

**CITY OF LAVON, TEXAS**  
**ORDINANCE NO. 2020-05-02**

Adopting Project and Finance Plan for Reinvestment Zone No. One

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAVON,  
TEXAS ADOPTING THE PROJECT AND FINANCING PLAN FOR  
REINVESTMENT ZONE NUMBER ONE, CITY OF LAVON, TEXAS, AND  
PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council (the "City Council") of the City of Lavon, Texas (the "City") created Reinvestment Zone Number One, City of Lavon, Texas (the "Zone") by Ordinance No. 2006-12-01, adopted on December 12, 2006, and established the boundaries of the Zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended, (the "Act"); and

**WHEREAS**, a preliminary reinvestment zone financing plan was prepared for the Zone and presented to each of the taxing units that levies taxes on real property in the Zone; and

**WHEREAS**, the Board of Directors of the Zone has adopted a final project and financing plan (the "Project and Financing Plan") for the Zone; and

**WHEREAS**, this City Council has reviewed the Project and Financing Plan and has found and determined that the Project and the Financing Plan are feasible and conform to the ordinances and regulations of the City, and that the projects set forth in the Project and Financing Plan will promote the development and redevelopment of the Zone, will significantly enhance the value of the taxable real property in the Zone and will be of general benefit to the City;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS:**

SECTION 1: The City Council finds that all matters stated in the preamble of this Ordinance are true and correct and are hereby incorporated into the body of this ordinance.

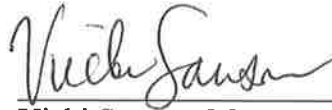
SECTION 2: The Project and Financing Plan in the form and substance attached hereto as Exhibit A and incorporated herein, is hereby approved.

SECTION 3: This Ordinance shall take effect immediately from and after its passage and it is accordingly so ordained.

[Signature page follows]

**PASSED AND APPROVED THIS THE 5th DAY OF MAY, 2015.**

**APPROVED:**



Vicki Sanson, Mayor

**ATTEST:**



Kim Dobbs, City Administrator



CITY SEAL

## **EXHIBIT A**

Project and Financing Plan  
For Reinvestment Zone Number One, City of Lavon, Texas

(see attached)



REINVESTMENT ZONE NO. 1,  
CITY OF LAVON, TEXAS  
PROJECT AND FINANCING PLAN

MAY 5, 2020

## TABLE OF CONTENTS

|   |    |
|---|----|
| Table of Contents .....   | 1  |
| Section 1: Introduction .....   | 2  |
| Section 2: Description and Maps .....   | 4  |
| Section 3: Proposed Changes to Ordinances, Plans, Codes, Rules, and Regulations ..... | 4  |
| Section 4: Relocation of Displaced Persons .....                                      | 4  |
| Section 5: Estimated Non-Project Costs .....  | 4  |
| Section 6: Proposed Public Improvements .....   | 5  |
| Section 7: Estimated Project Costs .....  | 5  |
| Section 8: Economic Feasibility .....   | 6  |
| Section 9: Estimated Bonded Indebtedness .....  | 6  |
| Section 10: Appraised Value .....   | 7  |
| Section 11: Method of Financing .....   | 7  |
| Section 12: Duration of the Zone, Termination .....                                   | 7  |
| List of Exhibits .....  | 8  |
| Appendix A – Legal Description .....  | 9  |
| Appendix B – Map .....  | 18 |
| Appendix C – List of Non-Project Costs .....  | 19 |
| Appendix D – List of Project Costs .....  | 20 |
| Appendix E – Estimated Timeline of Incurred Costs .....                               | 21 |
| Appendix F – Feasibility Study .....  | 22 |
| Appendix G – Development Agreement .....  | 25 |

## SECTION 1: INTRODUCTION

### 1.1 Authority and Purpose

The City of Lavon, Texas, a Texas general law municipality (the “City”) has the authority under Chapter 311, Texas Tax Code, Tax Increment Financing Act, as amended (the “Act”) to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction (“ETJ”) of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the governing body of the City (the “City Council”) has determined that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the zone is feasible, and that creation of the zone is in the best interest of the City and the property in the zone. The purpose of the zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

### 1.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if it is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City. The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

### 1.3 The Zone

The City Council created a tax increment reinvestment zone known as “*Reinvestment Zone Number One, City of Lavon, Texas*” (the “Zone”) that included approximately 574 acres of land at the time of its creation, as described on by metes and bounds on **Exhibit A** and depicted on **Exhibit B** (the “Property”). At the time of the creation of the Zone, the Property was zoned as a Planned Development - Single-Family, Commercial, and Mixed-Use. The Property was undeveloped at the time of the creation of TIRZ No. 1, and due to its size, location, and physical characteristics, development would not have occurred solely through private investment in the foreseeable future. The Property substantially impaired and arrested the sound growth of the City because it was predominately open and undeveloped due to factors such as the lack of public infrastructure and the need for economic incentive to attract development to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increased real

property tax base for all taxing units in the Zone. The public improvements, and other projects were financed as contemplated by the Preliminary Plan.

#### **1.4 Preliminary Plan and Hearing**

Before the City Council adopted the ordinance designating the Zone, the City Council prepared a preliminary reinvestment zone financing plan in accordance with the Act and held a public hearing on the creation of the Zone and its benefits to the City and to the Property, at which public hearing interested persons were given the opportunity to speak for and against the creation of the Zone, the boundaries of the Zone and the concept of tax increment financing, and at which hearing the owners of the Property were given a reasonable opportunity to protest the inclusion of their Property in the Zone. The preliminary reinvestment zone financing plan described, in general terms, the public improvements that will be undertaken and financed by the Zone.

#### **1.5 Creation of the Zone**

Upon the closing of the above referenced public hearing, the City Council adopted an ordinance in accordance with the Act creating the Zone (1) upon findings by the City Council that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future, (2) that the Zone is feasible, and (3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City. Among other provisions required by the Act, the ordinance creating the Zone appointed a Board of Directors for the Zone (the "Board").

#### **1.6 Board Recommendations**

After the creation of the Zone, the Board has prepared and adopted, and recommends to the City Council this *"Reinvestment Zone Number One, City of Lavon, Texas, Final Project and Financing Plan"* (the "Final Plan"), and an agreement between the Owner (the "Owner"), Board, and City (the "Economic Development Agreement") pursuant to which the City will contribute a portion of its ad valorem tax increment attributable to new development in the Zone (the "Tax Increment") into a tax increment fund created by the City and segregated from all other funds of the City (the "TIRZ Fund") to pay to the Owner or its assigns, in accordance with the Final Plan, the costs of public improvements and other projects benefiting the Zone.

#### **1.7 Council Action**

The City Council will take into consideration the recommendations of the Board and will consider approval of this Final Plan and the Economic Development Agreement. If the Economic Development Agreement is approved, the City Council will authorize and direct its execution.

## **SECTION 2: DESCRIPTION AND MAPS**

### **2.1 Existing Uses and Conditions**

The Property is currently located in the County and within the corporate limits of the City and is zoned as Planned Development - Single-Family, Commercial, and Mixed-Use. The Property was undeveloped at the time of the creation of the Zone, and there was no public infrastructure to support development. Development required extensive public infrastructure that: (1) the City could not provide, and (2) would not be provided solely through private investment in the foreseeable future. A map of the Property and the proposed Zone is shown on **Exhibit B**.

### **2.2 Proposed Uses**

The proposed use of the Property is a master planned residential development pursuant to that certain Development Agreement entered into between the City/Developer Master Development Agreement (the “Development Agreement”) dated September 30, 2004.

## **SECTION 3: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS**

The Property is located in the corporate limits of the City and is subject to the City’s zoning regulation. The City has exclusive jurisdiction over the subdivision and platting of the property within the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. No proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

## **SECTION 4: RELOCATION OF DISPLACED PERSONS**

No persons will be displaced and in need of relocation due to the creation of the Zone or implementation of this Final Plan.

## **SECTION 5: ESTIMATED NON-PROJECT COSTS**

Non-project costs are private funds that will be spent to develop in the Zone but will not be financed by the Zone. The list of non-project costs is shown on **Exhibit C**. The total non-project costs are estimated to be approximately \$165,135,611.



## SECTION 6: PROPOSED PUBLIC IMPROVEMENTS

### 6.1 Categories of Public Improvements

The proposed public improvements to be financed by the Zone are further described in **Exhibit D** (the “Public Improvements”). All Public Improvements have been and shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the Public Improvements may be expanded to include any other category of improvements authorized by the Act.

### 6.2 Locations of Public Improvements

The estimated locations of the proposed Public Improvements are described in the Economic Development Agreement. These locations may be revised, with the approval of the City, from time to time without amending this Final Plan.

## SECTION 7: ESTIMATED PROJECT COSTS

### 7.1 Project Costs

The total costs for projects in the Zone include the costs of the Public Improvements and the Administrative Costs (hereinafter defined), collectively the Project Costs (hereinafter defined), are estimated to be \$1,438,980.59, as shown on **Exhibit D**.

### 7.2 Estimated Costs of Public Improvements

The estimated costs of the Public Improvements (the “Public Improvement Costs”) within the Zone are \$3,970,007.41 as shown on **Exhibit D**.

### 7.3 Estimated Administrative Costs

The estimated costs for administration of the Zone shall be the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone (the “Administrative Costs”). The Administrative Costs include the costs of professional services, including those for planning, engineering, and legal services paid by or on behalf of the City. The Administrative Costs also include organizational costs, the cost of publicizing the creation of the Zone, and the cost of implementing the project plan for the Zone paid by or on behalf of the City that are directly related to the administration of the Zone. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid. The Administrative Costs are estimated to be \$50,000.

#### **7.4 Estimated Timeline of Incurred Costs**

The Administrative Costs will be incurred annually beginning at the time the Zone is created and through the duration of the Zone. It is estimated the Project Costs have been incurred as evidenced by submission and approval by the City of costs to construct. Approved costs are on file with the City Secretary

### **SECTION 8: ECONOMIC FEASIBILITY**

#### **8.1 Feasibility Study**

For purposes of this Final Plan, economic feasibility was provided with the creation of the Zone in the Preliminary Project and Finance Plan and is shown on **Exhibit F** (the “Feasibility Study”). This evaluation focused on only direct financial benefits (i.e. ad valorem tax revenues from the development of Public Improvements in the Zone). Based on the Feasibility Study, during the term of the Zone, new development (which would not have occurred but for the Zone) was to generate approximately \$370,528,378 by year 13 (FY 2019) in total new City real property tax revenue, but has only generated \$116,001,759 as of the filing of the 2019 TIRZ State Comptroller Report.

The Feasibility Study showed a portion of the new real property tax revenue generated by the Zone would be retained by the City and or the County. The remainder of the new real property tax revenue generated within the Zone was available to pay Project Costs, up to the maximum contribution which is estimated at \$1,438,980.59 less administrative costs (the “Maximum Contribution”) to be further defined in the Economic Development Agreement, until the term expires or is otherwise terminated. One hundred percent (100%) of all taxing revenues generated for other taxing entities by the new development within the Zone will be retained by the respective taxing entities. Upon expiration or termination of the Zone, one hundred percent (100%) of all tax revenue generated within the Zone will be retained by the respective taxing entities not participating in the Zone. Based on the foregoing, and the other information contained in the Preliminary Project and Financing Plan, the feasibility of the Zone was demonstrated.

### **SECTION 9: ESTIMATED BONDED INDEBTEDNESS**

No bonded indebtedness issued by the City pursuant to the Act is contemplated.

## SECTION 10: APPRAISED VALUE

### 10.1 Current Appraised Value

The current total appraised value of taxable real property in the Zone is \$116,001,759 for FY 2019. Upon creation, the \$5,298,535 which represents the Tax Increment Base, (the “Tax Increment Base”) of the Property and is determined by the Collin Central Appraisal District in accordance with Section 311.012(c) of the Act.

### 10.2 Estimated Captured Appraised Value

The amount of the Tax Increment for a year during the term of the Zone is the amount of property taxes levied and collected by the City for that year on the captured appraised value of the Property less the Tax Increment Base of the Property, (the “Captured Appraised Value”). The Tax Increment Base of the Property is the total taxable value of the Property for the year in which the Zone was designated, as described in **Section 10.1** above. It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be \$110,703,224 as shown on **Exhibit F**. The actual Captured Appraised Value, as certified by the Collin Central Appraisal District will, for each year, will be used to calculate annual payment by the City into the TIRZ Fund pursuant to this Final Plan.

## SECTION 11: METHOD OF FINANCING

Pursuant to the Development Agreement shown on **Exhibit G**, the Owner has paid, and will in the future pay, those Project Costs attributable to the Public Improvements and will construct or cause to be constructed the Public Improvements. This Final Plan shall obligate the City to pay to the Developer funds on deposit in the TIRZ Fund as of March 31, 2020 less Administrative Costs. After the Administrative Costs have been paid, funds in the TIRZ Fund shall next be used to pay the Economic Development Agreement balancing. All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City unless otherwise approved by the governing body, and the TIRZ Fund shall only be used to pay the Project Costs in accordance with this Final Plan and the Economic Development Agreement. The City may amend this Final Plan in compliance with the Economic Development Agreement, including but not limited to, what is considered a Project Cost.

## SECTION 12: DURATION OF THE ZONE, TERMINATION

### 12.1 Duration

The TIRZ began in October 2006 and will terminate when all obligations are met.

## LIST OF EXHIBITS

|                  |                                      |
|------------------|--------------------------------------|
| <b>Exhibit A</b> | Legal Description                    |
| <b>Exhibit B</b> | Map                                  |
| <b>Exhibit C</b> | List of Non-Project Costs            |
| <b>Exhibit D</b> | List of Project Costs                |
| <b>Exhibit E</b> | Estimated Timeline of Incurred Costs |
| <b>Exhibit F</b> | Feasibility Study                    |
| <b>Exhibit G</b> | Development Agreement                |

*[Remainder of page intentionally left blank.]*

## APPENDIX A – REINVESTMENT ZONE DESCRIPTION

### DESCRIPTION OF THE ASSESSED PARCELS

#### ZONING TRACT WEST "D"

BEING A 32.13 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS AND BEING ALL THAT TRACT OF LAND DESCRIBED IN DEED TO LAVON WINDMILL ESTATES, LTD., A TEXAS LIMITED PARTNERSHIP RECORDED IN VOLUME 4959, PAGE 2938, DEED RECORDS COLLIN COUNTY, TEXAS (D.R.C.C.T.). SAID 32.13 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOW:

BEGINNING AT A POINT FOR THE NORTHEAST CORNER OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED AS "TRACT TWO" IN DEED TO CAPE COD BANK AND TRUST, RECORDED IN VOLUME 3254, PAGE 258 (D.R.C.C.T.) SAID POINT ALSO BEING ON THE APPROXIMATE CENTERLINE OF COUNTY ROAD NO. 484 (RAY SMITH ROAD-A VARIABLE WIDTH PRESCRIPTIVE R.O.W.), AND THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO ROBERT BROWN McGAUGHEY, RECORDED IN VOLUME 211, PAGE 215 (D.R.C.C.T.);

THENCE, S 00°00'21" E, ALONG THE EAST LINE OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON WEST LINE OF SAID CAPE COD BANK AND TRUST TRACT A DISTANCE OF 2051.66 FEET TO A POINT FOR THE SOUTHEAST CORNER OF SAID LAVON WINDMILL;

THENCE ALONG THE SOUTH LINE OF SAID LAVON WINDMILL ESTATES TRACT THE FOLLOWING COURSES AND DISTANCES:

N 55°18'44" W, A DISTANCE OF 69.19 FEET TO A POINT FOR CORNER;

S 68°56'16" W, A DISTANCE OF 452.16 FEET TO A POINT FOR CORNER;

N 70°03'44" W, A DISTANCE OF 200.24 FEET TO A POINT FOR THE SOUTHWEST CORNER OF SAID LAVON WINDMILL ESTATES;

THENCE ALONG THE WEST LINE OF SAID LAVON WINDMILL ESTATES TRACT THE FOLLOWING COURSES AND DISTANCES:

N 00°17'10" E, A DISTANCE OF 221.19 FEET TO A POINT FOR CORNER;

N 00°10'07" E, A DISTANCE OF 323.30 FEET TO A POINT FOR CORNER;

N 00°03'11" E, A DISTANCE OF 447.68 FEET TO A POINT FOR CORNER;

N 00°30'30" W, A DISTANCE OF 676.09 FEET TO A POINT FOR CORNER;

N 00°06'00" E, A DISTANCE OF 431.75 FEET TO A POINT FOR THE NORTHWEST CORNER OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO NORTH

TEXAS MUNICIPAL WATER DISTRICT, RECORDED IN VOLUME 3078, PAGE 604 (D.R.C.C.T.) SAID POINT ALSO BEING IN THE APPROXIMATE CENTERLINE OF SAID COUNTY ROAD NO. 484;

THENCE, N 89°22'02" E, ALONG THE NORTH LINE OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON SOUTH LINE OF SAID NORTH TEXAS MUNICIPAL TRACT ALONG THE APPROXIMATE CENTERLINE OF SAID COUNTY ROAD NO. 484 A DISTANCE OF 553.12 FEET TO A POINT FOR THE SOUTHEAST CORNER OF SAID NORTH TEXAS MUNICIPAL TRACT;

THENCE, N 89°47'55" E, ALONG THE NORTH LINE OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON SOUTH LINE OF SAID McGAUGHEY TRACT ALONG THE APPROXIMATE CENTERLINE OF SAID COUNTY ROAD NO. 484 A DISTANCE OF 116.56 FEET TO THE POINT OF BEGINNING, AND CONTAINING 32.13 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT EAST RESIDENTIAL "A"**

BEING A 117.250 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS, AND BEING ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO LAVON REALTY PARTNERS L.P., RECORDED IN VOLUME 5365, PAGE 7569, VOLUME 5328, PAGE 1298, DEED RECORDS COLLIN COUNTY, TEXAS (D.R.C.C.T.), ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEED TO KENNETH BLACK RECORDED IN COUNTY CLERK'S FILE NO. (CC#) 2002-0058176 D.R.C.C.T. AND CC# 92-0011429, D.R.C.C.T. SAID 117.250 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LAVON REALTY TRACT;

THENCE N 00°44'42" E, ALONG THE WEST LINE OF SAID LAVON REALTY ACRE TRACT, A DISTANCE OF 1414.73 FEET TO POINT FOR CORNER IN THE SOUTH LINE OF SAID BLACK TRACT FOR THE POINT OF BEGINNING;

THENCE ALONG THE SOUTH LINE OF SAID BLACK TRACT THE FOLLOWING COURSES AND DISTANCES;

N 36°29'45" W, A DISTANCE OF 69.26 FEET TO A POINT FOR CORNER;

N 54°59'16" W, A DISTANCE OF 156.86 FEET TO A POINT FOR CORNER;

S 79°30'44" W, A DISTANCE OF 106.48 FEET TO A POINT FOR THE SOUTHWEST CORNER OF SAID BLACK TRACT;

THENCE ALONG THE WEST LINE OF SAID BLACK TRACT THE FOLLOWING COURSES AND DISTANCES;

N 00°47'50" E, A DISTANCE OF 172.27 FEET TO A POINT FOR CORNER;

