

CITY OF LAVON, TEXAS
ORDINANCE NO. 2021-08-06

Refunding Bonds – Heritage PID No. 1 (Residential)

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF LAVON, TEXAS, SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2021 (HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 (RESIDENTIAL) ZONE 1)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT; THE 2021 ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN FOR THE DISTRICT; AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lavon, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, has previously established the "Heritage Public Improvement District No. 1 (Residential)" (the "District"); and

WHEREAS, certain previously issued and outstanding obligations of the City described in **Exhibit A** attached hereto and incorporated herein (the "Refunded Bonds") are intended to be and shall be refunded pursuant to this Ordinance; and

WHEREAS, Chapter 1207, Texas Government Code, authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, together with any other available funds or resources, directly with a paying agent for the Refunded Bonds or a trust company or commercial bank that does not act as a depository for the City and is named in these proceedings, and such deposit, if made before the payment dates of the Refunded Bonds, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds; and

WHEREAS, Chapter 1207, Texas Government Code, further authorizes the City to enter into an escrow or similar agreement with such paying agent for the Refunded Bonds or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such paying agent or trust company or commercial bank may agree; and

WHEREAS, the City Council of the City (the "Council") hereby finds and declares a public purpose and it is in the best interests of the City to refund the Refunded Bonds in order to achieve a debt service savings, and that such refunding will result in a net present value debt service savings of \$892,689.68 to the City; and

WHEREAS, all the Refunded Bonds mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized; and

WHEREAS, the Council desires to issue its refunding bonds to refund the Refunded Bonds in accordance with Chapter 1207, Texas Government Code, as amended, and the PID Act, such bonds to be designated "City of Lavon, Texas, Special Assessment Revenue Refunding Bonds, Series 2021 (Heritage Public Improvement District No. 1 (Residential) Zone 1)" (the "Bonds"), with such Bonds being payable solely from Assessments; and

WHEREAS, the Council has found and determined to approve (i) the issuance of the Bonds to refund the Refunded Bonds, (ii) the form, terms and provisions of the Indenture securing the Bonds authorized hereby, (iii) the form, terms and provisions of a Purchase Agreement (defined below) between the City and the Underwriter (defined below), (iv) an Official Statement (defined below), (v) a Continuing Disclosure Agreement (defined below); (vi) an Update to Service and Assessment Plan; and (vii) an Escrow Agreement; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

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

Section 1. Findings. The findings and determinations set forth in the preamble hereof are hereby incorporated by reference for all purposes as if set forth in full herein. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture.

Section 2. Approval of Issuance of Bonds and Indenture of Trust.

(a) The Bonds are hereby authorized to be issued in the principal amount of \$6,170,000 for the purpose of (i) providing funds to refund the Refunded Bonds, (ii) funding a reserve fund for the payment of principal of and interest on the Bonds and (iii) paying the costs of issuance of the Bonds.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust, dated as of August 1, 2021 (the "Indenture"), between the City and Wilmington Trust, National Association, as trustee (in such capacity, the "Trustee"), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as **Exhibit B** and incorporated herein as a part hereof for all purposes. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute the Indenture.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amount or amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture, with such insertions, omissions and modifications as may be required to conform the form of Bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Pledged Revenues and other

Section 3. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the "Underwriter") at the price and on the terms and provisions set forth in that certain Bond Purchase Agreement (the "Purchase Agreement"), dated the date hereof, between the City and the Underwriter, attached hereto as **Exhibit C** and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interest of the City. The form, terms and provisions of the Purchase Agreement are hereby authorized and approved and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver the Purchase Agreement. The Mayor's or Mayor Pro Tem's signature on the Purchase Agreement may be attested by the City Secretary.

Section 4. Official Statement. The form and substance of the final Official Statement for the Bonds and any addenda, supplement or amendment thereto (the "Official Statement") presented to and considered at the meeting at which this Ordinance is considered is hereby approved and adopted in all respects. The Official Statement, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Official Statement (as defined in the Purchase Agreement) and the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement in the offering of the Bonds is hereby ratified, approved and confirmed. In addition, the City has deemed the Preliminary Official Statement "final", within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), as of its date, except for the omission of information specified in Section (b)(1) of the Rule, as permitted by Section (b)(1) of the Rule.

