337.56	722.01	374.05	2,616.35
1/31/2028	406.54	694.51	-	77.17	349.78	706.69	381.53	2,616.22
1/31/2029	421.60	676.21	-	75.13	363.17	690.81	389.16	2,616.09
1/31/2030	429.13	657.24	-	73.03	385.28	674.32	396.94	2,615.94
1/31/2031	444.18	637.93	-	70.88	401.08	656.83	404.88	2,615.78
1/31/2032	459.24	617.94	-	68.66	418.18	638.62	412.98	2,615.62
1/31/2033	474.30	597.28	-	66.36	436.64	619.63	421.24	2,615.45
1/31/2034	489.36	575.93	-	63.99	456.52	599.81	429.66	2,615.28
1/31/2035	504.41	553.91	-	61.55	477.88	579.09	438.25	2,615.10
1/31/2036	527.00	531.21	-	59.02	493.26	557.39	447.02	2,614.91
1/31/2037	542.06	507.50	-	56.39	517.81	535.00	455.96	2,614.71
1/31/2038	557.11	483.11	-	53.68	544.04	511.49	465.08	2,614.50
1/31/2039	579.70	458.04	-	50.89	564.49	486.79	474.38	2,614.29
1/31/2040	594.76	431.95	-	47.99	594.33	461.16	483.87	2,614.06
1/31/2041	617.34	405.19	-	45.02	618.55	434.18	493.55	2,613.82
1/31/2042	639.93	377.41	-	41.93	644.79	406.10	503.42	2,613.57
1/31/2043	662.51	348.61	-	38.73	673.15	376.82	513.49	2,613.31
1/31/2044	685.10	318.80	-	35.42	703.72	346.26	523.75	2,613.05
1/31/2045	707.68	287.97	-	32.00	736.58	314.31	534.23	2,612.77
1/31/2046	730.27	256.12	-	28.46	771.84	280.87	544.91	2,612.47
1/31/2047	752.86	223.26	-	24.81	809.60	245.83	555.81	2,612.16
1/31/2048	782.97	189.38	-	21.04	842.45	209.07	566.93	2,611.84
1/31/2049	813.08	154.15	-	17.13	878.05	170.83	578.27	2,611.50
1/31/2050	835.67	117.56	-	13.06	924.06	130.96	589.83	2,611.15
1/31/2051	873.31	79.95	-	8.88	957.99	89.01	601.63	2,610.78
1/31/2052	903.43	40.65	-	4.52	1,002.62	45.52	613.66	2,610.39
Total	\$ 17,285.57	\$ 14,411.86	\$ (462.39)	\$ 1,549.94	\$ 17,107.21	\$ 14,516.84	\$ 14,018.74	\$ 78,427.77

[a] Interest is calculated at a 4.50% rate, actual rate will be determined at the time Improvement Area #1 Initial Bonds are issued.

[b] Additional Interest is calculated at a 0.50% rate.

[c] Interest is calculated pursuant to the Bond Buyer's 20 Bond Index rate of 2.54% as of February 22, 2022 plus 2.0%, resulting in a total interest rate of 4.54% for the Reimbursement Obligation.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, 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

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 372.0035), 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
TOMBALL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$40,322.57

As the purchaser of the real property described above, you are obligated to pay assessments to Tomball, 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 **Wood Leaf Reserve 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 the City of Tomball. The exact amount of each annual installment will be approved each year by the Tomball 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 the City of Tomball.

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 Harris 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 HARRIS

§

§

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 Harris 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

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§

COUNTY OF HARRIS

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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 Harris County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Installments Due	Lot Type 2 - Improvement Area #1 Initial Bonds				Improvement Area #1 Reimbursement Obligation		Annual Collection Costs	Total Installment
	Principal	Interest [a]	Capitalized Interest	Additional Interest [b]	Principal	Interest [c]		
1/31/2022	-	542.11	(542.11)	-	-	-	-	-
1/31/2023	406.02	911.96	-	101.33	332.98	910.58	405.14	3,068.01
1/31/2024	423.68	893.69	-	99.30	342.52	895.46	413.24	3,067.88
1/31/2025	432.50	874.63	-	97.18	362.02	879.91	421.51	3,067.75
1/31/2026	450.16	855.16	-	95.02	373.85	863.47	429.94	3,067.60
1/31/2027	458.98	834.91	-	92.77	395.76	846.50	438.54	3,067.45
1/31/2028	476.64	814.25	-	90.47	410.09	828.53	447.31	3,067.29
1/31/2029	494.29	792.80	-	88.09	425.79	809.91	456.25	3,067.13
1/31/2030	503.12	770.56	-	85.62	451.71	790.58	465.38	3,066.97
1/31/2031	520.77	747.92	-	83.10	470.23	770.08	474.69	3,066.78
1/31/2032	538.42	724.49	-	80.50	490.28	748.73	484.18	3,066.59
1/31/2033	556.07	700.26	-	77.81	511.92	726.47	493.86	3,066.39
1/31/2034	573.73	675.23	-	75.03	535.24	703.23	503.74	3,066.19
1/31/2035	591.38	649.42	-	72.16	560.28	678.93	513.82	3,065.97
1/31/2036	617.86	622.80	-	69.20	578.31	653.49	524.09	3,065.76
1/31/2037	635.51	595.00	-	66.11	607.08	627.24	534.57	3,065.52
1/31/2038	653.17	566.40	-	62.93	637.84	599.67	545.27	3,065.28
1/31/2039	679.65	537.01	-	59.67	661.82	570.72	556.17	3,065.03
1/31/2040	697.30	506.43	-	56.27	696.80	540.67	567.29	3,064.76
1/31/2041	723.78	475.05	-	52.78	725.19	509.04	578.64	3,064.48
1/31/2042	750.26	442.48	-	49.16	755.96	476.11	590.21	3,064.19
1/31/2043	776.74	408.71	-	45.41	789.21	441.79	602.02	3,063.89
1/31/2044	803.22	373.76	-	41.53	825.05	405.96	614.06	3,063.58
1/31/2045	829.70	337.62	-	37.51	863.58	368.50	626.34	3,063.25
1/31/2046	856.18	300.28	-	33.36	904.91	329.30	638.87	3,062.90
1/31/2047	882.66	261.75	-	29.08	949.18	288.21	651.64	3,062.54
1/31/2048	917.96	222.03	-	24.67	987.69	245.12	664.68	3,062.16
1/31/2049	953.27	180.72	-	20.08	1,029.44	200.28	677.97	3,061.76
1/31/2050	979.75	137.83	-	15.31	1,083.38	153.54	691.53	3,061.35
1/31/2051	1,023.88	93.74	-	10.42	1,123.16	104.36	705.36	3,060.91
1/31/2052	1,059.19	47.66	-	5.30	1,175.48	53.37	719.47	3,060.46
Total	\$ 20,265.84	\$ 16,896.67	\$ (542.11)	\$ 1,817.17	\$ 20,056.73	\$ 17,019.74	\$ 16,435.76	\$ 91,949.80

[a] Interest is calculated at a 4.50% rate, actual rate will be determined at the time Improvement Area #1 Initial Bonds are issued.

[b] Additional Interest is calculated at a 0.50% rate.

[c] Interest is calculated pursuant to the Bond Buyer's 20 Bond Index rate of 2.54% as of February 22, 2022 plus 2.0%, resulting in a total interest rate of 4.54% for the Reimbursement Obligation.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, 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