S 89°11'49" E, A DISTANCE OF 752.29 FEET TO A POINT FOR CORNER;

N 00°47'34" E, A DISTANCE OF 2915.08 FEET TO A POINT FOR CORNER;

N 00°14'09" E, A DISTANCE OF 175.16 FEET TO A POINT FOR THE NORTHWEST CORNER OF SAID BLACK TRACT IN THE SOUTH RIGHT-OF-WAY (R.O.W.) LINE OF F.M. HWY. NO. 2755 (VARIABLE R.O.W.);

THENCE S 89°16'38" E, ALONG THE SOUTH R.O.W. LINE OF SAID F.M. HWY. NO. 2755 (VARIABLE WIDTH R.O.W.) AND THE COMMON NORTH LINE OF SAID BLACK TRACT, A DISTANCE OF 204.39 FEET TO A POINT AT THE NORTHEAST CORNER OF SAID BLACK TRACT AND THE COMMON NORTHWEST CORNER OF SAID LAVON REALTY TRACT;

THENCE ALONG THE NORTH LINE OF SAID LAVON REALTY TRACT THE FOLLOWING COURSES AND DISTANCES:

S 89°28'05" E, A DISTANCE OF 667.17 FEET TO A POINT FOR CORNER;

S 00°03'44" W, A DISTANCE OF 553.86 FEET TO A POINT FOR CORNER;

N 85°44'09" E, A DISTANCE OF 446.94 FEET TO A POINT FOR CORNER;

N 04°44'43" W, A DISTANCE OF 493.05 FEET TO A POINT FOR CORNER IN THE SOUTH RIGHT-OF-WAY (R.O.W.) LINE OF SAID F.M. HWY. NO. 2755;

THENCE CONTINUING ALONG THE NORTH LINE OF LAVON REALTY TRACT AND THE COMMON SOUTH R.O.W. LINE OF SAID F.M. HWY. NO. 2755, THE FOLLOWING COURSES AND DISTANCES:

S 88°40'56" E, A DISTANCE OF 2.28 FEET TO A POINT FOR CORNER;

S 88°45'56" E, A DISTANCE OF 24.23 FEET TO A POINT FOR CORNER;

S 85°53'56" E, A DISTANCE OF 100.13 FEET TO A POINT FOR CORNER;

S 88°44'22" E, A DISTANCE OF 180.89 FEET TO THE NORTHEAST CORNER OF SAID LAVON REALTY TRACT;

THENCE ALONG THE EAST LINE OF SAID LAVON REALTY TRACT THE FOLLOWING COURSES AND DISTANCES:

S 00°14'02" W, A DISTANCE OF 1288.84 FEET TO A POINT FOR CORNER;

S 88°40'56" E, A DISTANCE OF 546.17 FEET TO A POINT FOR CORNER;

S 33°00'26" W, A DISTANCE OF 89.81 FEET TO A POINT FOR CORNER;

S 11°43'11" W, A DISTANCE OF 83.04 FEET TO A POINT FOR CORNER;

THENCE ALONG THE APPROXIMATE CENTERLINE OF SAID BEAR CREEK, THE FOLLOWING COURSES AND DISTANCES:

S 25°31'30" W, A DISTANCE OF 1314.07 FEET TO A POINT FOR CORNER;

S 61°56'23" W, A DISTANCE OF 843.24 FEET TO A POINT FOR CORNER;



S 70°13'21" W, A DISTANCE OF 415.82 FEET TO A POINT FOR CORNER;  
S 66°32'59" W, A DISTANCE OF 252.36 FEET TO A POINT FOR CORNER;  
S 73°15'44" W, A DISTANCE OF 25.26 FEET TO A POINT FOR CORNER;  
N 67°14'16" W, A DISTANCE OF 146.60 FEET TO A POINT FOR CORNER;  
S 67°30'44" W, A DISTANCE OF 148.65 FEET TO A POINT FOR CORNER;  
N 86°29'21" W, A DISTANCE OF 168.14 FEET TO A POINT FOR CORNER;  
S 53°15'41" W, A DISTANCE OF 174.27 FEET TO A POINT FOR CORNER;  
N 36°29'45" W, A DISTANCE OF 68.12 FEET TO THE POINT OF BEGINNING,  
AND CONTAINING 117.25 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT EAST RESIDENTIAL "B"**

BEING A 114.191 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS, AND BEING ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO LAVON REALTY PARTNERS L.P., RECORDED IN VOLUME 5365, PAGE 7569, VOLUME 5328, PAGE 1298, DEED RECORDS COLLIN COUNTY, TEXAS (D.R.C.C.I.), ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEED TO KENNETH BLACK RECORDED IN COUNTY CLERK'S FILE NO. (CC#) 2002-0058176 D.R.C.C.T AND CC# 92-0011429, D.R.C.C.I. SAID 114.191 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING AT THE SOUTHWEST CORNER OF SAID LAVON REALTY TRACT;**

**THENCE N 00°44'42" E, ALONG THE WEST LINE OF SAID LAVON REALTY ACRE TRACT, A DISTANCE OF 1414.73 FEET TO A POINT FOR CORNER IN THE SOUTH LINE OF SAID BLACK TRACT;**

**THENCE ALONG THE APPROXIMATE CENTERLINE OF SAID BEAR CREEK, THE FOLLOWING COURSES AND DISTANCES:**

S 36°29'45" E, A DISTANCE OF 68.12 FEET TO A POINT FOR CORNER;  
N 53°15'44" E A DISTANCE OF 174.27 FEET TO A POINT FOR CORNER;  
S 86°29'21" E, A DISTANCE OF 168.14 FEET TO A POINT FOR CORNER;  
N 67°30'44" E, A DISTANCE OF 148.65 FEET TO A POINT FOR CORNER;  
S 67°14'16" E, A DISTANCE OF 146.60 FEET TO A POINT FOR CORNER;  
N 73°15'44" E, A DISTANCE OF 25.26 FEET TO A POINT FOR CORNER;  
N 66°32'59" E, A DISTANCE OF 252.36 FEET TO A POINT FOR CORNER;



N 70°13'21" E, A DISTANCE OF 415.82 FEET TO A POINT FOR CORNER;

N 61°56'23" E, A DISTANCE OF 843.24 FEET TO A POINT FOR CORNER;

N 25°31'30" E, A DISTANCE OF 1314.07 FEET TO A POINT FOR CORNER IN THE EAST LINE OF SAID LAVON REALTY TRACT;

THENCE ALONG THE EAST LINE OF SAID LAVON REALTY TRACT THE FOLLOWING COURSES AND DISTANCES:

S 89°30'20" E, A DISTANCE OF 240.91 FEET TO A POINT FOR CORNER;

S 00°44'42" W, A DISTANCE OF 3015.39 FEET TO THE SOUTHEAST CORNER OF SAID LAVON REALTY TRACT;

THENCE ALONG THE SOUTH LINE OF SAID LAVON REALTY TRACT THE FOLLOWING COURSES AND DISTANCES:

N 88°40'48" W, A DISTANCE OF 1476.00 FEET TO A POINT FOR CORNER;

N 00°45'44" E, A DISTANCE OF 8.00 FEET TO A POINT FOR CORNER;

S 76°49'12" W, A DISTANCE OF 1358.24 FEET TO THE POINT OF BEGINNING, AND CONTAINING 114.191 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT WEST RESIDENTIAL "C"**

BEING A 49.895 ACRE TRACT OF LAND SITUATED IN THE W.S. BOHANNON SURVEY, ABSTRACT NO. 121, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO D.P. BROWN, RECORDED IN VOLUME 226, PAGE 176 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.) BASIS OF BEARINGS FOR THIS SURVEY IS GEODETIC NORTH. SAID 49.895 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF SAID BROWN TRACT FROM WHICH A 3/8" IRON ROD FOUND IN THE WEST RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 205 (100' R.O.W.) BEARS S 88°17'02" E, A DISTANCE OF 200.00 FEET;

THENCE N 88°17'02" W, ALONG THE SOUTH LINE OF SAID BROWN TRACT, A DISTANCE OF 1120.95 FEET TO A WOODEN FENCE CORNER POST FOUND FOR THE SOUTHWEST CORNER OF SAID BROWN TRACT;

THENCE N 00°28'03" E, ALONG THE WEST LINE OF SAID BROWN TRACT A DISTANCE OF 1812.76 FEET TO A POINT FOR CORNER;

THENCE OVER AND ACROSS SAID BROWN TRACT THE FOLLOWING COURSES AND DISTANCES:

N 84°14'47" E, A DISTANCE OF 1135.39 FEET TO A POINT FOR CORNER;

S 88°36'33" E, A DISTANCE OF 39.26 FEET TO A POINT FOR CORNER FROM WHICH A 1/2" IRON ROD STAMPED "RSCT" FOUND BEARS S 88°36'33" E, A DISTANCE OF 200.74 FEET;

S 01°13'03" W, A DISTANCE OF 1241.34 FEET TO A POINT FOR CORNER;

S 02°56'28" W, A DISTANCE OF 719.02 FEET TO THE POINT OF BEGINNING AND CONTAINING 49.895 ACRES OF LAND, MORE OR LESS

**ZONING TRACT WEST "E"**

BEING A 28.653 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO LAVON REALTY PARTNERS, LTD., RECORDED IN VOLUME 5298, PAGE 4958 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.). SAID 28.653 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR THE SOUTHEAST CORNER OF WINDMILL ESTATES PHASE 1, AN ADDITION TO THE CITY OF LAVON, COLLIN COUNTY, TEXAS RECORDED IN CABINET N, PAGE 542 PLAT RECORDS COLLIN COUNTY TEXAS (P.R.C.C.T.) AND IN THE EAST LINE OF SAID LAVON REALTY PARTNERS TRACT AND THE COMMON WEST LINE OF MUSTANG ESTATES, AN ADDITION TO THE CITY OF LAVON, COLLIN COUNTY TEXAS RECORDED IN CABINET S, PAGE 1640, (P.R.C.C.T.);

THENCE, S 00°00'21" E, ALONG THE EAST LINE OF SAID LAVON REALTY PARTNERS TRACT AND THE COMMON WEST LINE OF SAID MUSTANG ESTATES A DISTANCE OF 1541.93 FEET TO A POINT FOR THE SOUTHEAST CORNER OF SAID LAVON REALTY PARTNERS TRACT SAID POINT ALSO BEING IN BEAR CREEK;

THENCE ALONG THE SOUTH LINE OF SAID LAVON REALTY PARTNERS TRACT AND SAID BEAR CREEK THE FOLLOWING COURSES AND DISTANCES:

S 80°20'00" W, A DISTANCE OF 143.00 FEET TO A POINT FOR CORNER;

S 77°00'00" W, A DISTANCE OF 115.00 FEET TO A POINT FOR CORNER;

S 65°00'00" W, A DISTANCE OF 105.00 FEET TO A POINT FOR CORNER;

S 68°10'00" W, A DISTANCE OF 102.00 FEET TO A POINT FOR CORNER;

S 73°00'00" W, A DISTANCE OF 150.00 FEET TO A POINT FOR CORNER;

S 63°00'00" W, A DISTANCE OF 84.22 FEET TO A POINT FOR CORNER;

S 52°10'00" W, A DISTANCE OF 117.82 FEET TO A POINT FOR THE SOUTHWEST CORNER OF SAID LAVON REALTY PARTNERS TRACT AND ALONG THE COMMON EAST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO CAPE COD BANK & TRUST RECORDED IN VOLUME 3254, PAGE 258, D.R.C.C.T.;

THENCE, N 00°00'21" W, ALONG THE WEST LINE OF SAID LAVON REALTY PARTNERS TRACT AND THE COMMON EAST LINE OF SAID CAPE COD TRACT A DISTANCE OF 1832.05 FEET TO A POINT FOR AN INTERIOR ELL CORNER OF SAID LAVON REALTY PARTNERS TRACT AND THE COMMON NORTHEAST CORNER OF SAID CAPE COD TRACT, SAID POINT ALSO BEING IN THE SOUTH LINE OF SAID WINDMILL ESTATES PHASE 1;

THENCE, S 89°43'43" E, ALONG THE SOUTH LINE OF SAID WINDMILL ESTATES PHASE 1, A DISTANCE OF 754.45 FEET TO THE POINT OF BEGINNING, AND CONTAINING 28.653 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT WEST RESIDENTIAL "A"**

BEING A 92.052 ACRE TRACT OF LAND SITUATED IN THE W.H. MOORE SURVEY, ABSTRACT NO. 638, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO BENNIE WHITE DAUGHTERTY TO W.C. DAUGHTERTY, JR., ANN DAUGHTERTY TICKNOR AND JOHN KINGSLEY DAUGHTERTY RECORDED IN VOLUME 2092, PAGE 223, DBED RECORDS, COLLIN COUNTY, TEXAS, (D.R.C.C.T.). SAID 92.052 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF ST. LOUIS SOUTHWESTERN RAILROAD FOR THE NORTHEAST CORNER OF SAID DAUGHTERTY TRACT;

**THENCE,** S 00°16'03" W, ALONG THE EAST LINE OF SAID DAUGHTERTY TRACT, A DISTANCE OF 900.15 FEET TO POINT IN THE EAST LINE SAID DAUGHTERTY TRACT;

**THENCE** OVER AND ACROSS SAID DAUGHTERTY TRACT THE FOLLOWING COURSES AND DISTANCES:

N 89°13'26" W, A DISTANCE OF 141.54 FEET TO A POINT FOR CORNER;

S 74°59'05" W, A DISTANCE OF 52.06 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 9°15'30", A RADIUS OF 1150.00 FEET, AN ARC LENGTH OF 185.83 FEET, A CHORD BEARING OF S 75°05'25" W, AND A CHORD LENGTH OF 185.62 FEET, TO A POINT FOR CORNER;

S 09°32'37" E, A DISTANCE OF 0.10 FEET TO A POINT FOR CORNER;

S 80°27'23" W, A DISTANCE OF 328.31 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF  $7^{\circ}28'20''$ , A RADIUS OF 1150.00 FEET, AN ARC LENGTH OF 149.98 FEET, A CHORD BEARING OF  $S\ 84^{\circ}11'33''\ W$ , AND A CHORD LENGTH OF 149.87 FEET, TO A POINT FOR CORNER;

$S\ 87^{\circ}55'43''\ W$ , A DISTANCE OF 317.62 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF  $3^{\circ}14'40''$ , A RADIUS OF 1150.00 FEET, AN ARC LENGTH OF 65.12 FEET, A CHORD BEARING OF  $S\ 89^{\circ}33'03''\ W$ , AND A CHORD LENGTH OF 65.11 FEET, TO A POINT FOR CORNER;

$N\ 88^{\circ}49'37''\ W$ , A DISTANCE OF 327.76 FEET TO A POINT FOR CORNER;

$N\ 88^{\circ}49'37''\ W$ , A DISTANCE OF 50.36 FEET TO A POINT FOR CORNER;

$N\ 88^{\circ}49'37''\ W$ , A DISTANCE OF 27.82 FEET TO A POINT FOR CORNER;

$N\ 86^{\circ}07'18''\ W$ , A DISTANCE OF 317.80 FEET TO A POINT FOR CORNER;

$N\ 88^{\circ}49'37''\ W$ , A DISTANCE OF 19.37 FEET TO A POINT FOR CORNER;

$N\ 88^{\circ}49'37''\ W$ , A DISTANCE OF 142.99 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF  $4^{\circ}25'32''$ , A RADIUS OF 365.00 FEET, AN ARC LENGTH OF 28.19 FEET, A CHORD BEARING OF  $S\ 88^{\circ}57'37''\ W$ , AND A CHORD LENGTH OF 28.19 FEET, TO A POINT FOR CORNER;

$S\ 86^{\circ}44'51''\ W$ , A DISTANCE OF 542.46 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF  $4^{\circ}33'03''$ , A RADIUS OF 635.00 FEET, AN ARC LENGTH OF 50.44 FEET, A CHORD BEARING OF  $S\ 89^{\circ}01'22''\ W$ , AND A CHORD LENGTH OF 50.42 FEET, TO A POINT FOR CORNER;

N 88°42'06" W, A DISTANCE OF 192.63 FEET TO A POINT FOR CORNER;

N 88°42'06" W, A DISTANCE OF 64.99 FEET TO A POINT FOR CORNER;

N 88°42'06" W, A DISTANCE OF 246.18 FEET TO A POINT FOR CORNER;

N 01°19'14" E, A DISTANCE OF 3.27 FEET TO A POINT FOR CORNER;

S 88°43'30" W, A DISTANCE OF 475.49 FEET TO A POINT IN THE EAST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO FARMERSVILLE BANKSHARE RECORDED IN VOLUME 4317, PAGE 2685, D.R.C.C.T.;

THENCE N 01°19'12" E, ALONG THE EAST LINE OF SAID FARMERSVILLE BANKSHARE TRACT A DISTANCE OF 778.51 FEET TO A POINT IN THE SOUTH R.O.W. LINE OF SAID ST. LOUIS SOUTHWESTERN RAILROAD;

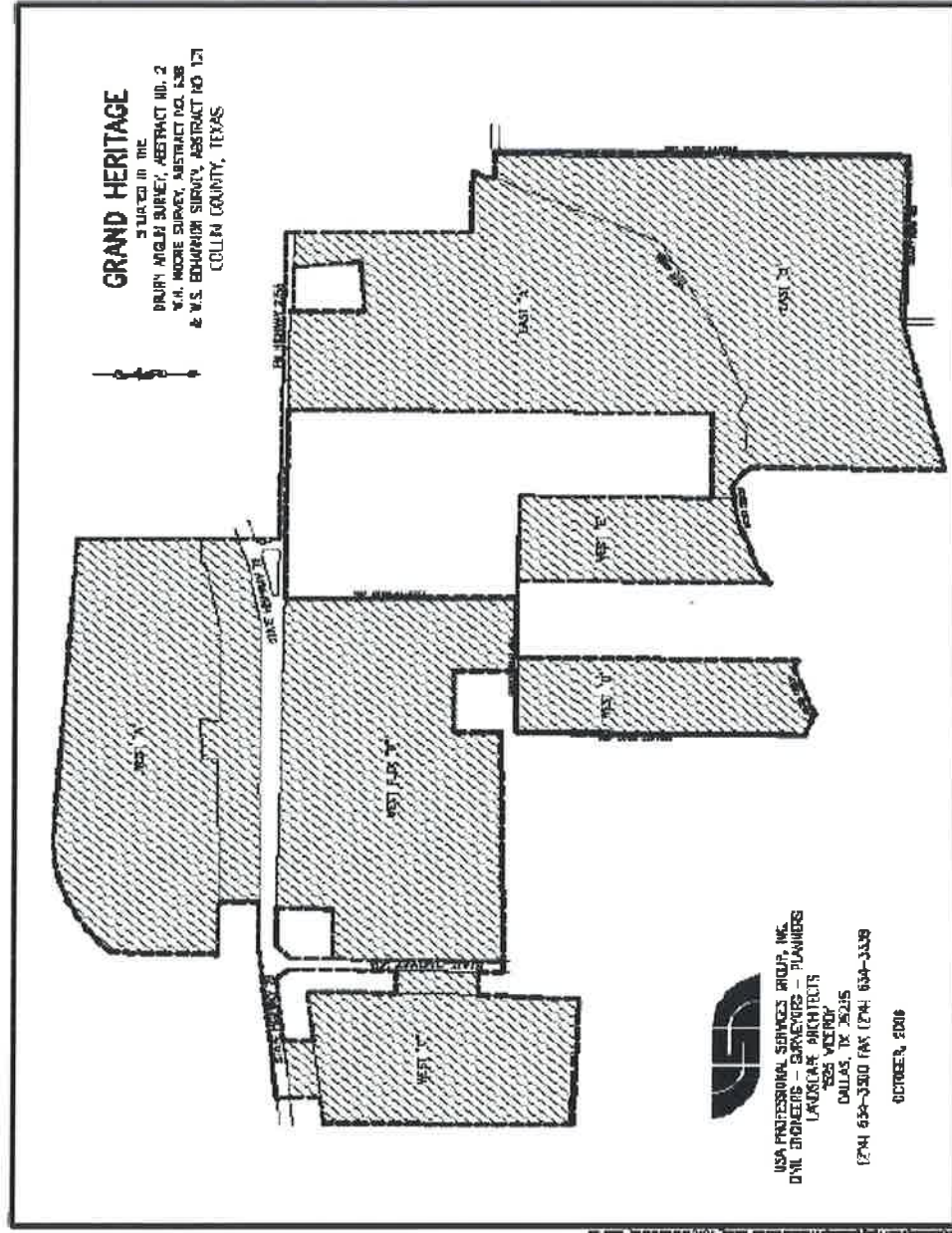
THENCE ALONG THE SOUTH R.O.W. LINE OF SAID ST. LOUIS SOUTHWESTERN RAILROAD THE FOLLOWING COURSES AND DISTANCES:

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 49°33'55", A RADIUS OF 1382.39 FEET, AN ARC LENGTH OF 1195.87 FEET, A CHORD BEARING OF N 68°46'09" E, AND A CHORD LENGTH OF 1158.93 FEET, TO A POINT FOR CORNER;

S 86°26'53" E, A DISTANCE OF 2613.57 FEET TO A POINT FOR CORNER; TO THE POINT OF BEGINNING, AND CONTAINING 92.052 ACRES OF LAND, MORE OR LESS.