Section 5. Continuing Disclosure Agreement. The Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City, P3Works, LLC and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., is hereby authorized and approved in substantially final form attached hereto as **Exhibit D** and incorporated herein as a part hereof for all purposes, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

Section 6. Update to Service and Assessment Plan. The Council hereby adopts the 2021 Update to the Service and Assessment Plan for the District attached hereto as **Exhibit E** and incorporated herein as a part hereof for all purposes.

Section 7. Approval of Escrow Agreement; Redemption of Refunded Bonds.

(a) The Escrow Agreement (the "Escrow Agreement") between the City and Wilmington Trust, National Association (in such capacity, the "Escrow Agent"), is hereby authorized and approved in substantially the form and substance as presented to the Council concurrently with the adoption of this Ordinance, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Escrow Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof, which Escrow Agreement will provide for the payment in full of the Refunded Bonds on the date of redemption thereof. In addition, the City officials listed in Section 8 hereof are authorized to purchase such securities with proceeds of the Bonds, to execute such subscriptions for the purchase of the United States Treasury Securities, State

and Local Government Series and to transfer and deposit such cash from available funds, as may be necessary or appropriate for the escrow or deposit fund described in the Escrow Agreement.

(b) The City hereby directs that the Refunded Bonds be called for redemption on the date and as set forth in **Exhibit A** hereto. Each of the Refunded Bonds shall be redeemed at the redemption price of par plus accrued interest. Each of the City officials listed in Section 8 hereof is hereby authorized and directed to issue or cause to be issued the Notice of Redemption of the Refunded Bonds in the form set forth in **Exhibit A** attached hereto to the paying agent/registrars for the Refunded Bonds.

(c) In addition, the paying agent/registrars for the Refunded Bonds is hereby directed to provide the appropriate notice of redemption and defeasance as specified by the indenture authorizing the issuance of such Refunded Bonds and is hereby directed to make appropriate arrangements so that such Refunded Bonds may be redeemed on their redemption date. The Refunded Bonds shall be presented for redemption at the paying agent/registrars therefore, and shall not bear interest after the date fixed for redemption.

(d) The source of funds for payment of the principal of and interest on the Refunded Bonds on their redemption date shall be from the funds placed in escrow with the Escrow Agent, pursuant to the Escrow Agreement.

Section 8. Additional Actions. The Mayor, the Mayor Pro Tem, the City Administrator and the City Secretary are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the City Administrator and the City Secretary are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance.

Section 9. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 10. Municipal Bond Insurance and Surety Policy. The Bonds shall be insured by a municipal bond insurance policy (the "Policy") issued by Build America Mutual Assurance Company. The provisions relating to the Policy are set forth in the Indenture. In addition, the City will fund fifty percent of the Reserve Account Requirement with Bond proceeds and fifty percent with a surety policy issued by BAM (the "Surety Policy"). The provisions relating to the Surety Policy are set forth in the Indenture.

Section 11. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

DULY PASSED AND APPROVED by the City Council of the City of Lavon, Texas, this
3rd day of August 2021.



Vicki Sanson, Mayor

ATTEST:



Rae Norton, City Secretary



Exhibit A

NOTICE OF DEFEASANCE AND REDEMPTION

CITY OF LAVON, TEXAS
(COLLIN COUNTY, TEXAS)

NOTICE IS HEREBY GIVEN that the City of Lavon, Texas (the "City") has called for early redemption the outstanding obligations of the City described as follows:

City of Lavon, Texas, Special Assessment Revenue Bonds, Series 2013 (Heritage Public Improvement District No. 1 (Residential)) (the "Refunded Bonds"), maturing on October 1 in the years and in the amounts shown below, being all the outstanding bonds of such series. Such Refunded Bonds have been called for redemption on October 1, 2021 (the "Redemption Date") at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the Redemption Date (the "Redemption Price"):

