

CITY OF LEWISVILLE
PUBLIC IMPROVEMENT DISTRICT NO. 6
(CASTLE HILLS)

ANNUAL SERVICE PLAN UPDATE
TO THE
ASSESSMENT/SERVICE PLAN

JANUARY 28, 2019

Public Finance
Public Private Partnerships
Urban Economics
Clean Energy Bonds

Newport Beach, CA
Riverside, CA
San Francisco, CA
San Jose, CA
Houston, TX

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EXHIBIT A – ASSESSMENT ROLL

I. INTRODUCTION

The Castle Hills Public Improvement District No. 6 (the "PID") was created by the City Council of the City of Lewisville (the "City") by Resolution No. 03989-05-2013 (the "Resolution") on May 6, 2013 in accordance with the Public Improvement District Act, being Chapter 372 of the Texas Local Government Code (the "PID Act") to finance the costs of certain public improvements (the "Authorized Improvements") for the benefit of the property in the PID (the "Assessed Property"). The PID is located in the extraterritorial jurisdiction of the City. The PID contains approximately 386.3747 acres of undeveloped land planned for commercial mixed use and multifamily development.

An Assessment/Service Plan (the "Plan") was prepared at the direction of the City, identifying the Authorized Improvements and their estimated costs, the manner of assessing the property in the PID for the costs of the Authorized Improvements, and the indebtedness to be incurred. In addition, an assessment roll (the "Assessment Roll") was prepared identifying the assessment on each Parcel of Assessed Property, based on the method of assessment identified in the Plan. Following a public hearing, the Plan was adopted by the City on August 18, 2014 and Assessments in the amount of \$600,000 were levied. On August 21, 2017, an Amended and Restated Assessment/Service Plan (the "Amended and Restated Plan") was prepared and adopted by the City; the Amended and Restated Plan increased the Assessments levied to \$1,360,000.

Pursuant to Sections 372.013 and 372.014 of the PID Act, the Service Plan is to be reviewed and updated annually and is to include an Assessment Plan. This Annual Service Plan Update to the Amended and Restated Plan (the "Annual Plan Update") is comprised of the following four parts:

-) Definitions;
-) Improvement Plan;
-) Service Plan; and
-) Assessment Plan.

II. DEFINITIONS

The following capitalized terms shall have the meanings provided below, unless otherwise defined or the context clearly requires otherwise. For purposes of this Amended and Restated SAP, the words "shall" and "will" are mandatory, and the word "may" is permissive.

"Annual Interest Installment" means, with respect to each Parcel, each annual payment of annual interest on the Assessment, as shown on the Assessment Roll attached hereto, and calculated as provided in Section V of this Amended and Restated SAP.

"Annual Service and Assessment Plan Update" means an annual update to the Service and Assessment Plan approved by the City pursuant to Section 372.013 of the PID Act.

"Assessed Property" means, for any year, Parcels within the PID upon which an Assessment has been levied.

"Assessment" means the assessment levied against a Parcel imposed pursuant to the Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation of the subdivision of such Parcel created by such subdivision or reduction according to the provisions herein and the PID Act.

"Assessment Ordinance" means Ordinance No. 4106-08-2014 approved by the City on August 18, 2014 (the "2014 Ordinance") approving the imposition of the Assessments and Ordinance No. 4410-08-2017 approved by the City on July 17, 2017 (the "2017 Ordinance") approving the Amended and Restated Assessment/Service Plan and levying Assessments on the Lots within the PID.

"Bonds" mean all bonds secured by Contract Revenues and Assessments, issued by the City in one or more series.

"Contract Revenues" mean those revenues received by the City from District 1-H pursuant to the Joint Utility Contracts for the payment of debt service on the Bonds.

"Delinquent Collection Costs" mean interest, penalties and expenses incurred or imposed with respect to any delinquent installments of an Assessment in accordance with 372.018(f) of the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorneys' fees to the extent permitted under Texas law.

"Joint Utility Contracts" means the 2008 Joint Utility Contract and 2008 Joint Road Contract among the City, Denton County Fresh Water Supply District No. 1-H ("District 1-H"), as amended, and the PID providing for the issuance of up to \$136,000,000 in Bonds secured in part by Contract Revenues.

"Lot" means a tract of land described as a lot in a subdivision plat recorded in the Official Public Records of Denton County, Texas.

"Lot Type" means the type of Lot for purposes of allocation of special benefit.

"Non-Benefited Property" means Parcels within the boundaries of the PID that accrue no special benefit from the Authorized Improvements. Properties identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel are not assessed. If when Assessed Property is converted to Non-Benefited Property the Assessments may not be reallocated pursuant to the Assessment Plan herein because it would cause other landowners to bear an increased assessment, such property shall remain subject to the Assessments and shall prepay the Assessments as provided for the in this Amended and Restated Service and Assessment Plan prior to conversion to Non-Benefited Property.

"Parcel" means a parcel identified by either a tax map identification number assigned by the Denton County Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Denton County. Each Lot described herein is a separate Parcel.

"PID Costs" mean the actual or budgeted costs, as applicable, of all or any portion of the Authorized Improvements that provide a special benefit to the Assessed Property and are allocated to the PID.

"Road Report" means the engineer's report dated August 21, 2015 covering certain roadways to be purchased, constructed, or otherwise acquired and constructed by District 1-H and the property, contract rights, rights of use, and interests in property to be purchased or otherwise acquired, as well as the estimated cost of all the foregoing.

"Subdivision Plat" means a subdivision plat recorded in the Official Public Records of Denton County, Texas and subdividing a tract of land within the PID into Lots for assessment and/or development purposes.