## APPENDIX B – MAP

### Reinvestment Zone Boundaries



## **APPENDIX C – LIST OF NON-PROJECT COSTS**

Non-Project Costs include all builder's costs to construct single family vertical construction homes within the Zone from 2006 until 2019.



## APPENDIX D – LIST OF PROJECT COSTS

### TIF Project Costs

TIF project cost principal items, not to exceed \$2,700,000, will be selected from this list of candidate public improvement projects. If Collin County participates in the TIF fund, the project cost principal amount and the project cost interest amount may be increased in accord with the ability of County deposits to reimburse additional costs

| (a)  | (b)            | (c)  | (d)         | (e)  | (f)  | (g)     | (h)      | (i) | (j)         |
|--|----------------|--|-------------|------|------|---------|----------|-----|-------------|
|  | Principal Cost | 2006   | 2007        | 2008 | 2009 | 2010    | 2011     | ... | Sum         |
|  |                | Cost by Fiscal Year<br>(Years Ending September 30) |             |      |      |         |          |     |             |
| Public Improvements                                    |                |  |             |      |      |         |          |     |             |
| Roads and paving                                       | \$7,000,000    |  |             |      |      |         |          |     |             |
| Drainage and wastewater management                     | \$6,000,000    |  |             |      |      |         |          |     |             |
| Total before limitation                                | \$13,000,000   |  |             |      |      |         |          |     |             |
| Total for principal (limited to \$2,700,000, per note) | \$2,700,000    | \$0  | \$2,700,000 | \$0  | \$0  | \$0     | \$0      | \$0 | \$2,700,000 |
| Financing costs (from debt service schedule)           |                | \$0  | \$0         | \$0  | \$0  | \$7,068 | \$65,667 | ... | \$6,416,116 |
| Grand total project costs                              |                | \$0  | \$2,700,000 | \$0  | \$0  | \$7,068 | \$65,667 | ... | \$9,116,116 |

Nonproject costs for public improvements (not reimbursed by the TIF fund) have been roughly estimated at \$40 million. Actual expenses will vary. The developer and builders of Grand Heritage will likely spend \$300 million+/- for taxable improvements. Actual expenses will vary.



## APPENDIX E – ESTIMATED TIMELINE OF INCURRED COSTS

Total Costs have already been incurred, as evidenced by costs provided by Developer to City and available for inspection with the City Secretary.

|   |    |               |  |  |
|---|----|---------------|--|--|
| Costs proved up after bonds                     | \$ | 11,486,219.00 | From binders at City Hall                            | Draw Requests - 2006-Payment Request No. 2, page 9 |
| less:   |    |               |  |  |
| Reimbursement Principal Reduction               | \$ | 498,150.27    | From 2016.10.18 CC Reg Meeting - Excerpt PID page 12 |  |
| Paid from City's PID account after bonds issued | \$ | 79,856.32     | From 2016.10.18 CC Reg Meeting - Excerpt PID page 8  |  |
| DSR 50% payment                                 | \$ | 287,000.00    | Per Indenture for Phase 1 bonds                      |  |
| 2013 Bond Proceeds                              | \$ | 6,938,205.00  | Bond minus costs related to issuance of bond         |  |
| Final Plan TIRZ                                 | \$ | 3,970,007.41  |  |  |

# APPENDIX F – FEASIBILITY STUDY

Schedule 8:  
TIF Fund Sources and Uses of Cash  
(Debt Service Schedule)

Assumptions:

Annual deposits to the TIF fund and annual cash advances for project cost overruns are from separate schedules.

In this schedule, bond are assumed to occur mid-year.

Interest received on the TIF fund is assumed to be 1.25%.

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Lavon TIF Zone 1 Preliminary Financing Plan, October 27, 2008

Page 25

Schedule 8:  
TIF Fund Sources and Uses of Cash  
(Debt Service Schedule)

| Fiscal year beginning October 1,<br>and ending September 30, | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        | 2026        | 2027        | 2028        | 2029 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| <b>TIF Fund sources of cash</b>                              |             |             |             |             |             |             |             |             |             |             |             |             |      |
| Tentative City deposits (before admin. expenses)             | \$276,644   | \$302,599   | \$318,207   | \$352,530   | \$369,081   | \$382,101   | \$409,512   | \$451,502   | \$458,397   | \$488,937   | \$503,331   | \$509,151   |      |
| Less City's TIF admin. expenses for this year                | \$25,000    | \$25,000    | \$25,000    | \$25,000    | \$25,000    | \$25,000    | \$25,000    | \$25,000    | \$25,000    | \$25,000    | \$25,000    | \$25,000    |      |
| Cum. TIF fund admin. fee benefits advanced by City           | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |      |
| Deposits to TIF fund by County, if any                       |             |             |             |             |             |             |             |             |             |             |             |             |      |
| Total deposits to fund                                       | \$251,644   | \$277,599   | \$293,207   | \$327,530   | \$344,081   | \$357,101   | \$384,512   | \$426,502   | \$433,397   | \$463,937   | \$478,331   | \$484,151   |      |
| New cash advances from developer for public imp.             | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |      |
| TIF fund cash carried from end of previous year              | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |      |
| Cash available   | \$251,644   | \$277,599   | \$293,207   | \$327,530   | \$344,081   | \$357,101   | \$384,512   | \$426,502   | \$433,397   | \$463,937   | \$478,331   | \$484,151   |      |
| <b>TIF Fund uses of cash</b>                                 |             |             |             |             |             |             |             |             |             |             |             |             |      |
| Principal owed from previous period                          | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 |      |
| Project cost public improvements                             | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |      |
| Less principal repaid this period                            | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |      |
| Net principal owed   | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 |      |
| Interest earned from prior period                            | \$1,405,523 | \$1,441,266 | \$1,453,556 | \$1,451,109 | \$1,414,157 | \$1,358,067 | \$1,275,030 | \$1,166,771 | \$1,013,083 | \$828,001   | \$611,025   | \$359,456   |      |
| Interest accrued this period                                 | \$287,387   | \$269,899   | \$290,750   | \$290,578   | \$287,951   | \$284,065   | \$278,252   | \$270,814   | \$259,916   | \$246,960   | \$231,772   | \$214,153   |      |
| Total interest before reduction this period                  | \$1,692,910 | \$1,711,165 | \$1,744,316 | \$1,741,687 | \$1,702,148 | \$1,642,131 | \$1,553,282 | \$1,437,585 | \$1,272,998 | \$1,074,960 | \$842,796   | \$573,629   |      |
| Less interest paid this period                               | \$251,644   | \$277,599   | \$293,207   | \$327,530   | \$344,081   | \$357,101   | \$384,512   | \$426,502   | \$433,397   | \$463,937   | \$478,331   | \$484,151   |      |
| Net interest owed  | \$1,441,266 | \$1,433,566 | \$1,451,109 | \$1,414,157 | \$1,358,067 | \$1,275,030 | \$1,166,771 | \$1,013,083 | \$828,001   | \$611,025   | \$359,456   | \$170,438   |      |
| Principal and interest owed by fund                          | \$4,141,266 | \$4,153,566 | \$4,151,109 | \$4,114,157 | \$4,058,067 | \$3,975,030 | \$3,866,771 | \$3,713,083 | \$3,528,001 | \$3,311,025 | \$3,059,456 | \$2,770,438 |      |
| <b>Cash in TIF fund at end of year</b>                       |             |             |             |             |             |             |             |             |             |             |             |             |      |
| Plus interest earned   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |      |
| Total at year end (priorized to contributors at dissolution) | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |      |

Schedule 8:

**TIF Fund Sources and Uses of Cash  
(Debt Service Schedule)**

| Fiscal year beginning October 1,<br>and ending September 30, | 2029        | 2030        | 2031        | 2032        | 2033        | 2034      | 2035      | 2036        | 2037 | Cumulative   |
|--|-------------|-------------|-------------|-------------|-------------|-----------|-----------|-------------|------|--------------|
| <b>TIF Fund Sources of cash</b>                              |             |             |             |             |             |           |           |             |      |              |
| Tentative City deposits (before admin. expenses)             | \$548,529   | \$569,368   | \$590,696   | \$612,631   | \$634,903   | \$657,616 | \$681,283 | \$705,319   | \$0  | \$11,164,802 |
| Less City's TIF admin. expenses for this year                | \$25,000    | \$26,005    | \$26,000    | \$26,000    | \$26,000    | \$26,000  | \$26,000  | \$26,000    | \$0  | \$775,000    |
| Cum. TIF fund admin. fee deficits advanced by City           | \$0         | \$0         | \$0         | \$0         | \$0         | \$0       | \$0       | \$0         | \$0  | \$68,192     |
| Deposits to TIF fund by County, if any                       |             |             |             |             |             |           |           |             |      |              |
| Total deposits to fund                                       | \$523,529   | \$543,363   | \$564,696   | \$587,631   | \$608,903   | \$632,616 | \$655,283 | \$680,319   | \$0  | \$10,389,802 |
| New cash advances from developer for public imp's            | \$0         | \$0         | \$0         | \$0         | \$0         | \$0       | \$0       | \$0         | \$0  | \$2,700,000  |
| TIF fund cash carried from end of previous year              | \$0         | \$0         | \$0         | \$0         | \$0         | \$0       | \$0       | \$0         | \$0  | \$0          |
| Cash available   | \$523,529   | \$543,363   | \$564,696   | \$587,631   | \$608,903   | \$632,616 | \$655,283 | \$680,319   | \$0  | \$13,089,802 |
| <b>TIF Fund uses of cash</b>                                 |             |             |             |             |             |           |           |             |      |              |
| Principal owed from previous period                          | \$2,700,000 | \$2,440,840 | \$2,067,343 | \$1,646,371 | \$1,174,086 | \$646,369 | \$59,800  | \$0         | \$0  | \$2,700,000  |
| Projected cost public improvements                           | \$0         | \$0         | \$0         | \$0         | \$0         | \$0       | \$0       | \$0         | \$0  | \$0          |
| Less principal repaid this period                            | \$255,160   | \$373,497   | \$420,972   | \$472,285   | \$527,717   | \$587,670 | \$646,369 | \$693,800   | \$0  | \$2,700,000  |
| Net principal owed   | \$2,440,840 | \$2,067,343 | \$1,646,371 | \$1,174,086 | \$646,369   | \$59,800  | \$0       | \$0         | \$0  | \$0          |
| Interest carried from prior period                           | \$70,438    | \$0         | \$0         | \$0         | \$0         | \$0       | \$0       | \$0         | \$0  | \$0          |
| Interest accrued this period                                 | \$193,931   | \$170,859   | \$144,714   | \$115,246   | \$82,186    | \$45,246  | \$4,116   | \$0         | \$0  | \$6,416,116  |
| Total interest before reduction this period                  | \$264,369   | \$170,859   | \$144,714   | \$115,246   | \$82,186    | \$45,246  | \$4,116   | \$0         | \$0  | \$6,416,116  |
| Less interest paid this period                               | \$84,369    | \$170,859   | \$144,714   | \$115,246   | \$82,186    | \$45,246  | \$4,116   | \$0         | \$0  | \$0          |
| Net interest owed  | \$0         | \$0         | \$0         | \$0         | \$0         | \$0       | \$0       | \$0         | \$0  | \$0          |
| Principal and interest owed by fund                          | \$2,440,840 | \$2,067,343 | \$1,646,371 | \$1,174,086 | \$646,369   | \$59,800  | \$0       | \$0         | \$0  | \$0          |
| <b>Cash in TIF fund at end of year</b>                       |             |             |             |             |             |           |           |             |      |              |
| Plus interest earned   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0       | \$593,367 | \$1,273,656 | \$0  | \$593,367    |
| Total at year end (projected to contributors at dissolution) | \$0         | \$0         | \$0         | \$0         | \$0         | \$0       | \$0       | \$26,702    | \$0  | \$26,702     |

TIF Zone 1 Preliminary Financing Plan, October 27, 2008

Page 30

## APPENDIX G – DEVELOPMENT AGREEMENT

*[Remainder of page intentionally left blank]*

**AMENDED AND RESTATED  
CITY/DEVELOPER MASTER DEVELOPMENT AGREEMENT**

between

**THE CITY OF LAVON, TEXAS**

and

**WORLD LAND DEVELOPERS, LP**

**AMENDED AND RESTATED**  
**CITY/DEVELOPER MASTER DEVELOPMENT AGREEMENT**

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This **AMENDED AND RESTATED CITY/DEVELOPER MASTER DEVELOPMENT AGREEMENT** (the or this "Amended Agreement"), between the **CITY OF LAVON, TEXAS** (the "City"), a duly incorporated municipality and city of the State of Texas, and **WORLD LAND DEVELOPERS, LP**, a Texas limited partnership (the "Developer," and with the City, a "Party" or the "Parties"), acting as the developer of the Development Land. Capitalized terms used herein and not defined elsewhere in the body of this Amended Agreement are defined in Article I.

**RECITALS:**

WHEREAS, on June 3, 2004, the City Council of the City adopted Resolution No. 2004-06-1 (as amended, the "Plan Resolution"), in which the City adopted its Municipal Modernization and Development Plan for the City of Lavon (as amended, the "Plan"); and

WHEREAS, the Plan Resolution contemplated that the City and the Developer would enter into an agreement (defined in the Plan Resolution as the "City/Developer Master Plan Agreement") as an essential and necessary part of the Plan; and

WHEREAS, on September 30, 2004, by Ordinance No. 2004-09-03, the City and the Developer renamed the "City/Developer Master Plan Agreement" as the "City/Developer Master Development Agreement," and executed that agreement (herein called the "Initial Agreement"), and the Developer therein approved the Plan and joined the City, the entity therein defined as the District, the County, and the 4B Corporation in the implementation thereof; and

WHEREAS, on June 27, 2006, the City levied the Residential Assessments; and

WHEREAS, as of June 27, 2006, the City and the Developer executed the Construction and Funding Agreement concerning the construction of the portion of the Grand Heritage Improvements for which the Residential Assessments were levied;

WHEREAS, the City and the Developer mutually agree, find, and determine that the diverse impact of the residential, commercial, and office development, public safety, and general municipal services that are to be provided by the Developer within and related to the Development Land and the remainder of the City requires that the costs of the "Grand Heritage Improvements" (defined in the Plan Resolution as the "Bear Creek Improvements" and herein renamed) and the "General City Improvements," as those terms are herein defined, be fairly and equitably allocated and financed in the manner herein mutually approved and accepted; and

WHEREAS, the City Council, as a part of the Plan, at the request, and with the consent, approval and agreement of each then current landowner, created PID No. 1 and PID No. 2 in accordance with the PID Act;

WHEREAS, the City Council has adopted Assessment Ordinance No. 2006-06-11, by which it has levied the Residential Assessments that (a) will be used to reimburse the Developer for a portion of the Authorized Capital Expenditures, or (b) if Assessment Revenue Bonds are issued by the City, will constitute the security for the respective series of Assessment Revenue Bonds to which such Residential Assessments (or a portion thereof) are pledged; and

WHEREAS, various events have occurred since the execution and delivery of the Initial Agreement relating to various issues, including (a) the rights of the holder of a certificate of convenience and necessity to provide water service inside the corporate limits of the City to the residents of the City, (b) the potential marketing, purchase, sale, and delivery, and the principal amounts, of the Assessment Revenue Bonds, (c) the necessity for the District, as defined in the Initial Agreement, (d) the transfer of a portion of the Development Land, (e) the need to restructure the Original Temporary Note and allocate the City's existing reimbursement obligations among the Temporary Notes, the 4B Reimbursement Agreement, and the TIF Reimbursement Agreement, (f) the County's proposed participation in funding certain Developer expenditures and (g) the expiration by its terms of the City/County Interlocal Agreement;

WHEREAS, accordingly, upon the terms and subject to the conditions provided herein, in order to promote and enhance economic development within the City, to create primary jobs, and to improve and upgrade the living conditions of its citizens, the City has agreed to and is obligated to (i) authorize the issuance of the Assessment Revenue Bonds, as herein modified and defined, when and as requested by the Developer upon the terms and conditions provided herein, (ii) execute the TIF Reimbursement Agreement and the 4B Reimbursement Agreement; and (iii) take such other actions as set forth in this Amended Agreement; and

WHEREAS, the Developer will continue with the development of the Grand Heritage Improvements and is obligated to take such other actions as set forth in the Amended Agreement, in consideration of the incentives and inducements to do so provided by the City in this Amended Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the City and the Developer hereby contract, covenant and agree as follows:

## ARTICLE I

### RECITALS; EFFECT OF AGREEMENT; DEFINITIONS

#### Section 1.01. Recitals.

The City and the Developer contract, covenant and agree that all matters set forth in the Recitals of this Amended Agreement are accurate and true. The findings set forth in the Recitals of this Amended Agreement are hereby incorporated as the official findings of the City Council.



Section 1.02. Effect of Amended Agreement.

To the extent the terms and provisions of this Amended Agreement modify and/or are inconsistent with the terms and provisions of the Initial Agreement, the Plan and the Plan Resolution, the Initial Agreement, the Plan and the Plan Resolution shall be deemed to be, and are hereby, amended, and the Initial Agreement is hereby amended and restated in its entirety and is hereby confirmed and continues to be effective as amended on and as of the original date of the Initial Agreement.