<u>Year</u>	<u>Principal Amount</u>	<u>CUSIP</u>	<u>Year</u>	<u>Principal Amount</u>	<u>CUSIP</u>
2021	\$ 250,000	51946PAH7	2029	\$ 350,000	51946PAR5
2022	260,000	51946PAJ3	2030	370,000	51946PAS3
2023	270,000	51946PAK0	2031	385,000	51946PAT1
2024	280,000	51946PAL8	2032	405,000	51946PAU8
2025	295,000	51946PAM6	2033	430,000	51946PAV6
2026	305,000	51946PAN4	***	***	***
2027	320,000	51946PAP9	2039	2,220,000	51946PAW4
2028	335,000	51946PAQ7			

aggregating \$6,475,000 in principal amount. On August [], 2021, funds were deposited with the escrow agent for the Refunded Bonds in an amount to redeem the Refunded Bonds on the Redemption Date, and such Refunded Bonds have been defeased as of such date and shall be paid from amounts held in an escrow account administered by an escrow agent, until the Redemption Date, when the Redemption Price shall be paid upon presentation of the Refunded Bonds at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as trustee and paying agent for the Refunded Bonds, at the following address by U.S. Mail, Certified Mail, Registered Mail, Overnight Express or Delivery in Person:

<u>First Class/Registered/ Certified Mail</u>	<u>Express Delivery</u>	<u>Hand Delivery</u>
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street 1 ST Floor East New York, New York 10286

Upon presentation of the Refunded Bonds on the Redemption Date, the holder thereof shall be entitled to receive the Redemption Price and thereafter the Refunded Bonds shall no longer bear interest.

CITY OF LAVON, TEXAS

Exhibit B

INDENTURE OF TRUST

Exhibit C

BOND PURCHASE AGREEMENT

Exhibit D

CONTINUING DISCLOSURE AGREEMENT

Exhibit E

UPDATE TO SERVICE AND ASSESSMENT PLAN



HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 (RESIDENTIAL)

2021 ANNUAL SERVICE PLAN UPDATE

AUGUST 3, 2021

INTRODUCTION

Capitalized terms used in this Annual Service Plan Update shall have the meanings set forth in the Amended and Restated Service and Assessment Plan unless the context in which a term is used clearly requires a different meaning.

On October 28, 2004, the City Council passed and approved Resolution No. 2004-10-01, creating the District in accordance with the Act to finance certain Authorized Improvements for the benefit of certain property within the District.

On June 27, 2006, the City Council approved the Service and Assessment Plan and levied Assessments to finance the Authorized Improvements to be constructed for the benefit of the Assessed Property within the District by approving Ordinance No. 2006-06-11. The Service and Assessment Plan identified the Authorized Improvements to be provided by the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements. The City also adopted an Assessment Roll identifying the Assessment on each Lot within the District, based on the method of assessment identified in the Service and Assessment Plan.

On May 19, 2020, the City Council approved the Amended and Restated Service and Assessment Plan, re-levied the Zone 2 Assessments, and levied the Zone 3 Assessments and Zone 4 Assessments to finance the Authorized Improvements to be constructed for the benefit of the Zone 2 Assessed Property, Zone 3 Assessed Property, and Zone 4 Assessed Property by approving the 2020 Assessment Ordinance.

Pursuant to the Act, the SAP must be reviewed and updated annually. This document is the 2021 Annual Service Plan Update. This document also updates the Assessment Roll for 2021 and reflects the issuance of the Zone 1 Refunding Bonds to refund the Zone 1 Bonds.

DEFINITIONS

“Zone 1 Refunding Bonds” mean those certain “City of Lavon, Texas Special Assessment Revenue Refunding Bonds, Series 2021 (Heritage Public Improvement District No. 1 (Residential) Zone 1)” that are secured by Zone 1 Assessments. The Zone 1 Refunding Bonds refunded all Zone 1 Bonds outstanding at the time the Zone 1 Refunding Bonds were issued.

LISTED EVENTS

Below is a list of all Listed Events that have occurred in Zone 1.

- \$55,000 extraordinary optional redemption on October 1, 2020

PARCEL SUBDIVISION

Zone 1

- The Final Plat for Grand Heritage Club consisting of 352 Residential Lots, 5 Lots classified as Non-Benefitted Property, and 2 commercial tracts within Collin County, and was recorded in the official public records of the County on April 12, 2006. 185 units are classified as Lot Type 1 and 167 units are classified as Lot Type 2.
- The Final Plat for Heritage East “A”, Phase 1 Addition consisting of 237 Residential Lots and 14 Lots classified as Non-Benefitted Property within Collin County, and was recorded in the official public records of the County on May 18, 2006. 223 units are classified as Lot Type 1 and 14 units are classified as Lot Type 2.
- The Final Plat for Grand Heritage – West C consisting of 140 Residential Lots and 11 Lots classified as Non-Benefitted Property within Collin County was recorded in the official public records of the County on May 19, 2008. All 140 units were classified as Lot Type 4.
- The Final Plat for Grand Heritage – East A2 consisting of 105 Residential Lots and 7 Lots classified as Non-Benefitted Property within Colling County was recorded in the official public records of the County on October 11, 2008. All 105 units are classified as Lot Type 3.
- The Final Plat for Lots 6A, 6B, 7A, 7B, 8A, 8B, 9A, 9B, 10A, 10B, 12A, 12B, 13A, 13B, 14A, 14B, 15A, 15B, 16A, 16B, 17A, 17B, 18A, 18B, 19A, 19B, 20A, 20B, 21A, 21B, 22A, 22B, 24A, 24B, 25A, 25B, 26A, and 26B, Block B, and Lots 14A, 14B, 15A, 15B, 16A, 16B, 17A, 17B, 18A, 18B, 19A, 19B, 20A, 20B, 21A, 21B, 22A, 22B, 23A, 23B, 24A, 24B, 25A, 25B, 26A, and 26B, Block E – Grand Heritage West C (being a replat of Lots 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25 and 26, Block B; and Lots 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26, Block E) consisting of 64 Residential Lots within Collin County

was recorded in the official public records of the County on December 11, 2008. All 64 units are classified as Lot Type 5, leaving 108 units in the final plat for Grand Heritage – West C classified as Lot Type 4.

- The Final Replat for Grand Heritage Club Lots 1, 2 & 3, Block O consisting of 3 Lots classified as Non-Benefitted Property was recorded in the official public records of the County on August 8, 2019.

Zone 2

- The Final Plat for Traditions at Grand Heritage consisting of 97 Residential Lots and 8 Lots classified as Non-Benefitted Property within Collin County, was recorded in the official public records of the County on September 29, 2016. All 97 units are classified as Lot Type 6.
- The Final Plat for Traditions at Grand Heritage West consisting of 84 Residential Lots and 3 Lots classified as Non-Benefitted Property within Collin County, was recorded in the official public records of the County on November 9, 2017. All 84 units are classified as Lot Type 7.

Zone 3

- The Final Plat for Traditions at Grand Heritage, Phase 2 consisting of 111 Residential Lots and 2 Lots classified as Non-Benefitted Property within Collin County, was recorded in the official public records of the County on June 5, 2020. All 111 units are classified as Lot Type 8. The Final Plat for Traditions at Grand Heritage, Phase 2 is attached as **Exhibit B-1**.

Zone 4

- The Final Plat for Bear Creek Phase 3 consisting of 161 Residential Lots and 6 Non-Residential Lots within Collin County, was recorded in the official public records of the County on March 24, 2021. All 161 units are classified as Lot Type 9. The Final Plat for Bear Creek Phase 3 is attached as **Exhibit B-2**.
- The Final Plat for Bear Creek Amenity Center and Bridge consisting of 2 Non-Residential Lots within Collin County, was recorded in the official public records of the County on March 24, 2021. The Final Plat for Bear Creek Amenity Center and Bridge is attached as **Exhibit B-3**.

LOT AND HOME SALES

Zone 1

All 866 homes in Zone 1 have been fully constructed and sold to end-users.

Zone 2

All 181 homes in Zone 2 have been fully constructed and sold to end-users.