Section 1.03. Conflict with Indenture.

To the extent the terms and provisions of this Amended Agreement modify or are inconsistent with the terms and provisions of any indenture entered into by the City and approved by the Developer, the obligations thereunder being secured by all or a portion of the Assessments, the terms and provisions of such indenture shall control.

Section 1.04. Definitions.

Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Access Road Funds – mean the aggregate amount of \$2,000,000 to be paid by the Developer from time to time at the City's request and direction for the Access Road Improvements, as provided herein.

Access Road Improvements - mean (i) county road improvements to improve access to the Development Land that are jointly approved by the City and the County and that are to be provided by the City or the County with \$1,000,000 of the Access Road Funds, and (ii) improved access to the Development Land to be provided by the City or the Texas Department of Transportation ("TxDOT"), an agency of the State of Texas, by improving, upgrading, and/or widening State Highways 205 and/or 78 within one mile of the Development Land (unless other locations are approved by both the City and the Developer) with \$1,000,000 of Access Road Funds.

Amended Agreement - means this Amended and Restated City/Developer Master Development Agreement.

Annexed Land - means the land described in the Pre-Annexation Agreement and annexed to the City on September 30, 2004 by Ordinance No. 2004-09-04.

Assessment Consultant - means MuniCap, Inc., or a successor selected by the City Council and approved by the Developer.

Assessment Ordinance - means the Residential Assessment Ordinance or the Commercial Assessment Ordinance or, collectively, the "Assessment Ordinances."

Assessment Plan - means the Residential Assessment Plan or the Commercial Assessment Plan or, collectively, the "Assessment Plans."

Assessment Revenue Bonds - means City of Lavon Special Assessment Revenue Bonds (or a bond having a different series designation by mutual agreement of the Developer and the City), to be issued by the City in one or more series and secured solely by a pledge of Bond Security pursuant to the authority granted in the PID Act for the purposes of refinancing the Temporary Notes, as provided in Section 2.04(d).

Assessments - means the Commercial Assessments and the Residential Assessments.

Authorized Capital Expenditures - means expenditures made, either before or after the date of the Initial Agreement and this Amended Agreement, by the Developer for the purposes of paying the costs and expenses of the Grand Heritage Improvements which are authorized to be reimbursed under this Amended Agreement, the PID Act, the TIF Act or the 4B Act.

Bond Ordinance - means and refers to each ordinance of the City Council that will authorize and approve the issuance and sale of Assessment Revenue Bonds and provide for their security and payment, either under the terms of such ordinance or a trust indenture approved therewith.

Bond Security - means the funds that are to be pledged in, or pursuant to, a Bond Ordinance to the payment of the debt service requirements on Assessment Revenue Bonds issued under such ordinance, consisting solely of the monies collected from the Assessments pledged thereto under a Bond Ordinance (but excluding Costs of Collection) including interest, or penalties on the Assessments, prepayments, foreclosure proceeds of such Assessments and the earnings and income derived from the investment or deposit of Assessments in the special funds or accounts created and established for the payment and security of the series of Assessment Revenue Bonds being secured, unless such earnings are required to be deposited into a rebate fund for payment to the federal government.

City - means the City of Lavon, Texas

City Administrator - means the employee of the City having the powers of the chief administrative officer thereof or his or her designee(s).

City Bond Counsel - means Vinson & Elkins L.L.P., or a successor selected by the City Council.

City Council - means the duly elected governing body and council of the City.

City/County Interlocal Agreement - means the agreement between the City and the County, approved by the County on September 28, 2004, and executed by the City and the County on September 30, 2004, regarding the contribution of the Access Road Funds by the Developer to the County.

Commercial Assessments - means special assessments levied against commercial properties in PID No. 2, in a Commercial Assessment Ordinance and Commercial

Assessment Plan, including any supplemental assessments or reassessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

Commercial Assessment Ordinance – means the ordinance to be adopted by the City Council approving the Commercial Assessment Plan and levying the Commercial Assessments within PID No. 2.

Commercial Assessment Plan – means the project assessment/service plan to be adopted by the City Council in the Commercial Assessment Ordinance for the purpose of assessing allocated costs of a portion of the Authorized Capital Expenditures against commercial properties located within the boundaries of PID No. 2.

Construction and Funding Agreement – means that agreement, between the Developer and the City, pertaining to the construction of the Grand Heritage Improvements and the issuance of bonds to reimburse the Developer for a portion of the costs of such improvements, approved by the City on and dated effective January 9, 2007.

Costs of Collection – mean the City's costs of collecting any Assessments as permitted by the Act.

County - means Collin County, Texas.

County's TIF Participation Agreement – means the agreement between the County, the City and the Developer detailing the County's participation in the TIRZ.

Developer - means World Land Developers, LP, a Texas limited partnership.

Development Land - means the land in the City described by metes and bounds in Exhibit 1 hereto (including Exhibit A to Exhibit 1).

4B Act - means Section 4B of Article 5190.6, Texas Revised Civil Statutes, as amended.

4B Corporation - means the Lavon Economic Development Corporation that is cited and defined in the Plan Resolution as the "4A Corporation," an industrial development corporation incorporated and organized by the City as its instrumentality under the 4B Act.

4B Corporation Plan Participation Agreement - means the agreement that is defined in the Plan Resolution as the "4A Corporation Plan Participation Agreement" and is herein renamed, the same being an agreement between the City, the Developer and the 4B Corporation included within the 4B Reimbursement Agreement, substantially in the form and substance attached hereto as Exhibit 2, for the purpose of providing a portion of the amounts payable under the 4B Reimbursement Agreement.

4B Reimbursement Agreement - means the agreement substantially in the form and substance attached to this Amended Agreement as Exhibit 2.

4B Sales Tax Revenues - means the proceeds of the one-half of one percent (½%) sales and use tax collected within the Development Land for the account of the 4B Corporation.

General City Improvements - means general infrastructure and related equipment and services designed to provide improved and enhanced public safety and general municipal services, including police, fire protection, and general municipal and governmental services.

Grand Heritage Collection System – means public sewage collection system maintained by the City or North Texas Municipal Water District and consisting of underground pipes leading to, but excluding, the Treatment Plant or Interceptor Line and related plants, works and equipment associated with or benefiting the Development Land.

Grand Heritage Drainage and Storm Water Control System - means the system that is defined in the Plan Resolution as the “Bear Creek Drainage and Storm Water Control System,” including all works, equipment, facilities and improvements for drainage, storm water control, siltation prevention, erosion control and conservation and reclamation of the soils and natural resources, and related permits, licenses, easements and other interests in real property owned or utilized to serve the Development Land.

Grand Heritage Improvements - means, collectively, the Grand Heritage Drainage and Storm Water Control System, the Grand Heritage Road System, Grand Heritage Collection System, and the portion of the General City Improvements allocated and apportioned under an Assessment Ordinance to the Development Land or otherwise reimbursable to the Developer.

Grand Heritage Road System - means the road system that is defined in the Plan Resolution as the “Bear Creek Road System,” including macadamized, graveled or paved roads or turnpikes, lateral roads, arterial roads, main feeder streets and internal streets that will serve the Development Land, but not including the Access Road Improvements.

Initial Agreement - has the meaning set forth in the third ‘Whereas’ paragraph of the Recitals.

Interceptor Line – means the Developer-funded portion of the interceptor line from the Treatment Plant to a North Texas Municipal Water District sewage treatment plant and ancillary lift stations, force mains and equipment necessary for same, or the alternative solution agreed upon by the City and the Developer as provided in Section 3.03(a).

Interceptor Line Connection Fees - means the fees charged and collected by the City from applicants for building permits for the development of any lots or properties for residential, commercial, or other purposes located in the City in payment for rights of access to, and connection with, the Interceptor Line.

Interest - means, unless otherwise defined by state law, 7% per annum.

Landowner(s) - means the Development Land owners from time to time, currently comprised of World Land Developers, LP, Bear Creek Commercial Properties, L.P., Lavon Realty Partners, L.P., Bear Creek Windmill, L.P., Bear Creek Residential, L.P., Bear Creek, L.P., Bear Creek 35, L.P., 78 Commercial East, LP, 78 Commercial West, LP, and Lennar Homes of Texas Land and Construction, LTD., each a Texas limited partnership, and Bowen Family Homes of Texas, Inc., a Texas corporation.

Landowners' Agreements - means the executed document approved by the City on June 27, 2006

Lavon Sanitary Sewage Collection System Expenditures - means expenditures made by the Developer pursuant to Section 3.03(a).

Living Unit Equivalent - means a measure of wastewater effluent equal to the amount of effluent from one (1) single-family residence (living unit) per day based on an assumed rate of 280 gallons per day. For example, a land use with an LUE of 2.5 will produce an amount of effluent equal to two and one-half times the amount of effluent produced by one (1) single-family residence.

Maximum Reimbursement Amount - means \$28,300,000, plus Interest, plus those amounts to be paid pursuant to Section 3.03 of this Amended Agreement and any TIF County Reimbursement Obligation.

Monthly Rate Base Fees - means the monthly (or such other interval as is acceptable to the City and the Developer) rate base fees charged and collected by the City for sewer services from properties serviced by the Grand Heritage Collection System or the Interceptor Line.

Original Temporary Note - means that certain Temporary Note defined and described in the Initial Agreement, and amended on April 4, 2006.

Paying Agent/Registrar - means the paying agent/registrar for a series of Assessment Revenue Bonds, as specified and named in the proceedings authorizing and prescribing the terms of such series of bonds.

PID Act - means Chapter 372, Local Government Code, as amended, entitled "Improvement Districts in Municipalities and Counties."

PID No. 1 - means Heritage Public Improvement District No. 1 (Residential) created pursuant to Resolution No. 2004-10-01, adopted October 28, 2004 pursuant to the PID Act.

PID No. 2 - means Heritage Public Improvement District No. 2 (Commercial) created pursuant to Resolution No. 2004-10-02, adopted October 28, 2004 pursuant to the PID Act.

PIDs - means PID No. 1 and PID No. 2 and collectively includes all of the Development Land.

Plan - means the municipal modernization and development plan established for the City by the provisions of the Plan Resolution, as said plan is modified by this Amended Agreement.

Plan Agreements - mean, collectively, this Amended Agreement, the Temporary Notes, the 4B Reimbursement Agreement, and the TIF Reimbursement Agreement.

Plan Resolution - means Resolution No. 2004-06-01, adopted by the City Council on June 3, 2004, in which the City Council adopted its plan entitled "Municipal Modernization and Development Plan for the City of Lavon," as said Plan Resolution is modified by this Amended Agreement.

Planned Development Ordinance - means Ordinance No. 2004-09-05, adopted by the City Council on September 30, 2004, approving and adopting the applicable zoning for the Development Land in accordance with the codes and applicable ordinances of the City, as amended by action of the City Council on January 17, 2006.

Pre-Annexation Agreement - means the agreement bearing that name and executed between the City and the Developer and approved concurrently with the approval of the Initial Agreement in Ordinance No. 2004-09-03, adopted by the City Council on September 30, 2004.

Regulatory Requirements - mean the requirements and provisions of any state or federal law, and any permits, rules, orders or regulations issued or adopted from time to time by any regulatory authority, state, federal or other, having jurisdiction concerning water quality standards or the discharge of wastewater or effluent or otherwise having jurisdiction over the Grand Heritage Improvements.

Reimbursement Obligation(s) - mean the special, limited, and conditional obligations of the City to reimburse the Developer for Authorized Capital Expenditures in the amounts, from the sources provided in the Temporary Notes, the TIF Reimbursement Agreement and the 4B Reimbursement Agreement, upon the terms and subject to the conditions provided in this Amended Agreement, the Temporary Notes, the TIF Reimbursement Agreement and the 4B Reimbursement Agreement.

Residential Assessments - means special assessments levied against certain properties in PID No. 1, in the Residential Assessment Ordinance and Residential Assessment Plan, including any supplemental assessments or reassessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

Residential Assessment Ordinance - means City Ordinance No. 2006-06-11 adopted by the City Council on June 27, 2006, approving the Residential Assessment Plan and levying Assessments in PID No. 1.

Residential Assessment Plan - means the project assessment/service plan adopted by the City Council on June 27, 2006 in the Residential Assessment Ordinance for the purpose of assessing allocated costs of a portion of the Authorized Capital Expenditures

against certain property located within the boundaries of PID No. 1 having terms, provisions and findings approved and agreed to by the Developer and each Landowner owning land in PID No. 1 at the time such plan was adopted.

Sewage System Connection Fees - means the fees charged and collected by the City from applicants for building permits for the development of any lots or properties for residential, commercial, or other purposes located in the City in payment for rights to sewer service from the Grand Heritage Collection System or the Interceptor Line (but not for connections to any other system that may be operated by the City from time to time).

Sewage Termination Date - means the earlier to occur of (i) completion of the Interceptor Line and the Developer being reimbursed for the full amount of the Lavon Sanitary Sewage Collection System Expenditures paid through such date of reimbursement but excluding any amounts paid as a Reimbursement Obligation, plus Interest or (ii) September 30, 2025.

Sewer Fee Account - means an interest bearing account created by the City, separate from all other City owned accounts, and/or a separate line item within the City's annual budget, into which the Sewage System Connection Fees and the Monthly Base Rate Fees shall be deposited by the City as provided in Section 3.03(e).

Take or Pay Obligation - means the City's take or pay obligation to North Texas Municipal Water District, which is anticipated to include the acquisition of plant capacity associated with the Interceptor Line, and operations and maintenance associated with such plant capacity.

Temporary Note No. 1 - means the non-negotiable note of the City in the form and substance attached to Construction and Funding Agreement as Exhibit 1, payable to the order of the Developer, as Payee, and issued in partial replacement of the Original Temporary Note attached to the Initial Agreement, the same to have terms and to be delivered in accordance with and for the purposes stated in Article VI of this Amended Agreement.

Temporary Note No. 2 - means the non-negotiable note of the City in the form and substance attached to this Amended Agreement as Exhibit 3, payable to the order of the Developer, as Payee, and issued in partial replacement of the Original Temporary Note attached to the Initial Agreement, the same to have terms and to be delivered in accordance with and for the purposes stated in Article VI of this Amended Agreement.

Temporary Notes - means Temporary Note No. 1 and Temporary Note No. 2.

TIF Act - means Chapter 311, Texas Tax Code, as amended.

TIF County Increment - means the portions of the ad valorem tax revenues received by the County from the levy of ad valorem taxes within the TIRZ that are proposed to be pledged to the payment of the TIF County Reimbursement Obligation pursuant to the County's TIF Participation Agreement.

TIF County Reimbursement Obligation - means the amount that is proposed to be paid to the Developer over a period of not more than 30 years from a pledge of the TIF County Increment pursuant to the County's TIF Participation Agreement.

TIF Increment(s) - means the portions of the ad valorem tax revenues received by the City from the levy of ad valorem taxes within the TIRZ that are to be pledged to the payment of the TIF Reimbursement Obligation pursuant to the TIF Reimbursement Agreement.

TIF Reimbursement Agreement - means the agreement between the City and the Developer substantially in the form and substance attached to this Amended Agreement as Exhibit 4.

TIF Reimbursement Obligation - means the amount that is to be paid to the Developer over a period of not more than 30 years from a pledge of the TIF Increment pursuant to the TIF Reimbursement Agreement.

TIRZ - means City of Lavon Tax Increment Reinvestment Zone No. 1, that was created on December 12, 2006, by City Ordinance No. 2006-12-01 pursuant to Section 311.005(a)(5) of the TIF Act and City Resolution No. 2005-11-06 approved by the City Council on November 15, 2005.

Treatment Plant - means the City's temporary treatment plant located at 10551 CR 484.

TxDOT - has the meaning set forth in the definition of 'Access Road Improvements'.

Underwriter - means an underwriter of the Assessment Revenue Bonds selected by the City Council and approved by the Developer.

## ARTICLE II

### APPROVAL OF PLAN AND PLAN AGREEMENTS, COST ALLOCATION, AND ASSESSMENTS

#### Section 2.01. Affirming and Accepting the Plan.

Subject to the terms of and the conditions contained in Section 1.02, the City reaffirms the Plan and its official findings in relation thereto for the benefit and reliance of the Developer, and the Developer agrees to and accepts the terms and provisions of the Plan, and the City and the Developer jointly agree to use their best efforts to implement the Plan as rapidly as reasonably possible.

#### Section 2.02. Acceptance of Certain Plan Agreements.

(a) (i) The City and the Developer agree that the City/County Interlocal Agreement has expired by its terms, (ii) the Developer and City agree, and the City agrees to request the



board of directors of the TIRZ, to execute the TIF Reimbursement Agreement and (iii) the Developer and the City agree, and the City agrees to request the board of directors of the 4B Corporation to, execute the 4B Reimbursement Agreement.

- (b) The City and the Developer ratify, confirm and approve:
  - (i) the annexation of the Annexed Land into and as a part of the City;
  - (ii) the creation of PID No. 1 and PID No. 2;
  - (iii) the location and development of the Grand Heritage Improvements on the Development Land;
  - (iv) the Planned Development Ordinance;
  - (v) the final plat for East Residential A (Phase 1) approved by the City Council on August 2, 2005 and recorded in the Collin County Property Records on May 18, 2006 as Document No. 20060518010002160; the final plat for West Residential A (Phase 1) approved by the City Council on August 2, 2005 and recorded in the Collin County Property Records on April 12, 2006 as Document No. 20060412010001400; and the preliminary plats for Bear Creek East and Bear Creek West, each approved by the City Council on January 22, 2004; and
  - (vi) each Plan Agreement to which it is a party.

(c) The City agrees, upon the written request of Developer, to proceed as expeditiously as possible in accordance with applicable law to adopt the Commercial Assessment Plan and Commercial Assessment Ordinance having such terms as are approved and accepted by both the City and the Developer. The City and the Developer will enter into a construction and funding agreement concerning the improvements to be funded with the Commercial Assessments having such terms as are approved and accepted by both the City and the Developer.

(d) Pursuant to the terms of the Pre-Annexation Agreement, the City agrees that each preliminary and unrecorded approved plat of the Development Land shall not expire.

Section 2.03. Allocation of Costs; Levy, Acceptance and Approval of Assessments.

(a) Subject to the limitations set forth below, the maximum amount payable by the City under the Reimbursement Obligations shall not exceed the Maximum Reimbursement Amount.

(b) Continuing monthly, unless a different interval is agreed to by the City and the Developer, the Developer will present to the City Administrator invoices or other evidences of payment of Authorized Capital Expenditures for review and approval, and the City Administrator shall, in consultation with the Developer, allocate such expenses to a Reimbursement Obligation in accordance with this Amended Agreement, the Temporary Notes, the 4B Reimbursement Agreement, and the TIF Reimbursement Agreement. All such expenses allocated in this Amended Agreement (including the exhibits attached hereto) are approved by

the City and all such expenses approved in the future shall be submitted to the City Council for ratification and approval at the next following City Council meeting at which such ratification can be noticed.