Zone 3

Per information provided by the Owner, as of June 28, 2021, in Zone 3, 85 homes have begun construction, and 32 homes have been sold to end-users.

Zone 4

Per information provided by the Owner, as of June 28, 2021, In Zone 4, 10 homes have begun construction, and zero homes have been sold to builders or end-users.

See **Exhibit C** for Homebuyer Disclosures.

OUTSTANDING ASSESSMENT

Zone 1

The principal amount of outstanding Zone 1 Refunding Bonds and outstanding Zone 1 Assessment is \$6,170,000.00. See **Exhibit E** for the Sources and Uses of Funds related to the Zone 1 Refunding Bonds.

Zone 2

The outstanding Zone 2 Assessment is \$1,625,927.84.

Zone 3

The outstanding Zone 3 Assessment is \$1,035,000.00.

Zone 4

The outstanding Zone 4 Assessment is \$7,535,000.00.

ANNUAL INSTALLMENT DUE 1/31/2022

Zone 1

- *Principal and Interest* – The total principal and interest required for the Annual Installment is \$478,828.13.
- *Additional Interest* – The Delinquency and Prepayment Reserve requirement, as defined in the Indenture, is equal to \$18,500.00 and has been fully funded. As such, no Additional Interest deposits are required at this time.
- *Annual Collection Costs* – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of

outstanding Assessment remaining on the Parcel. The total Annual Collection Costs due is \$30,235.62.

Zone 1	
Due January 31, 2022	
<i>Zone 1 Refunding Bonds</i>	
Principal	\$ 290,000.00
Interest	\$ 188,828.13
	<u>\$ 478,828.13</u>
Additional Interest	\$ -
Annual Collection Costs	\$ 30,235.62
Total Annual Installment Due	\$ 509,063.75

Zone 2

- *Principal and Interest* – The total principal and interest required for the Annual Installment is \$108,658.89.
- *Annual Collection Costs* – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs due is \$7,967.74.

Zone 2	
Due January 31, 2022	
Principal	\$ 32,240.28
Interest	\$ 76,418.61
Annual Collection Costs	\$ 7,967.74
Total Annual Installment Due	\$ 116,626.63

Zone 3

- *Principal and Interest* – The total principal and interest required for the Annual Installment is \$63,645.00.
- *Annual Collection Costs* – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs due is \$5,071.94.

Zone 3	
Due January 31, 2022	
Principal	\$ 15,000.00
Interest	\$ 48,645.00
Annual Collection Costs	\$ 5,071.94
Total Annual Installment Due	\$ 68,716.94

Zone 4

- *Principal and Interest* – The total principal and interest required for the Annual Installment is \$479,694.00.
- *Annual Collection Costs* – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs due is \$36,924.70.

Zone 4	
Due January 31, 2022	
Principal	\$ 115,000.00
Interest	\$ 364,694.00
Annual Collection Costs	\$ 36,924.70
Total Annual Installment Due	\$ 516,618.70

See **Exhibit D-1** for the debt service schedule for the Zone 1 Refunding Bonds by Hilltop Securities, Inc. See **Exhibit D-2** for the Projected Annual Installment Schedule for Zone 1. See **Exhibit D-3** for the Projected Annual Installment Schedule for Zone 2. See **Exhibit D-4** for the Projected Annual Installment Schedule for Zone 3. See **Exhibit D-5** for the Projected Annual Installment Schedule for Zone 4.

PREPAYMENT OF ASSESSMENTS IN FULL

Zone 1

The following is a list of all Parcels or Lots that made a Prepayment in full or that have been removed from the Zone 1 Assessment Roll.

Property ID	Zone	Year Platted	Lot Type	Year Removed	Prepayment	Original Assessment	Outstanding Assessment at Time of Removal	Recording Number of Lien Release
2612590	1	2006	Lot Type 2	2009	Yes	\$ 11,400.00	\$ 11,219.30	20190227000204640
2610975 ¹	1	2006	Lot Type 1	2012	No	\$ 9,500.00	\$ 9,086.38	N/A
2610999	1	2006	Lot Type 1	2012	Yes	\$ 9,500.00	\$ 9,086.38	20190226000198790
2612651 ²	1	2006	Lot Type 2	2013	No	\$ 11,400.00	\$ 10,785.02	N/A
2612671	1	2006	Lot Type 2	2016	Yes	\$ 11,400.00	\$ 9,924.67	20190226000198750
2611110	1	2006	Lot Type 1	2017	Yes	\$ 9,500.00	\$ 8,017.19	20190226000198740
2610992	1	2006	Lot Type 1	2019	Yes	\$ 9,500.00	\$ 7,479.28	20190211000143190
2612674	1	2006	Lot Type 2	2019	Yes	\$ 11,400.00	\$ 8,975.12	20190211000143260
2612349	1	2006	Lot Type 1	2021	Yes	\$ 11,400.00	\$ 6,905.02	20210120000121200

Notes:

¹ Property ID 2610975 was removed from the Zone 1 Assessment Roll in the 2013 Annual Service Plan Update by the previous Administrator.

² Property ID 2612651 was replatted as a homeowner's association Lot and became non-benefitted and was removed in the 2014 Annual Service Plan Update by the previous Administrator.

Zone 2

The following is a list of all Parcels or Lots that made a Prepayment in full or that have been removed from the Zone 1 Assessment Roll.

Property ID	Zone	Year Platted	Lot Type	Year Removed	Prepayment	Original Assessment	Outstanding Assessment at Time of Removal	Recording Number of Lien Release
2743500	2	2016	Lot Type 6	2018	Yes	\$ 9,500.00	\$ 9,427.75	20190211000143200

Zone 3

No Prepayments have occurred in Zone 3 of the District.

Zone 4

No Prepayments have occurred in Zone 4 of the District.

Please see **Exhibit F** for all lien releases in the District.

PARTIAL PREPAYMENT OF ASSESSMENTS

Zone 1

There have been no partial prepayments of Assessments in Zone 1 of the District.

Zone 2

There have been no partial prepayments of Assessments in Zone 2 of the District.

Zone 3

There have been no partial prepayments of Assessments in Zone 3 of the District.

Zone 4

There have been no partial prepayments of Assessments in Zone 4 of the District.

BOND FUND

Zone 1

P3Works has reviewed the following bond accounts related to the Zone 1 Bonds of the Heritage Public Improvement District as of March 31, 2021 and each account contains the amount shown below.

Account:	3/31/2021 Balance
Pledged Revenue Fund	\$ 114,391.91
Phase 1. IA Account	\$ -
Phase 1 Pre. Account	\$ -
Improvement Fund	\$ -
INT Sink Fund	\$ 546,584.11
Administrative Fund	\$ 54,931.40
Redemption Fund	\$ 11,175.54
DS RSV Fund	\$ 283,948.00
PPY RSV Fund	\$ 18,521.87
Rebate Fund	\$ -

Zone 2

N/A.

Zone 3

N/A.

Zone 4

N/A.

AUTHORIZED IMPROVEMENTS

Zone 1

The developer has completed the Zone 1 General Benefit Improvements and the Zone 1 Specific Benefit Improvements listed in the SAP.

Zone 2

The developer has completed the Zone 2 Specific Benefit Improvements listed in the SAP and they were dedicated to the City via the 2016 and 2017 plats.

Zone 3

The developer has completed the Zone 3 Specific Benefit Improvements listed in the SAP and they were dedicated to the City via the plat filed in May 2020.

Zone 4

The budget for the Authorized Improvements remains at \$3,242,195 for Phase 3 and \$2,725,443 for Phase 4 as shown on the table below. Per the Owner, the President Boulevard Bridge Improvements are complete.