(c) In addition to the Maximum Reimbursement Amount, each Reimbursement Obligation shall be subject to the limitations specified below and in the Temporary Notes, the 4B Reimbursement Agreement and the TIF Reimbursement Agreement:

(i) Not more than \$16,347,600 (plus interest as provided in Temporary Note No. 1) shall be paid to Developer from Temporary Note No. 1;

(ii) Not more than \$10 million (plus interest as provided in Temporary Note No. 2) shall be paid to Developer from Temporary Note No. 2;

(iii) Not more than \$2.7 million, plus Interest, shall be paid to Developer from the TIF Reimbursement Agreement; and

(iv) Not more than \$8 million, plus Interest, shall be paid to Developer from the 4B Reimbursement Agreement.

(d) The City makes no representation, warranty or assurance to the Developer that the Reimbursement Obligations will be sufficient to pay the Developer the Maximum Reimbursement Amount. The Developer agrees and acknowledges that (i) a Reimbursement Obligation may expire or the maximum amount payable under a Reimbursement Obligation may be reached before the Maximum Reimbursement Amount is reached, (ii) a Reimbursement Obligation may expire before the maximum amount specified in such obligation is paid, (iii) the maximum amount payable under a Reimbursement Obligation may be reached before the term of the Reimbursement Obligation expires, and (iv) each Reimbursement Obligation is subject to offset as provided in each such Reimbursement Obligation and as provided in Article VIII below.

(e) In order to reimburse the Developer for amounts payable under Temporary Note No. 1, the City approved the Residential Assessment Plan.

(f) In order to reimburse the Developer for amounts payable under the Temporary Note No. 2, the City Administrator, the Assessment Consultant, and the Developer will prepare, and each then current Landowner will approve (by execution of the Landowners' Agreement, unless such approval is waived by the City Council), the Commercial Assessment Plan describing the Grand Heritage Improvements to be installed in PID No. 2 and the cost thereof, as well as the final findings, determinations and allocations to be made by the City Council in an Assessment Ordinance, and shall submit the draft Commercial Assessment Plan to the City Council. The Commercial Assessment Plan shall provide that Commercial Assessments levied thereunder may be paid in periodic installments along with costs of collecting the Commercial Assessments annually, plus interest as provided in such Commercial Assessment Plan. The Commercial Assessment Plan will allocate the cost of the Grand Heritage Improvements among the portions of the property in PID No. 2 benefited by such Grand Heritage Improvements and shall provide a standard methodology for allocating Assessments upon subdivision of any

Development Land that has not been finally platted as of the adoption of the Assessment Plan. The Commercial Assessment Plan delivered to the City shall be accompanied by a written certification of the Developer that such Assessment Plan does not assess any property on which a residence has been or is to be constructed. The City Council shall review and approve the Commercial Assessment Plan (with such revisions deemed reasonably necessary by the City Council which are approved by the Developer) and levy Commercial Assessments within 60 days after its receipt of the Commercial Assessment Plan.

(g) The City and the Developer agree that as development of the Grand Heritage Improvements occurs, it may be appropriate and desirable to refinance the Temporary Notes by issuing Assessment Revenue Bonds. The City agrees that, if requested to do so by the Developer before the fifth anniversary of the date this Amended Agreement is approved by the City, it will authorize and issue Assessment Revenue Bonds in one or more series to refinance the Temporary Notes upon reasonable terms proposed by the Developer, subject to the limitations imposed by Article IV.

(h) The City will not be obligated to levy the Commercial Assessments as provided in subsection (g) above if the Developer and all current owners of land within PID No. 2 do not approve and accept in writing the Commercial Assessment Plan and the final findings, determinations, and allocations to be made by the City Council in the Commercial Assessment Ordinance, and the Developer shall forfeit any right to reimbursement from Commercial Assessments not levied. Such approvals shall be evidenced by an agreement executed by the City, the Developer, and each current Landowner, substantially in the form attached to this Amended Agreement as Exhibit 6.

### ARTICLE III

#### GENERAL DEVELOPER FINANCING AGREEMENTS

##### Section 3.01. Developer's Financial Commitments Concerning Grand Heritage Development.

(a) The Developer agrees to pay the entire cost to construct the Grand Heritage Improvements it elects to build from private and personal funds, subject to reimbursement by the City solely from the Reimbursement Obligations, in the amounts, and subject to the limitations provided in Section 2.04, subject to the Maximum Reimbursement Amount.

(b) The City and the Developer acknowledge and agree as follows: (i) the Developer has, prior to the execution of this Amended Agreement, advanced to the City the sum of \$1,800,000 in satisfaction of the requirements of the Initial Agreement, and (ii) the total amount of such advance has been allocated among the Temporary Notes and the TIF Reimbursement Obligation and shall be repaid according to the terms of the Temporary Notes and the TIF Reimbursement Obligation.

(c) At the request of the City, upon not less than thirty days prior written notice to the Developer, the Developer shall pay, in immediately available funds, the Access Road Funds to or at the direction of the City (as provided in such notice). Such notice from the City shall give

Developer sufficient information to identify such Access Road Improvements and confirm that such request is consistent with this Amended Agreement.

Section 3.02. Conveyances of Land to City.

(a) The following tracts of land have been conveyed to the City by, or on behalf, of the Developer:

(i) the one-acre fire station site transferred by Special Warranty Deed dated March 31, 2006, and recorded in the Deed Records of the County on April 17, 2006, at Document No. 20060417000503500; and

(ii) the 12-acre school site transferred by Special Warranty Deed dated June 27, 2006, and recorded in the Deed Records of the County on July 25, 2006, at Document No. 20060725001041360; and

(iii) the two-acre city hall site transferred by Special Warranty Deed dated June 27, 2006, and recorded in the Deed Records of the County on July 25, 2006, at Document No. 20060725001041360; and

(iv) the one-acre public works site transferred by Special Warranty Deed dated June 27, 2006, and recorded in the Deed Records of the County on July 25, 2006, at Document No. 20060725001041380; and

(v) 59.298 acres of park land transferred by Special Warranty Deed dated June 27, 2006, recorded in the Deed Records of the County on July 25, 2006, at Document No. 20060725001041390; and

(vi) certain dedications by plat of the Development Land.

(b) All of such land transferred, or to be transferred, to the City and the costs thereof, including the appraised market value of such land, shall constitute Authorized Capital Expenditures and shall be eligible for reimbursement as provided under this Amended Agreement. To the extent legal descriptions for the land described in Section 3.02(a) are revised by the Developer and agreed to by the City during final plat approval, the City and the Developer agree that this Amended Agreement shall be automatically amended, without the necessity of any written agreement but with written confirmation if requested by one to the other of either the City or the Developer, to include such legal descriptions once they are provided by the Developer to the City or approved by the City in a final plat of such portion of the Development Land.

Section 3.03. Financial Assurances Concerning Sanitary Sewer Infrastructure, Operation and Maintenance

(a) The Developer has paid, shall pay or, on terms reasonably satisfactory to the City and the Developer, shall provide a mechanism to fund or secure (i) all costs of designing and constructing the Interceptor Line, (ii) all costs of operating, maintaining and replacing the Interceptor Line and the Treatment Plant (including lease payments on the Treatment Plant)

through and including the Sewage Termination Date, and (iii) all costs of the Take or Pay Obligation (including all costs of the letter of credit referenced in the following sentence) through and including the Sewage Termination Date. The Developer agrees that, unless otherwise agreed by the City, the Take or Pay Obligation shall be funded by a letter of credit continuing through the Sewage Termination Date. Upon payment or satisfaction of the obligations described in this Section 3.03(a), the Developer shall be entitled to a reduction or release of such obligations. If the City, in consultation with the Developer, reasonably determines that it is not feasible to construct the Interceptor Line, the City and the Developer will agree upon a permanent sewage treatment solution to be funded by the Developer and reimbursed from the Sewer Fee Account on terms reasonably satisfactory to the City and the Developer.

(b) After the Sewage Termination Date, the City shall pay (i) all costs of operating, maintaining and replacing the Interceptor Line and the Treatment Plant (including lease payments on the Treatment Plant) and (ii) the Take or Pay Obligation.

(c) The Interceptor Line shall at all times be sized to serve at least 120% of the requirements for the Development Land. In no event shall the Developer be obligated to size the Interceptor Line to serve more than 2,821 Living Unit Equivalents. The Interceptor Line shall be owned by the City or dedicated by the City to the North Texas Municipal Water District, at the City's election. Expansions to the Temporary Plant shall keep pace with development on the Development Land.

(d) Whether before or after the Effective Date and continuing until the Sewage Termination Date, the City shall (i) charge and collect the Sewage System Connection Fees and deposit the Sewage System Connection Fees into the Sewer Fee Account and (ii) charge and collect the Monthly Rate Base Fees and, beginning the first month in which the Monthly Rate Base Fees collected exceed \$10,000 per month and thereafter, deposit the Monthly Rate Base Fees into the Sewer Fee Account and transfer \$10,000 to its own account. The City may elect, in its sole discretion, to increase the Monthly Rate Base Fee, in which event the \$10,000 per month to be retained by the City [referenced in this Section 3.03(d)] shall be increased by a pro rata percentage as such Monthly Rate Base Fee is increased. By way of example, if the Monthly Rate Base Fee per Living Unit Equivalent per month is increased from \$38 per month to \$45 per month, then the corresponding amount to be retained by the City each month shall be \$11,842, rather than \$10,000. All amounts remaining on deposit in the Sewer Fee Account shall be applied to reimburse the Developer for the Lavon Sanitary Sewage Collection System Expenditures. Continuing monthly, unless a different interval is agreed to by the City and the Developer, the Developer will present to the City Administrator invoices or other evidences of payment of Lavon Sanitary Sewage Collection System Expenditures but excluding any amounts paid as a Reimbursement Obligation. The Developer shall be reimbursed for such expenditures and costs, plus Interest, solely from the Sewer Fee Account. If the balance of the Sewer Fee Account is insufficient at the time to cover such invoices or other evidences of payment, the Developer shall be reimbursed to the extent such funds are available and any deficiency shall be reimbursed to the Developer when additional funds, if any, are available in the Sewer Fee Account. This procedure shall continue until the Sewage Termination Date. Such reimbursement shall not be subject to the Maximum Reimbursement Amount. All amounts

remaining on deposit in the Sewer Fee Account after the Sewage Termination Date shall be paid to the City.

(e) The rate of the Sewage System Connection Fee shall be determined by the City in its sole and absolute discretion, but shall be not less than \$2,200, and not more than \$3,200, for each residential lot and shall be as reasonably determined by the City for commercial or other use for which connection rights are to be granted. The Monthly Base Rate Fees shall be determined by the City in its sole and absolute discretion, but shall be not less than \$38 per property.

(f) If the Developer shall default under this Section 3.03 and shall not cure such default after sixty days written notice from the City specifying such default, the City and the Developer will work together cooperatively to address the alleged breach in accordance with the dispute resolution provisions in Section 10.05 of this Amended Agreement. If, at the conclusion of such proceedings, the Developer is found by the mediator to have defaulted under this Section 3.03, then the City shall release the amount necessary to cure such failure, plus Interest from the Sewer Fee Account and shall exercise its right of offset as provided in Article VIII.

(g) Notwithstanding the provisions of Section 3.03(f), if construction of the Interceptor Line has not begun or is not being diligently pursued by January 1, 2012 or such later date agreed to by the Parties, the City may release all remaining funds from the Sewer Fee Account to the City's own account after Developer has been fully reimbursed for all Lavon Sanitary Sewage Collection System Expenditures made until that time and shall have no obligation to make further deposits to such account.

#### Section 3.04. Construction and Development of Retail Water Distribution System.

The Developer agrees, at its own cost and expense, to design, construct and install a retail water distribution system in accordance with the terms of its agreement with the Lavon Water Supply Corporation, a non-profit corporation. The City understands and agrees that the water distribution system will be owned and/or operated by the Lavon Water Supply Corporation as the owner and holder of necessary and appropriate regulatory permits to provide such service. The Developer agrees and acknowledges that such ownership and/or operation does not in any manner affect or limit the City's authority to impose fees, rates and charges, in accordance with applicable law, for the use of the City's public lands and rights of ways for the purpose of providing public utilities within its corporate limits.

### ARTICLE IV

#### ISSUANCE, SALE, PURCHASE OF ASSESSMENT REVENUE BONDS

##### Section 4.01. Denomination, Maturity, Interest, and Security for Assessment Revenue Bonds.

(a) Upon written request of the Developer to the City, the City Council shall issue one, and may issue more than one, series of Assessment Revenue Bonds upon reasonable terms approved by the City Council to refinance the City's obligations under the Temporary Notes.

(b) Assessment Revenue Bonds shall be secured solely by the Bond Security. The City shall not be obligated to issue Assessment Revenue Bonds, if such issuance would impose any financial liability or obligation on the City other than the transfer or pledge of the Bond Security as provided in a Bond Ordinance.

(c) The Developer shall be responsible for the payment of all costs and expenses associated with the issuance of Assessment Revenue Bonds, including all costs and expenses of bond counsel, counsel to the City, and Assessment Consultants and the cost of any additional security, credit support, insurance or reserve funds for the Assessment Revenue Bonds that may be needed to market the Assessment Revenue Bonds in a limited private offering. All such costs of issuance shall be paid or reimbursed as provided in any agreement between the Developer and the party to be paid, or from the proceeds of Assessment Revenue Bonds.

(d) Assessment Revenue Bonds shall be offered to sophisticated investors by the Underwriter. Each series of Assessment Revenue Bonds shall be issued in the denominations, and may be prepaid, and shall bear interest from the date of their issuance to their maturity or prepayment, and shall be secured by and payable solely from the Bond Security, all to be as described and provided in the Bond Ordinance relating to such series.

(e) The final and adopted version of each Bond Ordinance (and all documents incorporated or approved therein) shall have and contain such terms and provisions as are mutually approved by the City, the Developer and the Underwriter, and the same shall not be amended or modified in any respect without the written approval of the City, the Developer and the Underwriter.

(f) Concurrently with the delivery of any Assessment Revenue Bonds, the City shall cause to be delivered the following additional documents, to-wit:

(i) an approving opinion of the Attorney General of Texas, certifying that the series of Assessment Revenue Bonds being delivered and paid for have been authorized in conformity with applicable law and are incontestable under the laws of the State of Texas, or, alternatively, a final judgment of a District Court of Collin County, holding that the Assessment Revenue Bonds are lawfully issued and are in full force and effect and are legally binding obligations of the City, legally enforceable according to their terms; and

(ii) an opinion of the City Bond Counsel pertaining to the tax status of the Assessment Revenue Bonds; and

(iii) a certification of general matters relating to the series of Assessment Revenue Bonds being delivered and prepared by the City Bond Counsel including certifications that no litigation of any kind is threatened or pending against the City challenging the legality or authority of the City to issue the Assessment Revenue Bonds for the purposes for which they are being issued or the security and sources of payment of the amounts due thereon.

(g) Any payments under any Assessments not pledged as security for Assessment Revenue Bonds, shall be paid to Developer as provided under the Temporary Notes, subject to restrictions in the Bond Ordinance and the Maximum Reimbursement Amount and the City's right of offset as provided in Article VIII.

Section 4.02. Uses of Bond Proceeds.

The City shall include provisions and procedures in each Bond Ordinance relating to and regulating the payment of all costs and expenses of the bond offering, withdrawal, application, and uses of the proceeds of the Assessment Revenue Bonds when and as issued and delivered.

ARTICLE V

THE TIF REIMBURSEMENT AGREEMENT AND  
THE 4B REIMBURSEMENT AGREEMENT

Section 5.01. Agreement to Create TIRZ, Reimbursement Obligation.

(a) The City, by passage of Ordinance No. 2006-12-1 has created the TIRZ having boundaries coterminous with the Development Land. The City agrees to execute the TIF Reimbursement Agreement at the earliest practical date in calendar year 2007.

(b) In consideration of the expenditure by the Developer of the private funds necessary to pay a portion of the costs of the Grand Heritage Improvements identified in the TIF Reimbursement Agreement, the City agrees to reimburse the Developer from funds on deposit in the tax increment fund of the TIRZ to be created pursuant to the requirements of the TIF Act and calculated in accordance with the TIF Reimbursement Agreement.

(c) As additional consideration of the expenditure by the Developer of the private funds necessary to pay a portion of the costs of the Grand Heritage Improvements, the County has agreed to participate in the TIRZ and has executed the County TIF Reimbursement Agreement that will reimburse the Developer for authorized expenditures from County funds on deposit in the tax increment fund of the TIRZ.

Section 5.02. TIF County Increment, TIF County Reimbursement Obligation.

Notwithstanding any other provision of this Amended Agreement, the Developer may also be reimbursed for Authorized Capital Expenditures not otherwise reimbursed by the City by the County, pursuant to the terms of the County's TIF Participation Agreement.

Section 5.03. Agreement to Execute 4B Reimbursement Agreement.

In further consideration of the expenditure by the Developer of the private funds necessary to pay a portion of the Authorized Capital Expenditures, the City and the Developer agree to execute the 4B Reimbursement Agreement as soon as reasonably practical after the date of execution of this Amended Agreement.



## ARTICLE VI

### THE TEMPORARY NOTES

#### Section 6.01. Approval and Delivery of the Temporary Notes.

(a) Pursuant to the authority granted to it in Section 372.023(e) of the PID Act, the City hereby ratifies and approves the prior execution of the Original Temporary Note and Temporary Note No. 1.

(b) The Temporary Notes are being executed and delivered in replacement of the Original Temporary Note, and reflect the City's special, conditional, and limited obligation to reimburse the Developer, solely from Assessments or from the proceeds of Assessment Revenue Bonds, as provided in the Temporary Notes. The Temporary Notes shall be dated as of the date of the Original Temporary Note. The amounts shown on the Schedule of Advances and Payments on the Original Temporary Note have been reallocated among the Temporary Note No. 1 attached as Exhibit 1 to the Construction and Funding Agreement and Temporary Note No. 2 as shown on Exhibit 3 of this Amended Agreement.

#### Section 6.02. Allocation of Authorized Capital Expenditures.

The City Administrator shall enter Authorized Capital Expenditures allocated to the respective Temporary Notes, and accrued Interest related thereto, under "Amount of Advances" on the Schedule of Advances and Payments attached to the respective Temporary Notes and shall enter the cumulative total of the advances and related Interest under "Outstanding Balance" on the respective Temporary Notes and shall certify the entry where indicated.

## ARTICLE VII

### OWNERSHIP AND CONSTRUCTION OF GRAND HERITAGE IMPROVEMENTS

#### Section 7.01. Ownership and Transfer of Improvements.

(a) The General Benefit Improvements and the Phase I Specific Benefit Improvements (as defined in the Residential Assessment Plan) have been constructed and are owned by the City. All easements, rights-of-way and land necessary to construct the Improvement Projects have been acquired by the City or dedicated to the City by plat. Except as provided below with respect to the construction of the Interceptor Line, the remaining Grand Heritage Improvements shall be designed, constructed, and installed by the Developer in conformance with the City of Lavon Subdivision Ordinance No. 2002-01-03 and all other Regulatory Requirements, including valid requirements that are uniformly applied within the City and promulgated by the City. Inspection of all Improvement Projects constructed shall be by a third party inspector mutually agreed upon by the City and the Developer.

(b) At the election of the City, the Interceptor Line may be constructed by the City or the Developer. If the Interceptor Line is constructed by the Developer, the City and the

Developer will enter into a separate construction agreement providing for such construction, on terms reasonably acceptable to the City and the Developer.