	Phase 3		
	Budget ¹	Spent to Date ²	% Complete
<i>Zone 4 Specific Benefit Improvements</i>			
Sanitary Sewer	\$ 652,100	\$ 534,009	81.89%
Drainage	\$ 766,500	\$ 645,896	84.27%
Roads	\$ 1,400,700	\$ 1,528,665	109.14%
Soft Costs ¹	\$ 422,895	\$ 489,516	115.75%
	\$ 3,242,195	\$ 3,198,086	98.64%

	Phase 4		
	Budget ¹	Spent to Date ²	% Complete
<i>Zone 4 Specific Benefit Improvements</i>			
Sanitary Sewer	\$ 562,950	\$ -	0.00%
Drainage	\$ 597,700	\$ -	0.00%
Roads	\$ 1,209,300	\$ -	0.00%
Soft Costs ¹	\$ 355,493	\$ 66,366	18.67%
	\$ 2,725,443	\$ 66,366	2.44%

Notes:

¹ Allocated to match draw calculation

² Per email from Developer received July 1, 2021.

SERVICE PLAN – FIVE YEAR BUDGET FORECAST

The Act requires the annual indebtedness and projected costs for the Authorize Improvements to be reviewed and updated in the Annual Service Plan Update, and the projection shall cover a period of not less than five years.

Zone 1 Installments						
Annual Installment Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
<i>Zone 1 Refunding Bonds</i>						
Principal		\$ 290,000	\$ 305,000	\$ 310,000	\$ 320,000	\$ 330,000
Interest		\$ 188,828	\$ 172,575	\$ 163,425	\$ 154,125	\$ 144,525
Total	(1)	\$ 478,828	\$ 477,575	\$ 473,425	\$ 474,125	\$ 474,525
Additional Interest	(2)	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Collection Costs	(3)	\$ 30,236	\$ 30,840	\$ 31,457	\$ 32,086	\$ 32,728
Total Annual Installment Due	(4) = (1) + (2) + (3)	\$ 509,064	\$ 508,415	\$ 504,882	\$ 506,211	\$ 507,253
Total Debt Service on Zone 1 Refunding Bonds		\$ 478,828	\$ 477,575	\$ 473,425	\$ 474,125	\$ 474,525

Zone 2 Installments						
Annual Installment Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 32,240	\$ 33,756	\$ 35,342	\$ 37,003	\$ 38,742
Interest		\$ 76,419	\$ 74,903	\$ 73,317	\$ 71,656	\$ 69,917
Total	(1)	\$ 108,659	\$ 108,659	\$ 108,659	\$ 108,659	\$ 108,659
Annual Collection Costs	(2)	\$ 7,968	\$ 8,127	\$ 8,290	\$ 8,455	\$ 8,625
Total Annual Installment Due	(3) = (1) + (2)	\$ 116,627	\$ 116,786	\$ 116,949	\$ 117,114	\$ 117,283
Annual Payments Under PID Reimbursement Agreement		\$ 108,659	\$ 108,659	\$ 108,659	\$ 108,659	\$ 108,659

Zone 3 Installments						
Annual Installment Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Interest		\$ 48,645	\$ 47,940	\$ 47,000	\$ 46,060	\$ 45,120
Total	(1)	\$ 63,645	\$ 67,940	\$ 67,000	\$ 66,060	\$ 65,120
Annual Collection Costs	(2)	\$ 5,072	\$ 5,173	\$ 5,277	\$ 5,382	\$ 5,490
Total Annual Installment Due	(3) = (1) + (2)	\$ 68,717	\$ 73,113	\$ 72,277	\$ 71,442	\$ 70,610
Annual Payments Under PID Reimbursement Agreement		\$ 63,645	\$ 67,940	\$ 67,000	\$ 66,060	\$ 65,120

Zone 4 Installments						
Annual Installment Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 115,000	\$ 120,000	\$ 130,000	\$ 135,000	\$ 140,000
Interest		\$ 364,694	\$ 359,128	\$ 353,320	\$ 347,028	\$ 340,494
Total	(1)	\$ 479,694	\$ 479,128	\$ 483,320	\$ 482,028	\$ 480,494
Annual Collection Costs	(2)	\$ 36,925	\$ 37,663	\$ 38,416	\$ 39,185	\$ 39,968
Total Annual Installment Due	(3) = (1) + (2)	\$ 516,619	\$ 516,791	\$ 521,736	\$ 521,213	\$ 520,462
Annual Payments Under PID Reimbursement Agreement		\$ 479,694	\$ 479,128	\$ 483,320	\$ 482,028	\$ 480,494