(c) All of the Grand Heritage Improvements and the land needed therefor (which land is agreed to be only that land conveyed, or to be conveyed, to the City pursuant to Section 3.02 of this Amended Agreement) were, or shall be, dedicated to and accepted by the City or another governmental entity as identified in this Amended Agreement.

(d) It is understood and agreed that the Developer is acting independent of the City, and the City assumes no responsibilities or liabilities in connection with the Developer's performance to third parties. The Developer shall provide performance, payment and maintenance bonds consistent with City policy and in form and substance reasonably acceptable to the City.

## ARTICLE VIII

### CITY'S RIGHT OF OFFSET

The City has the right to offset (or direct the offset of) any amounts payable by the City, the 4B Corporation or the Board of Directors of the TIRZ, to the Developer under this Amended Agreement, the TIF Reimbursement Agreement, or the 4B Corporation Plan Participation Agreement, for any unreimbursed losses or costs of the City arising out of the levy or collection of the Assessments, or from any breach by Developer of this Amended Agreement, or any other written agreement between the City and the Developer concerning the Assessments, the Grand Heritage Improvements, the Interceptor Line, the Treatment Plant or the Development Land. The Parties shall, in good faith, attempt to agree upon the amount of any such offsets within 15 days of the dispute. If the Parties are unable to reach agreement, any such offset is limited to an amount determined to be owed by the Payee to the City by a mutually agreed-upon mediator (with the cost of such mediation to be paid by the Developer). If the mediator determines the City is not entitled to an offset, the City will reimburse one-half of the mediator's costs to Payee. If a Party refuses to mediate, then that Party may not recover attorneys' fees or costs in any litigation brought involving this right of offset.

## ARTICLE IX

### REPRESENTATIONS AND WARRANTIES

#### Section 9.01. Representations and Warranties of City.

The City specially represents and warrants to the Developer as follows:

(a) that the City is a municipal corporation and political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act, the TIF Act and other applicable law (i) to enter into, execute and deliver this Amended Agreement and the other Plan Agreements, (ii) to authorize, issue and deliver the Temporary Notes, (iii) to adopt the Bond Ordinances, (iv) to sell, issue and deliver the Assessment Revenue Bonds to the Developer for its

own account, or to the Underwriter, such election to be at Developer's sole option, and (v) to carry out and consummate the transactions contemplated by this Amended Agreement, the Pre-Annexation Agreement, the Plan Agreements, the Plan Resolution and the Plan, as modified herein;

(b) that, by all necessary official action of the City taken prior to or concurrently with the acceptance of this Amended Agreement, the City has duly authorized all necessary action to be taken by it for (i) the issuance and delivery of the Temporary Notes, (ii) the approval, execution and delivery of, and the performance by the City of, any obligations on the City's part, to be contained in the County TIF Participation Agreement, and (iii) the consummation by the City of all other transactions contemplated by the Plan Resolution; and

(c) that any Assessment Revenue Bonds, when and if issued, will constitute legal, valid and binding obligations of the City, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

Section 9.02. Representations and Warranties of Developer.

Developer specially represents and warrants to the City as follows:

(a) Developer is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Texas and has the full right, power and authority to enter into this Amended Agreement, and to perform all of the obligations and liabilities required to be performed by it hereunder.

(b) This Amended Agreement has been duly and validly executed and delivered by and on behalf of Developer and, assuming the due authorization, execution and delivery thereof by and on behalf of the City, constitutes a valid, binding and enforceable obligation of the Developer enforceable in accordance with its terms. The aforesaid representation and warranty is qualified to the extent the enforceability of this Amended Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(c) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which Developer is a party, or by which Developer or, to the knowledge of Developer, the Development Land, is a party or otherwise bound.

## ARTICLE X

### GENERAL PROVISIONS

#### Section 10.01. Invalidity.

If any provision of this Amended Agreement is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Amended Agreement, the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties, and the remainder of this Amended Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

#### Section 10.02. Exhibits; Titles of Articles, Sections and Subsections.

The exhibits attached to this Amended Agreement are incorporated herein and shall be considered a part of this Amended Agreement for the purposes stated herein. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Amended Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

#### Section 10.03. Construction.

This Amended Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect and venue for any action shall lie only in Collin County, Texas.

#### Section 10.04. Entire Agreement.

This written agreement, together with each of the agreements referenced herein, represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

Section 10.05. Dispute Resolution. Should any dispute arise involving this Amended Agreement or any of its provisions, the Parties agree to attempt to resolve same by scheduling at least a half-day mediation with a mutually agreed mediator within 30 days of the dispute, and to share the cost of same equally. If a Party refuses to mediate, then that Party may not recover attorneys' fees or costs in any litigation brought involving this Amended Agreement.

#### Section 10.06. Approval by the Parties.

Whenever this Amended Agreement requires or permits approval or consent to be hereafter given by any of the Parties, the Parties agree that such approval or consent shall not be unreasonably withheld or delayed.

#### Section 10.07. Waiver of Actions.

(a) Nothing in this Amended Agreement or the dealings between the Parties shall be considered an impact fee or exaction. The Developer agrees and stipulates that all terms of Local Government Code section 212.904 have been met by the City and that the Developer's portion of the costs of municipal infrastructure improvements do not exceed the amount required for infrastructure improvements that are roughly proportionate to the proposed development.

(b) Expressly subject to the conditions set forth in this paragraph, Developer, its related entities, successors and assigns (collectively the "Developer Parties") release and discharge the City, its past and present employees, officers, council members, attorneys and other representatives (including city consultants, the city attorney, the city engineer, and city bond counsel) (collectively the "City Parties") from any and all claims, demands, controversies, and causes of action for breach of contract, takings, exactions, civil rights (including under the United States and Texas constitutions and 42 U.S.C. § 1983) negligence, claims under Texas Local Government Code Chapter 395, and claims under the Private Real Property Rights Preservation Act, Texas Government Code Chapter 2007, that relate to the Grand Heritage development and that occurred prior to the date of execution of this Amended Agreement, provided, however, notwithstanding anything to the contrary in this paragraph or this Amended Agreement: (i) the Developer Parties do not release any contract rights arising under or related to this Amended Agreement (which rights shall only be enforced, if at all, through injunctive or declaratory relief or specific performance); (ii) the Developer Parties' release of the City Parties will be null, void and of no effect as of the Effective Date and without further action by the Developer Parties in the event the City Parties file suit against the Developer Parties causes of action in any way related to, involving or arising out of the Grand Heritage development. In the event the Developer Parties' release becomes null, void and of no effect as provided in this paragraph or otherwise, the City Parties agree not to assert such release as a defense to any claim, counterclaim, right of offset or other assertion made by the Developer Parties. Any prior or present claims against the City Parties which are not specifically released above are hereby assigned by the Developer Parties in full to the City.

(c) The City represents and warrants to the Developer that it has no knowledge of any claims, demands, controversies, and causes of action against the Developer, its past and present employees, officers, attorneys and other representatives, arising through the date hereof. The Developer represents and warrants to the City that it has no knowledge of any claims, demands, controversies, and causes of action against the City, its past and present employees, officers, attorneys and other representatives, arising through the date hereof.

#### Section 10.08. Notices.

(a) Any notice or other communication to be given to the City under this Amended Agreement shall be given by delivering the same in writing to each of (i) the City of Lavon, P.O. Box 340, 120 School Road, Lavon, Texas 75166, Attention: J. Michael Jones, City Administrator, (ii) Andy Messer, 6947 Main Street, Frisco, Texas 75034, and (iii) Vinson & Elkins, c/o Lila Marsh, 2001 Ross Avenue, Suite 3700, Dallas, Texas 75201-2975.

(b) Any notice or other communication to be given to the Developer may be given by delivering the same in writing to each of (i) the Developer at 4125 Fairway Drive, Suite 128, Carrollton, Texas 75010-7201, Attention: Paul Cheng, (ii) the Developer and Petro-Hunt, L.L.C., 1601 Elm Street, Suite 3400, Dallas, Texas 7520107201, Attention: Alan Bain; and (iii) Hughes & Luce, LLP, 1717 Main Street, Suite 2800, Dallas, Texas 75201, Attention: Misty Ventura.

(c) Any notice sent under this Amended Agreement (except as otherwise expressly required) shall be written and mailed, or sent by facsimile transmission confirmed by mailing written confirmation at substantially the same time as such facsimile transmission, or personally delivered to an officer of the recipient at the addresses set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this Section shall be deemed to be given when so mailed, any notice so sent by facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for by, or actually received by, the addressee.

#### Section 10.09. Parties in Interest.

(a) This Amended Agreement is made solely for the benefit of the City and the Developer, and is not assignable except as follows: (i) the Developer may, without further consent or acknowledgement of the City, assign its interest in this Amended Agreement to any lender or financial institution lending funds for the purposes of funding the Developer's obligations hereunder; (ii) the Developer may, without the consent or acknowledgement of the City, assign its interest in this Amended Agreement to a related entity that assumes such interest and is financially and fully capable of performing the obligations of Developer under this Amended Agreement, so long as no other interest in this Amended Agreement shall be created for an unrelated third party; and (iii) the Developer may, with the prior written consent of the City (which consent shall be considered by the City in good faith based upon financial and performance criteria, and which shall not be unreasonably withheld, conditioned or delayed), otherwise assign its interest in this Amended Agreement. No such assignment shall be valid, and Developer shall not be released from its obligations under this Amended Agreement, unless such assignee delivers to the City an executed assignment and assumption agreement that (i) expressly assumes all of Developer's obligations to the City and (ii) expressly acknowledges the City's right of offset as provided in Article VIII. The City shall execute a document evidencing Developer's release upon the written request to do so by the Developer. This Amended Agreement may not be assigned by the City. No other person shall acquire or have any right hereunder or by virtue hereof.

#### Section 10.10. Term of Amended Agreement.

This Amended Agreement shall be in force and effect until the earlier of (i) the date the Developer has been fully reimbursed for all expenditures referenced under this Amended Agreement, and (ii) the date the 4B Reimbursement Agreement and the TIF Reimbursement Agreement have both terminated.

Section 10.11. Amendments.

This Amended Agreement may be amended only by written instrument executed by the City and the Developer.

Section 10.12. Effective Date.

This Amended Agreement shall become valid and enforceable upon the date of final execution by the last of the City and the Developer but shall be effective as of the date of the Initial Agreement.

Section 10.13. Counterparts.

This Amended Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

EXECUTED AND ACCEPTED by the City and the Developer on the respective dates stated below.

Date: 2-20-07

CITY OF LAVON, TEXAS

By: Jim Allright  
Mayor

ATTEST:

Lisa Andis  
City Secretary

APPROVED AS TO FORM:

Andy Messer  
City Attorney

Date: 2-20-07

WORLD LAND DEVELOPERS, LP,  
a Texas limited partnership

By: World Land Developers GP, LLC,  
its General Partner

By: Alan Bain, Vice President  
~~W.H. Hunt, Manager~~

By: Alan Bain



## EXHIBIT 1

### Description of the Development Land

#### ZONING TRACT WEST NON-RESIDENTIAL C-1

BEING A 2.521 ACRE TRACT OF LAND SITUATED IN THE W.S. BOHANNON SURVEY, ABSTRACT NO. 121, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO D.P. BROWN, RECORDED IN VOLUME 226, PAGE 176 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.) BASIS OF BEARINGS FOR THIS SURVEY IS GEODETIC NORTH. SAID 2.521 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A POINT IN THE SOUTH RIGHT-OF-WAY LINE OF STATE HIGHWAY NO. 78 (120' RIGHT-OF-WAY) FROM WHICH A WOODEN HIGHWAY MONUMENT FOUND BEARS N 84°14'55" E, A DISTANCE OF 362.61 FEET;

THENCE OVER AND ACROSS SAID BROWN TRACT THE FOLLOWING COURSES AND DISTANCES;

S 00°46'02" E, A DISTANCE OF 220.48 FEET TO A POINT FOR CORNER;

S 84°14'47" W, A DISTANCE OF 500.00 FEET TO A POINT FOR CORNER;

N 00°46'02" W, A DISTANCE OF 220.48 FEET TO A POINT FOR CORNER IN THE SOUTH RIGHT-OF-WAY LINE OF STATE HIGHWAY NO. 78 (120' RIGHT-OF-WAY), FROM WHICH THE INTERSECTION OF THE SOUTH RIGHT-OF-WAY OF SAID STATE HIGHWAY 78 AND THE WEST LINE OF SAID BROWN TRACT BEARS S 84°14'47" W, A DISTANCE OF 230.58 FEET;

THENCE N 84°14'47" E, ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY NO. 78, A DISTANCE OF 500.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 2.521 ACRES OF LAND, MORE OR LESS

#### ZONING TRACT WEST NON-RESIDENTIAL C-2

BEING A 2.755 ACRE TRACT OF LAND SITUATED IN THE W.S. BOHANNON SURVEY, ABSTRACT NO. 121, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO D.P. BROWN, RECORDED IN VOLUME 226, PAGE 176 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.) BASIS OF BEARINGS FOR THIS SURVEY IS GEODETIC NORTH. SAID 2.755 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A POINT FOR CORNER IN THE EAST LINE OF SAID BROWN TRACT AND THE WEST RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 205 (100' R.O.W.) FROM WHICH A CONCRETE MONUMENT FOUND FOR CORNER BEARS S 01°13'03" W, A DISTANCE OF 225.19 FEET AND THE SOUTHEAST CORNER OF SAID BROWN TRACT BEARS S 03°43'08" W, A DISTANCE OF 495.72 FEET;

THENCE OVER AND ACROSS SAID BROWN TRACT THE FOLLOWING COURSES AND DISTANCES:

N 88°46'57" W, A DISTANCE OF 200.00 FEET TO A POINT FOR CORNER;

N 01°13'03" E, A DISTANCE OF 600.00 FEET TO A POINT FOR CORNER;

S 88°46'57" E, A DISTANCE OF 200.00 FEET TO A POINT FOR CORNER IN THE EAST LINE OF SAID BROWN TRACT AND THE WEST R.O.W. LINE OF SAID STATE HIGHWAY NO. 205;

THENCE S 01°13'03" W, ALONG THE EAST LINE OF SAID BROWN TRACT, A DISTANCE OF 600.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 2.755 ACRES OF LAND, MORE OR LESS

**ZONING TRACT WEST FLEX "B"**

BEING A 113.375 ACRE TRACT OF LAND SITUATED IN THE BOHANNON SURVEY, ABSTRACT NO. 121, AND THE D. ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS IN THE CITY OF LAVON AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO ROBERT BROWN McGAUGHEY, RECORDED IN VOLUME 211, PAGE 215 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.) BASIS OF BEARINGS FOR THIS SURVEY IS GEODETIC NORTH. SAID 113.375 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A POINT IN THE APPROXIMATE CENTER LINE OF COUNTY ROAD NO. 484 (RAY SMITH ROAD - A VARIABLE WIDTH PRESCRIPTIVE R.O.W.), AND THE SOUTH RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 78, SAID POINT BEING IN THE EAST LINE OF SAID McGAUGHEY TRACT AND THE COMMON WEST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO MALCOLM GEREN, RECORDED IN VOLUME 362, PAGE 10, D.R.C.C.T.;

THENCE SOUTH 00 DEGREES 08 MINUTES 31 SECONDS WEST, ALONG THE APPROXIMATE CENTER LINE OF SAID COUNTY ROAD NO. 484 AND THE EAST LINE OF SAID McGAUGHEY TRACT, A DISTANCE OF 1694.95 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE SOUTHEAST CORNER OF SAID McGAUGHEY TRACT;

THENCE NORTH 89 DEGREES 51 MINUTES 29 SECONDS WEST, ALONG THE APPROXIMATE CENTERLINE OF SAID COUNTY ROAD NO. 484, AND THE SOUTH LINE OF SAID McGAUGHEY TRACT A DISTANCE OF 644.07 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "HCE" FOUND FOR THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO NORTH TEXAS MUNICIPAL WATER DISTRICT (N.T.M.W.D.), RECORDED IN VOLUME 3078, PAGE 594, D.R.C.C.T., IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO LAVON WINDMILL ESTATES, RECORDED IN VOLUME 4959, PAGE 2938, D.R.C.C.T.

THENCE NORTH 00 DEGREES 08 MINUTES 31 SECONDS EAST, ALONG THE WEST LINE OF SAID N.T.M.W.D.T. TRACT, A DISTANCE OF 450.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE NORTHEAST CORNER OF SAID N.T.M.W.D. TRACT;

THENCE NORTH 89 DEGREES 51 MINUTES 29 SECONDS WEST, ALONG THE NORTH LINE OF SAID N.T.M.W.D.T. TRACT, A DISTANCE OF 553.17 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE NORTHWEST CORNER OF SAID N.T.M.W.D. TRACT;

THENCE SOUTH 00 DEGREES 08 MINUTES 31 SECONDS WEST, A DISTANCE OF 341.90 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER IN THE SOUTH LINE OF SAID McGAUGHEY TRACT, SAID POINT BEING SOUTH 00 DEGREES 08 MINUTES 31 SECONDS WEST, A DISTANCE OF 108.10 FEET FROM A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "HCE" FOUND FOR THE SOUTHWEST CORNER OF SAID N.T.M.W.D. TRACT;

THENCE SOUTH 89 DEGREES 23 MINUTES 05 SECONDS WEST, ALONG THE SOUTH LINE OF SAID McGAUGHEY TRACT, PASSING AT A DISTANCE OF 5.57 FEET A FENCE POST FOUND FOR THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO CHARLES STANLEY, RECORDED IN VOLUME 755, PAGE 47, D.R.C.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID McGAUGHEY TRACT AND THE COMMON NORTH LINE OF SAID STANLEY TRACT, PASSING AT A DISTANCE OF 1314.06 FEET A 3/8" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID STANLEY TRACT AND THE COMMON NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO D.P. BROWN, RECORDED IN VOLUME 341, PAGE 638, D.R.C.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID McGAUGHEY TRACT AND THE COMMON NORTH LINE OF SAID BROWN TRACT, A TOTAL DISTANCE OF 2044.85 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET IN THE EAST R.O.W. LINE OF STATE HIGHWAY NO. 205, SAID POINT BEING NORTH 01 DEGREES 13 MINUTES 03 SECONDS EAST, A DISTANCE OF 47.81 FEET FROM A CONCRETE MONUMENT FOUND;

THENCE NORTH 01 DEGREES 13 MINUTES 03 SECONDS EAST, A DISTANCE OF 1250.37 FEET TO 1/2" IRON ROD FOUND AT THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO HWY. 205/78 L.P., A TEXAS LIMITED PARTNERSHIP RECORDED IN COUNTY CLERKS' FILE NO. 2000-0103656 D.R.C.C.T.;

THENCE SOUTH 89 DEGREES 33 MINUTES 54 SECONDS EAST, ALONG THE SOUTH LINE OF SAID HWY. 205/78 L.P., TRACT A DISTANCE OF 440.49 FEET TO A 1/2" IRON ROD FOUND AT THE SOUTHEAST CORNER OF SAID HWY. 205/78 L.P., TRACT;

THENCE NORTH 01 DEGREES 28 MINUTES 02 SECONDS EAST, ALONG THE EAST LINE OF SAID HWY. 205/78 L.P., TRACT A DISTANCE OF 417.76 FEET TO A POINT FOR CORNER IN THE SOUTH R.O.W. LINE OF SAID HIGHWAY NO. 78;

THENCE SOUTH 88 DEGREES 47 MINUTES 20 SECONDS EAST, ALONG THE SOUTH R.O.W. LINE OF SAID HIGHWAY 78 AND THE NORTH LINE OF SAID McGAUGHEY TRACT, A DISTANCE OF 2453.77 FEET TO THE POINT OF BEGINNING AND CONTAINING 113.375 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT WEST NON-RESIDENTIAL "A"**

BEING A 22.530 ACRE TRACT OF LAND SITUATED IN THE W.H. MOORE SURVEY, ABSTRACT NO. 638, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO BENNIE WHITE DAUGHERTY TO W.C.

DAUGHERTY, JR., ANN DAUGHERTY TICKNOR AND JOHN KINGSLEY DAUGHTERTY RECORDED IN VOLUME 2092, PAGE 223, REAL PROPERTY RECORDS, COLLIN COUNTY, TEXAS, (R.P.R.C.C.T.). SAID 22.530 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A POINT FOR CORNER IN THE EAST LINE OF SAID DAUGHERTY TRACT FROM WHICH THE NORTHEAST CORNER OF SAID DAUGHTERY TRACT BEARS N 00°16'03"W, A DISTANCE OF 900.15 FEET;

**THENCE** S 00°16'03" W, ALONG THE EAST LINE OF SAID DAUGHTERTY TRACT, A DISTANCE OF 271.55 FEET TO POINT FOR THE SOUTHEAST CORNER OF SAID DAUGHTERY TRACT, IN THE NORTH RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 78;

**THENCE** ALONG THE NORTH R.O.W. LINE OF SAID STATE HIGHWAY NO. 78 THE FOLLOWING COURSES AND DISTANCES:

S 74°16'57" W, A DISTANCE OF 270.28 FEET TO A POINT FOR CORNER;

S 80°27'23" W, A DISTANCE OF 486.40 FEET TO A POINT FOR CORNER;

S 87°55'43" W, A DISTANCE OF 453.37 FEET TO A POINT FOR CORNER;

N 88°49'37" W, A DISTANCE OF 1035.71 FEET TO A POINT FOR CORNER;

S 89°15'50" W, A DISTANCE OF 300.17 FEET TO A POINT FOR CORNER;

S 82°52'05" W, A DISTANCE OF 138.46 FEET TO A POINT FOR CORNER;

N 88°42'06" W, A DISTANCE OF 578.05 FEET TO A POINT FOR CORNER;

**THENCE** OVER AND ACROSS SAID DAUGHTERTY TRACT THE FOLLOWING COURSES AND DISTANCES:

N 01°19'13" E, A DISTANCE OF 300.00 FEET TO A POINT FOR CORNER;

S 88°42'06" E, A DISTANCE OF 246.18 FEET TO A POINT FOR CORNER;

S 88°42'06" E, A DISTANCE OF 64.99 FEET TO A POINT FOR CORNER;

S 88°42'06" E, A DISTANCE OF 192.63 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 4°33'03", A RADIUS OF 635.00 FEET, AN ARC LENGTH OF 50.44 FEET, A CHORD BEARING OF N 89°01'22" E, AND A CHORD LENGTH OF 50.42 FEET, TO A POINT FOR CORNER;

N 86°44'51" E, A DISTANCE OF 542.46 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 4°25'32", A RADIUS OF 365.00 FEET, AN ARC LENGTH OF 28.19 FEET, A CHORD BEARING OF N 88°57'37" E, AND A CHORD LENGTH OF 28.19 FEET, TO A POINT FOR CORNER;

S 88°49'37" E, A DISTANCE OF 142.99 FEET TO A POINT FOR CORNER;

S 88°49'37" E, A DISTANCE OF 19.37 FEET TO A POINT FOR CORNER;

S 86°07'18" E, A DISTANCE OF 317.80 FEET TO A POINT FOR CORNER;

S 88°49'37" E, A DISTANCE OF 27.82 FEET TO A POINT FOR CORNER;

S 88°49'37" E, A DISTANCE OF 50.36 FEET TO A POINT FOR CORNER;

S 88°49'37" E, A DISTANCE OF 327.76 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 3°14'40", A RADIUS OF 1150.00 FEET, AN ARC LENGTH OF 65.12 FEET, A CHORD BEARING OF N 89°33'03" E, AND A CHORD LENGTH OF 65.11 FEET, TO A POINT FOR CORNER;

N 87°55'43" E, A DISTANCE OF 317.62 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 7°28'20", A RADIUS OF 1150.00 FEET, AN ARC LENGTH OF 149.98 FEET, A CHORD BEARING OF N 84°11'33" E, AND A CHORD LENGTH OF 149.87 FEET, TO A POINT FOR CORNER;

N 80°27'23" E, A DISTANCE OF 328.31 FEET TO A POINT FOR CORNER;

N 09°32'37" W, A DISTANCE OF 0.10 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 9°15'30", A RADIUS OF 1150.00 FEET, AN ARC LENGTH OF 185.83 FEET, A CHORD BEARING OF N 75°05'25" E, AND A CHORD LENGTH OF 185.62 FEET, TO A POINT FOR CORNER;

N 74°59'05" E, A DISTANCE OF 52.06 FEET TO A POINT FOR CORNER;

S 89°13'26" E, A DISTANCE OF 141.54 FEET TO THE POINT OF BEGINNING, AND CONTAINING 22.530 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT WEST "D"**

BEING A 32.13 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS AND BEING ALL THAT TRACT OF LAND DESCRIBED IN DEED TO LAVON WINDMILL ESTATES, LTD., A TEXAS LIMITED PARTNERSHIP RECORDED IN VOLUME 4959, PAGE 2938, DEED RECORDS COLLIN COUNTY, TEXAS (D.R.C.C.T.). SAID 32.13 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOW:

BEGINNING AT A POINT FOR THE NORTHEAST CORNER OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED AS "TRACT TWO" IN DEED TO CAPE COD BANK AND TRUST, RECORDED IN VOLUME 3254, PAGE 258 (D.R.C.C.T.) SAID POINT ALSO BEING ON THE APPROXIMATE CENTERLINE OF COUNTY ROAD NO. 484 (RAY SMITH ROAD-A VARIABLE WIDTH PRESCRIPTIVE R.O.W.), AND THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO ROBERT BROWN McGAUGHEY, RECORDED IN VOLUME 211, PAGE 215 (D.R.C.C.T.);

THENCE, S 00°00'21" E, ALONG THE EAST LINE OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON WEST LINE OF SAID CAPE COD BANK AND TRUST TRACT A DISTANCE OF 2051.66 FEET TO A POINT FOR THE SOUTHEAST CORNER OF SAID LAVON WINDMILL;

THENCE ALONG THE SOUTH LINE OF SAID LAVON WINDMILL ESTATES TRACT THE FOLLOWING COURSES AND DISTANCES:

N 55°18'44" W, A DISTANCE OF 69.19 FEET TO A POINT FOR CORNER;

S 68°56'16" W, A DISTANCE OF 452.16 FEET TO A POINT FOR CORNER;

N 70°03'44" W, A DISTANCE OF 200.24 FEET TO A POINT FOR THE SOUTHWEST CORNER OF SAID LAVON WINDMILL ESTATES;

THENCE ALONG THE WEST LINE OF SAID LAVON WINDMILL ESTATES TRACT THE FOLLOWING COURSES AND DISTANCES:

N 00°17'10" E, A DISTANCE OF 221.19 FEET TO A POINT FOR CORNER;

N 00°10'07" E, A DISTANCE OF 323.30 FEET TO A POINT FOR CORNER;

N 00°03'11" E, A DISTANCE OF 447.68 FEET TO A POINT FOR CORNER;

N 00°30'30" W, A DISTANCE OF 676.09 FEET TO A POINT FOR CORNER;

N 00°06'00" E, A DISTANCE OF 431.75 FEET TO A POINT FOR THE NORTHWEST CORNER OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO NORTH

TEXAS MUNICIPAL WATER DISTRICT, RECORDED IN VOLUME 3078, PAGE 604 (D.R.C.C.T.) SAID POINT ALSO BEING IN THE APPROXIMATE CENTERLINE OF SAID COUNTY ROAD NO. 484;

THENCE, N 89°22'02" E, ALONG THE NORTH LINE OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON SOUTH LINE OF SAID NORTH TEXAS MUNICIPAL TRACT ALONG THE APPROXIMATE CENTERLINE OF SAID COUNTY ROAD NO. 484 A DISTANCE OF 553.12 FEET TO A POINT FOR THE SOUTHEAST CORNER OF SAID NORTH TEXAS MUNICIPAL TRACT;

THENCE, N 89°47'55" E, ALONG THE NORTH LINE OF SAID LAVON WINDMILL ESTATES TRACT AND THE COMMON SOUTH LINE OF SAID McGAUGHEY TRACT ALONG THE APPROXIMATE CENTERLINE OF SAID COUNTY ROAD NO. 484 A DISTANCE OF 116.56 FEET TO THE POINT OF BEGINNING, AND CONTAINING 32.13 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT EAST RESIDENTIAL "A"**

BEING A 117.250 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS, AND BEING ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO LAVON REALTY PARTNERS L.P., RECORDED IN VOLUME 5365, PAGE 7569, VOLUME 5328, PAGE 1298, DEED RECORDS COLLIN COUNTY, TEXAS (D.R.C.C.T.), ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEED TO KENNETH BLACK RECORDED IN COUNTY CLERK'S FILE NO. (CC#) 2002-0058176 D.R.C.C.T. AND CC# 92-0011429, D.R.C.C.T. SAID 117.250 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING AT THE SOUTHWEST CORNER OF SAID LAVON REALTY TRACT;**

THENCE N 00°44'42" E, ALONG THE WEST LINE OF SAID LAVON REALTY ACRE TRACT, A DISTANCE OF 1414.73 FEET TO POINT FOR CORNER IN THE SOUTH LINE OF SAID BLACK TRACT FOR THE POINT OF BEGINNING;

THENCE ALONG THE SOUTH LINE OF SAID BLACK TRACT THE FOLLOWING COURSES AND DISTANCES;

N 36°29'45" W, A DISTANCE OF 69.26 FEET TO A POINT FOR CORNER;

N 54°59'16" W, A DISTANCE OF 156.86 FEET TO A POINT FOR CORNER;

S 79°30'44" W, A DISTANCE OF 106.48 FEET TO A POINT FOR THE SOUTHWEST CORNER OF SAID BLACK TRACT;

THENCE ALONG THE WEST LINE OF SAID BLACK TRACT THE FOLLOWING COURSES AND DISTANCES;

N 00°47'50" E, A DISTANCE OF 172.27 FEET TO A POINT FOR CORNER;

S 89°11'49" E, A DISTANCE OF 752.29 FEET TO A POINT FOR CORNER;

N 00°47'34" E, A DISTANCE OF 2915.08 FEET TO A POINT FOR CORNER;



N 00°14'09" E, A DISTANCE OF 175.16 FEET TO A POINT FOR THE NORTHWEST CORNER OF SAID BLACK TRACT IN THE SOUTH RIGHT-OF-WAY (R.O.W.) LINE OF F.M. HWY. NO. 2755 (VARIABLE R.O.W.);

THENCE S 89°16'38" E, ALONG THE SOUTH R.O.W. LINE OF SAID F.M. HWY. NO. 2755 (VARIABLE WIDTH R.O.W.) AND THE COMMON NORTH LINE OF SAID BLACK TRACT, A DISTANCE OF 204.39 FEET TO A POINT AT THE NORTHEAST CORNER OF SAID BLACK TRACT AND THE COMMON NORTHWEST CORNER OF SAID LAVON REALTY TRACT;

THENCE ALONG THE NORTH LINE OF SAID LAVON REALTY TRACT THE FOLLOWING COURSES AND DISTANCES:

S 89°28'05" E, A DISTANCE OF 667.17 FEET TO A POINT FOR CORNER;

S 00°03'44" W, A DISTANCE OF 553.86 FEET TO A POINT FOR CORNER;

N 85°44'09" E, A DISTANCE OF 446.94 FEET TO A POINT FOR CORNER;

N 04°44'43" W, A DISTANCE OF 493.05 FEET TO A POINT FOR CORNER IN THE SOUTH RIGHT-OF-WAY (R.O.W.) LINE OF SAID F.M. HWY. NO. 2755;

THENCE CONTINUING ALONG THE NORTH LINE OF LAVON REALTY TRACT AND THE COMMON SOUTH R.O.W. LINE OF SAID F.M. HWY. NO. 2755, THE FOLLOWING COURSES AND DISTANCES;

S 88°40'56" E, A DISTANCE OF 2.28 FEET TO A POINT FOR CORNER;

S 88°45'56" E, A DISTANCE OF 24.23 FEET TO A POINT FOR CORNER;

S 85°53'56" E, A DISTANCE OF 100.13 FEET TO A POINT FOR CORNER;

S 88°44'22" E, A DISTANCE OF 180.89 FEET TO THE NORTHEAST CORNER OF SAID LAVON REALTY TRACT;

THENCE ALONG THE EAST LINE OF SAID LAVON REALTY TRACT THE FOLLOWING COURSES AND DISTANCES;

S 00°14'02" W, A DISTANCE OF 1288.84 FEET TO A POINT FOR CORNER;

S 88°40'56" E, A DISTANCE OF 546.17 FEET TO A POINT FOR CORNER;

S 33°00'26" W, A DISTANCE OF 89.81 FEET TO A POINT FOR CORNER;

S 11°43'11" W, A DISTANCE OF 83.04 FEET TO A POINT FOR CORNER;

THENCE ALONG THE APPROXIMATE CENTERLINE OF SAID BEAR CREEK, THE FOLLOWING COURSES AND DISTANCES:

S 25°31'30" W, A DISTANCE OF 1314.07 FEET TO A POINT FOR CORNER;

S 61°56'23" W, A DISTANCE OF 843.24 FEET TO A POINT FOR CORNER;  
S 70°13'21" W, A DISTANCE OF 415.82 FEET TO A POINT FOR CORNER;  
S 66°32'59" W, A DISTANCE OF 252.36 FEET TO A POINT FOR CORNER;  
S 73°15'44" W, A DISTANCE OF 25.26 FEET TO A POINT FOR CORNER;  
N 67°14'16" W, A DISTANCE OF 146.60 FEET TO A POINT FOR CORNER;  
S 67°30'44" W, A DISTANCE OF 148.65 FEET TO A POINT FOR CORNER;  
N 86°29'21" W, A DISTANCE OF 168.14 FEET TO A POINT FOR CORNER;  
S 53°15'41" W, A DISTANCE OF 174.27 FEET TO A POINT FOR CORNER;  
N 36°29'45" W, A DISTANCE OF 68.12 FEET TO THE POINT OF BEGINNING,  
AND CONTAINING 117.25 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT EAST RESIDENTIAL "B"**

BEING A 114.191 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS, AND BEING ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO LAVON REALTY PARTNERS L.P., RECORDED IN VOLUME 5365, PAGE 7569, VOLUME 5328, PAGE 1298, DEED RECORDS COLLIN COUNTY, TEXAS (D.R.C.C.T.), ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEED TO KENNETH BLACK RECORDED IN COUNTY CLERK'S FILE NO. (CC#) 2002-0058176 D.R.C.C.T. AND CC# 92-0011429, D.R.C.C.T. SAID 114.191 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING AT THE SOUTHWEST CORNER OF SAID LAVON REALTY TRACT;**

THENCE N 00°44'42" E, ALONG THE WEST LINE OF SAID LAVON REALTY ACRE TRACT, A DISTANCE OF 1414.73 FEET TO A POINT FOR CORNER IN THE SOUTH LINE OF SAID BLACK TRACT;

THENCE ALONG THE APPROXIMATE CENTERLINE OF SAID BEAR CREEK, THE FOLLOWING COURSES AND DISTANCES:

S 36°29'45" E, A DISTANCE OF 68.12 FEET TO A POINT FOR CORNER;  
N 53°15'44" E A DISTANCE OF 174.27 FEET TO A POINT FOR CORNER;  
S 86°29'21" E, A DISTANCE OF 168.14 FEET TO A POINT FOR CORNER;  
N 67°30'44" E, A DISTANCE OF 148.65 FEET TO A POINT FOR CORNER;  
S 67°14'16" E, A DISTANCE OF 146.60 FEET TO A POINT FOR CORNER;

N 73°15'44" E, A DISTANCE OF 25.26 FEET TO A POINT FOR CORNER;

N 66°32'59" E, A DISTANCE OF 252.36 FEET TO A POINT FOR CORNER;

N 70°13'21" E, A DISTANCE OF 415.82 FEET TO A POINT FOR CORNER;

N 61°56'23" E, A DISTANCE OF 843.24 FEET TO A POINT FOR CORNER;

N 25°31'30" E, A DISTANCE OF 1314.07 FEET TO A POINT FOR CORNER IN THE EAST LINE OF SAID LAVON REALTY TRACT;

THENCE ALONG THE EAST LINE OF SAID LAVON REALTY TRACT THE FOLLOWING COURSES AND DISTANCES:

S 89°30'20" E, A DISTANCE OF 240.91 FEET TO A POINT FOR CORNER;

S 00°44'42" W, A DISTANCE OF 3015.30 FEET TO THE SOUTHEAST CORNER OF SAID LAVON REALTY TRACT;

THENCE ALONG THE SOUTH LINE OF SAID LAVON REALTY TRACT THE FOLLOWING COURSES AND DISTANCES:

N 88°40'48" W, A DISTANCE OF 1476.00 FEET TO A POINT FOR CORNER;

N 00°45'44" E, A DISTANCE OF 8.00 FEET TO A POINT FOR CORNER;

S 76°49'12" W, A DISTANCE OF 1358.24 FEET TO THE POINT OF BEGINNING, AND CONTAINING 114.191 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT WEST RESIDENTIAL "C"**

BEING A 49.895 ACRE TRACT OF LAND SITUATED IN THE W.S. BOHANNON SURVEY, ABSTRACT NO. 121, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO D.P. BROWN, RECORDED IN VOLUME 226, PAGE 176 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.) BASIS OF BEARINGS FOR THIS SURVEY IS GEODETIC NORTH. SAID 49.895 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A POINT IN THE SOUTH LINE OF SAID BROWN TRACT FROM WHICH A 3/8" IRON ROD FOUND IN THE WEST RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 205 (100' R.O.W.) BEARS S 88°17'02" E, A DISTANCE OF 200.00 FEET;

THENCE N 88°17'02" W, ALONG THE SOUTH LINE OF SAID BROWN TRACT, A DISTANCE OF 1120.95 FEET TO A WOODEN FENCE CORNER POST FOUND FOR THE SOUTHWEST CORNER OF SAID BROWN TRACT;

THENCE N 00°28'03" E, ALONG THE WEST LINE OF SAID BROWN TRACT A DISTANCE OF 1812.76 FEET TO A POINT FOR CORNER;

THENCE OVER AND ACROSS SAID BROWN TRACT THE FOLLOWING COURSES AND DISTANCES;

N 84°14'47" E, A DISTANCE OF 1135.39 FEET TO A POINT FOR CORNER;

S 88°36'33" E, A DISTANCE OF 39.26 FEET TO A POINT FOR CORNER FROM WHICH A 1/2" IRON ROD STAMPED "RSCI" FOUND BEARS S 88°36'33" E, A DISTANCE OF 200.74 FEET;

S 01°13'03" W, A DISTANCE OF 1241.34 FEET TO A POINT FOR CORNER;

S 02°56'28" W, A DISTANCE OF 719.02 FEET TO THE POINT OF BEGINNING AND CONTAINING 49.895 ACRES OF LAND, MORE OR LESS

**ZONING TRACT WEST "E"**

BEING A 28.653 ACRE TRACT OF LAND SITUATED IN THE DRUARY ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO LAVON REALTY PARTNERS, LTD., RECORDED IN VOLUME 5298, PAGE 4958 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.). SAID 28.653 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A POINT FOR THE SOUTHEAST CORNER OF WINDMILL ESTATES PHASE I, AN ADDITION TO THE CITY OF LAVON, COLLIN COUNTY, TEXAS RECORDED IN CABINET N, PAGE 542 PLAT RECORDS COLLIN COUNTY TEXAS (P.R.C.C.T.) AND IN THE EAST LINE OF SAID LAVON REALTY PARTNERS TRACT AND THE COMMON WEST LINE OF MUSTANG ESTATES, AN ADDITION TO THE CITY OF LAVON, COLLIN COUNTY TEXAS RECORDED IN CABINET S, PAGE 1640, (P.R.C.C.T.);

THENCE, S 00°00'21" E, ALONG THE EAST LINE OF SAID LAVON REALTY PARTNERS TRACT AND THE COMMON WEST LINE OF SAID MUSTANG ESTATES A DISTANCE OF 1541.93 FEET TO A POINT FOR THE SOUTHEAST CORNER OF SAID LAVON REALTY PARTNERS TRACT SAID POINT ALSO BEING IN BEAR CREEK;

THENCE ALONG THE SOUTH LINE OF SAID LAVON REALTY PARTNERS TRACT AND SAID BEAR CREEK THE FOLLOWING COURSES AND DISTANCES:

S 80°20'00" W, A DISTANCE OF 143.00 FEET TO A POINT FOR CORNER;

S 77°00'00" W, A DISTANCE OF 115.00 FEET TO A POINT FOR CORNER;

S 65°00'00" W, A DISTANCE OF 105.00 FEET TO A POINT FOR CORNER;

S 68°10'00" W, A DISTANCE OF 102.00 FEET TO A POINT FOR CORNER;

S 73°00'00" W, A DISTANCE OF 150.00 FEET TO A POINT FOR CORNER;

S 63°00'00" W, A DISTANCE OF 84.22 FEET TO A POINT FOR CORNER;

S 52°10'00" W, A DISTANCE OF 117.82 FEET TO A POINT FOR THE SOUTHWEST CORNER OF SAID LAVON REALTY PARTNERS TRACT AND ALONG THE COMMON EAST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO CAPE COD BANK & TRUST RECORDED IN VOLUME 3254, PAGE 258, D.R.C.C.T.;

THENCE, N 00°00'21" W, ALONG THE WEST LINE OF SAID LAVON REALTY PARTNERS TRACT AND THE COMMON EAST LINE OF SAID CAPE COD TRACT A DISTANCE OF 1832.05 FEET TO A POINT FOR AN INTERIOR ELL CORNER OF SAID LAVON REALTY PARTNERS TRACT AND THE COMMON NORTHEAST CORNER OF SAID CAPE COD TRACT, SAID POINT ALSO BEING IN THE SOUTH LINE OF SAID WINDMILL ESTATES PHASE 1;

THENCE, S 89°43'43" E, ALONG THE SOUTH LINE OF SAID WINDMILL ESTATES PHASE 1, A DISTANCE OF 754.45 FEET TO THE POINT OF BEGINNING, AND CONTAINING 28.653 ACRES OF LAND, MORE OR LESS.

**ZONING TRACT WEST RESIDENTIAL "A"**

BEING A 92.052 ACRE TRACT OF LAND SITUATED IN THE W.H. MOORE SURVEY, ABSTRACT NO. 638, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO BENNIE WHITE DAUGHERTY TO W.C. DAUGHERTY, JR., ANN DAUGHERTY TICKNOR AND JOHN KINGSLEY DAUGHERTY RECORDED IN VOLUME 2092, PAGE 223, DEED RECORDS, COLLIN COUNTY, TEXAS, (D.R.C.C.T.). SAID 92.052 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF ST. LOUIS SOUTHWESTERN RAILROAD FOR THE NORTHEAST CORNER OF SAID DAUGHERTY TRACT;

**THENCE,** S 00°16'03" W, ALONG THE EAST LINE OF SAID DAUGHERTY TRACT, A DISTANCE OF 900.15 FEET TO POINT IN THE EAST LINE SAID DAUGHERTY TRACT;

**THENCE** OVER AND ACROSS SAID DAUGHERTY TRACT THE FOLLOWING COURSES AND DISTANCES:

N 89°13'26" W, A DISTANCE OF 141.54 FEET TO A POINT FOR CORNER;

S 74°59'05" W, A DISTANCE OF 52.06 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 9°15'30", A RADIUS OF 1150.00 FEET, AN ARC LENGTH OF 185.83 FEET, A CHORD BEARING OF S 75°05'25" W, AND A CHORD LENGTH OF 185.62 FEET, TO A POINT FOR CORNER;

S 09°32'37" E, A DISTANCE OF 0.10 FEET TO A POINT FOR CORNER;

S 80°27'23" W, A DISTANCE OF 328.31 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 7°28'20", A RADIUS OF 1150.00 FEET, AN ARC LENGTH OF 149.98 FEET, A CHORD BEARING OF S 84°11'33" W, AND A CHORD LENGTH OF 149.87 FEET, TO A POINT FOR CORNER;

S 87°55'43" W, A DISTANCE OF 317.62 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 3°14'40", A RADIUS OF 1150.00 FEET, AN ARC LENGTH OF 65.12 FEET, A CHORD BEARING OF S 89°33'03" W, AND A CHORD LENGTH OF 65.11 FEET, TO A POINT FOR CORNER;

N 88°49'37" W, A DISTANCE OF 327.76 FEET TO A POINT FOR CORNER;

N 88°49'37" W, A DISTANCE OF 50.36 FEET TO A POINT FOR CORNER;

N 88°49'37" W, A DISTANCE OF 27.82 FEET TO A POINT FOR CORNER;

N 86°07'18" W, A DISTANCE OF 317.80 FEET TO A POINT FOR CORNER;

N 88°49'37" W, A DISTANCE OF 19.37 FEET TO A POINT FOR CORNER;

N 88°49'37" W, A DISTANCE OF 142.99 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 4°25'32", A RADIUS OF 365.00 FEET, AN ARC LENGTH OF 28.19 FEET, A CHORD BEARING OF S 88°57'37" W, AND A CHORD LENGTH OF 28.19 FEET, TO A POINT FOR CORNER;

S 86°44'51" W, A DISTANCE OF 542.46 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 4°33'03", A RADIUS OF 635.00 FEET, AN ARC LENGTH OF 50.44 FEET, A CHORD BEARING OF S 89°01'22" W, AND A CHORD LENGTH OF 50.42 FEET, TO A POINT FOR CORNER;

N 88°42'06" W, A DISTANCE OF 192.63 FEET TO A POINT FOR CORNER;

N 88°42'06" W, A DISTANCE OF 64.99 FEET TO A POINT FOR CORNER;

N 88°42'06" W, A DISTANCE OF 246.18 FEET TO A POINT FOR CORNER;

N 01°19'14" E, A DISTANCE OF 3.27 FEET TO A POINT FOR CORNER;

S 88°43'30" W, A DISTANCE OF 475.49 FEET TO A POINT IN THE EAST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO FARMERSVILLE BANKSHARE RECORDED IN VOLUME 4317, PAGE 2685, D.R.C.C.T.;

THENCE

N 01°19'12" E, ALONG THE EAST LINE OF SAID FARMERSVILLE BANKSHARE TRACT A DISTANCE OF 778.51 FEET TO A POINT IN THE SOUTH R.O.W. LINE OF SAID ST. LOUIS SOUTHWESTERN RAILROAD;

THENCE

ALONG THE SOUTH R.O.W. LINE OF SAID ST. LOUIS SOUTHWESTERN RAILROAD THE FOLLOWING COURSES AND DISTANCES:

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 49°33'55", A RADIUS OF 1382.39 FEET, AN ARC LENGTH OF 1195.87 FEET, A CHORD BEARING OF N 68°46'09" E, AND A CHORD LENGTH OF 1158.93 FEET, TO A POINT FOR CORNER;

S 86°26'53" E, A DISTANCE OF 2613.57 FEET TO A POINT FOR CORNER; TO THE POINT OF BEGINNING, AND CONTAINING 92.052 ACRES OF LAND, MORE OR LESS.

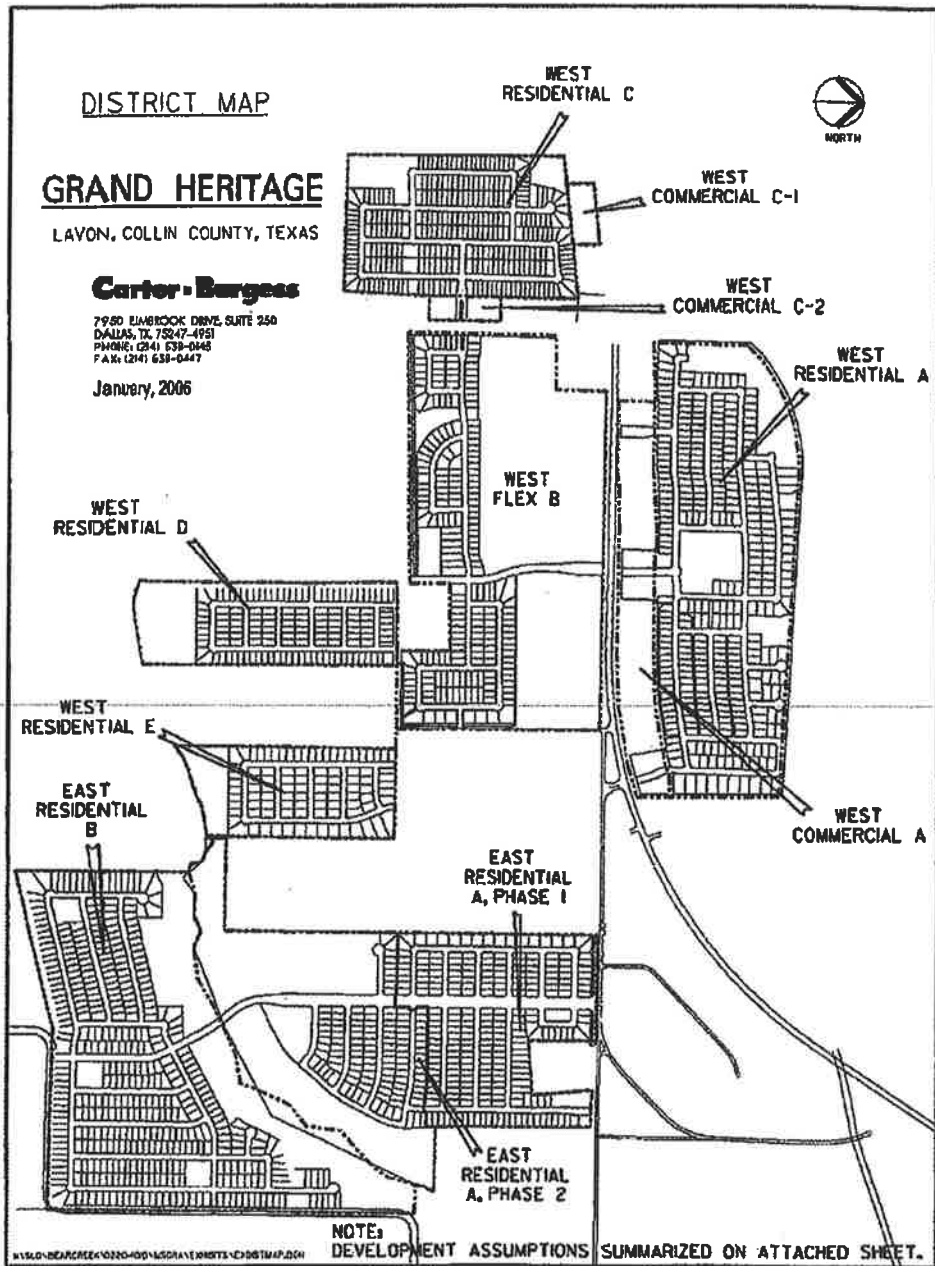


Exhibit "A" to Exhibit 1



**EXHIBIT 2**  
**(4B Reimbursement Agreement)**

**EXHIBIT 3**

## EXHIBIT 4

### FORM OF TEMPORARY REIMBURSEMENT NOTE

#### **TEMPORARY REIMBURSEMENT NOTE**

**NOTICE: THIS NOTE IS NOT A NEGOTIABLE INSTRUMENT AND IS NOT A PUBLIC SECURITY.\***

**Maturity Date: December 31, 2042**

The City of Lavon (the "City"), in the County of Collin, State of Texas, for value received, strictly subject to the terms, conditions, and requirements and solely from the source herein stated and provided, hereby promises to pay to

**WORLD LAND DEVELOPERS, LP**

or registered assigns (the "Payee"), on or before the Maturity Date stated above, an aggregate total principal amount that is equal to the lesser of (A) the certified "Outstanding Balance," as herein defined and as shown on the Schedule of Advances and Payments attached hereto, that is due and unpaid on the Maturity Date, or (B) the principal sum of \$\_\_\_\_\_ (the "Principal Amount").

The Principal Amount is payable on the Maturity Date, but is subject to mandatory prepayment, and, subject to any prior rights granted to the holders of bonds as herein permitted, shall be prepaid by the City, on each March 1 of each calendar year hereafter, in an amount equal to the amount that is actually received and collected by the City from Commercial Assessments (except for administrative expenses) prior to the applicable March 1, all to be done in accordance with and pursuant to the authority granted in Chapter 372, Texas Local Government Code (the "PID Act").

Interest shall accrue and be payable on the Outstanding Balance, from the earlier of (i) the date of entry on this note, or (ii) the date of original entry on the prior "Temporary Note" (identified below) until paid, at the rate, at the times, and to the extent interest is payable on the Commercial Assessments and received by the City.

The City reserves the right to grant a prior and first lien on all or any portions of the Commercial Assessments (the "Pledged Assessments") in favor of and as security for the payment of the principal of and interest on negotiable special assessment revenue bonds issued pursuant to the PID Act (the "Bonds"), upon terms acceptable to Payee. If and after any such bonds are issued, upon the issuance of the Bonds, the aggregate principal amount of the Assessments pledged to the payment of the Bonds shall automatically and without further entry, notation or action be deducted from the principal amount of this Temporary Reimbursement Note, and the Developer shall only be entitled to seek reimbursement from any fund created therefor under the Indenture prescribing the terms of and the security for the Bonds upon the terms provided in such Indenture. The amounts payable hereon from the Pledged Assessments shall be payable on this Note only after any Bonds are paid in full or payment is provided for. It is expressly provided, however, that any payments from the proceeds of any such bonds to or for the account of the Payee for any amounts that constitute a part of the Outstanding Balance of this Note shall automatically reduce the Outstanding Balance by the amount of any such payments without the need for further entry, notation or action.

Failure to receive all or any part of the Commercial Assessments, and the resulting failure by the City to make payments on this Note when and as required above and herein, including on the Maturity Date, in full shall not constitute a default by the City hereunder.

If, on the Maturity Date of this Note, any portion of the Principal Amount and any interest thereon remain unpaid, said balance and unpaid interest shall be canceled and, for all legal purposes, this Note shall conclusively be deemed to have been "paid in full," and such amounts, if any, shall no longer be deemed to be payable, except that if any Commercial Debt Assessments remain due and payable and are uncollected on the Maturity Date, the same, when, as, and if collected, shall be paid to the Payee and applied to any unpaid principal or interest hereon.

The principal of and the interest on this Note shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation of this Note for payment and surrender at the offices of the City.

This Note is a "Temporary Reimbursement Note," issued by the City under the authority of Section 372.023(e) of the PID Act and is the Temporary Note No. 2 referred to by that certain Amended and Restated City/Developer Master Development Agreement between The City Of Lavon, Texas and World Land Developers, LP dated effective \_\_\_\_\_, 2007 (the "Master Development Agreement").

This Note is issued for the purpose of recording and securing the City's special, limited obligation to reimburse and pay to the Payee, from the Commercial Assessments, and solely from that source unless bonds are issued for such purpose and reimbursement and payment is made from the proceeds thereof, for costs of constructing or acquiring public infrastructure for the benefit of the various properties constituting parts of "PID No. 1," as provided and described in the Service and Assessment Plan. The Payee shall be entitled to payment from the net

proceeds of any Bonds promptly upon compliance with the terms and provisions of the Indenture prescribing the terms of and security for the Bonds.

Other than from the Commercial Assessments, as provided above this Note does not create a debt or other obligation of the City that is payable from any source of revenues, taxes, or income of the City, and no person or entity has or shall have the right to claim otherwise. The City has the right to offset amounts payable by the City to the Payee under this Note or the Master Development Agreement, as provided in the Master Development Agreement.

This Note may be transferred and assigned by the Payee to others who are considered to be sophisticated investors according to applicable law or to pledge this Note as security for loans of the Payee or other owner or assignee.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Master Development Agreement.

\*However, this Note is not and is not intended to be a negotiable instrument and is not a public security under the Texas Government Code, and defenses against reimbursement and payment and rights of offset (as provided in the Master Development Agreement) may be asserted by the City.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Note is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of this Note have been properly done and performed and have happened in regular and due time, form and manner, as required by law and the Ordinance.

IN WITNESS WHEREOF, the City has caused this Note to be executed by the manual signature of the Mayor of the City and attested by the manual signature of the City Secretary of the City, and the official seal of the City has been duly impressed or placed in facsimile on this Note on and as of \_\_\_\_\_.

Attest:

\_\_\_\_\_  
[SEAL] City Secretary, City of Lavon, Texas

\_\_\_\_\_  
Mayor, City of Lavon, Texas

### ***TEMPORARY NOTE No. 2***

**NOTICE: THIS NOTE IS NOT A NEGOTIABLE INSTRUMENT.\***

\_\_\_\_\_  
[SEAL] City Secretary, City of Lavon, Texas

\_\_\_\_\_  
Mayor, City of Lavon, Texas

(additional pages to be added if needed)

Dallas 1191920v.5  
Dallas 1219815v.1

**EXHIBIT 4**  
**(TIF Reimbursement Agreement)**

**EXHIBIT 5**  
**(County TIF Participation Agreement)**

**EXHIBIT 6**  
**(Landowners' Agreement)**

Exhibit 7 – Page 1

Dallas 1191920v.5  
Dallas 1219815v.1



**EXHIBIT 7**  
**(Maintenance Bonds)**