"Utility Report" means the engineer's report dated August 21, 2015 covering certain works, improvements, facilities, plants, equipment and appliances to be purchased, constructed, or otherwise acquired and constructed by District 1-H and the property, contract rights, rights of use, and interests in property to be purchased or otherwise acquired, as well as the estimated cost of all the foregoing.

III. ANNUAL SERVICE PLAN UPDATE

Section 372.013 of the PID Act requires that the Annual Service Plan Update (i) define the annual indebtedness and the projected costs of the Projects and (ii) cover a period of at least five (5) years.

A. PID BONDED INDEBTEDNESS

On August 18, 2014, the City issued Combination Contract Revenue and Special Assessment bonds in the aggregate amount of \$8,510,000 (the "Series 2014 Bonds"). These included \$7,310,000 of Utility System Bonds (the "2014 Utility Bonds") and \$1,200,000 of Road System Bonds (the "2014 Road Bonds"). On July 17, 2017, the City issued Combination Contract Revenue and Special Assessment bonds in the aggregate amount of \$23,000,000 (the "Series 2017 Bonds"). These included \$7,690,000 of Utility System Bonds (the "2017 Utility Bonds") and \$15,310,000 of Road System Bonds (the "2017 Road Bonds"). Both the Series 2014 Bonds and Series 2017 Bonds are secured by Contract Revenues, and by Assessments levied pursuant to the Amended and Restated Plan, for the payment of debt service on the Bonds. The City Currently estimates that one percent (1%) of the debt service on the Bonds will be secured by and paid from Assessments.

The sources and uses of funds for the Series 2014 and Series 2017 Bonds are shown in Table III-1 below.

TABLE III-1			
PUBLIC IMPROVEMENT DISTRICT NO. 6			
(CASTLE HILLS)			
SOURCES AND USES OF FUNDS			
SERIES 2014 AND 2017 BONDS			
<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>	<u>2014</u>	<u>2017</u>
		<u>BONDS</u>	<u>BONDS</u>
PRINCIPAL AMOUNT OF BONDS	\$31,510,000.00	\$8,510,000.00	\$23,000,000.00
ORIGINAL ISSUE DISCOUNT	(\$255,300.00)	(\$255,300.00)	\$0.00
CASH ADVANCE FROM DEVELOPER	\$836,575.00	\$836,575.00	\$0.00
TOTAL SOURCES OF FUNDS	\$32,091,275.00	\$9,091,275.00	\$23,000,000.00
<u>USES OF FUNDS</u>			
IMPROVEMENT FUND	\$26,214,000.00	\$7,700,000.00	\$18,514,000.00
DEBT SERVICE RESERVE FUND	\$3,089,575.00	\$836,575.00	\$2,253,000.00
CAPITALIZED INTEREST	\$1,291,880.41	\$0.00	\$1,291,880.41
PLACEMENT AGENT'S FEES	\$170,000.00	\$170,000.00	\$0.00
ISSUANCE COSTS	\$1,325,619.59	\$384,500.00	\$941,119.59
TOTAL USES OF FUNDS	\$32,091,075.00	\$9,091,275.00	\$23,000,000.00

The City anticipates the issuance of additional Bonds in order to finance all, or a portion, of the Authorized Improvements that provide a special benefit to the assessed property within the PID. A five-year projection of the anticipated phased issuance of PID bonds is shown in Table III-2.

TABLE III-2			
PUBLIC IMPROVEMENT DISTRICT NO. 6 (CASTLE HILLS)			
PROJECTED ANNUAL PID BOND ISSUANCE AND ANNUAL INDEBTEDNESS			
<u>YEAR</u>	<u>NEW INDEBTEDNESS</u>	<u>SCHEDULED PAYMENTS</u>	<u>ANNUAL INDEBTEDNESS</u>
THROUGH 2016	\$8,510,000	\$240,000	\$8,270,000
2017	\$23,000,000	\$255,000	\$31,015,000
2018	\$0	\$270,000	\$30,745,000
2019	\$13,000,000	\$895,000	\$42,850,000
2020	\$0	\$950,000	\$41,900,000
2021	\$0	\$1,010,000	\$40,890,000
2022	\$0	\$1,070,000	\$39,820,000
2023	\$0	\$1,140,000	\$38,680,000
PROJECTED TOTAL	\$44,510,000	N/A	N/A

Table III-3 on the following page shows the estimated sources and uses of the Bonds.

TABLE III-3

**PUBLIC IMPROVEMENT DISTRICT NO. 6
(CASTLE HILLS)**

**ESTIMATED SOURCES AND USES OF FUNDS
ALL AUTHORIZED IMPROVEMENTS**

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>	<u>FUNDED BY PID ASSESSMENTS</u>	<u>FUNDED BY CONTRACT REVENUES</u>
UTILITY SYSTEM BOND PROCEEDS	\$112,750,000	\$1,127,500	\$111,622,500
ROAD SYSTEM BOND PROCEEDS	\$23,250,000	\$232,500	\$23,017,500
TOTAL SOURCES OF FUNDS	\$136,000,000	\$1,360,000	\$134,640,000
<u>USE OF FUNDS</u>			
<u>CONSTRUCTION COSTS:</u>			
CONSTRUCTION FUNDS: UTILITY	\$89,640,00	\$896,400	\$88,743,600
CONSTRUCTION FUNDS: ROAD	\$17,770,000	\$177,700	\$17,592,300
SUB-TOTAL: ALL CONSTRUCTION FUNDS	\$107,410,000	\$1,074,100	\$106,335,900
<u>NON-CONSTRUCTION COSTS:</u>			
LEGAL FEES	\$2,720,000	\$27,200	\$2,692,800
UNDERWRITER'S FEES	\$2,720,000	\$27,200	\$2,692,800
CAPITALIZED INTEREST	\$13,260,000	\$132,600	\$13,127,400
LOC FEES AND CREDIT ENHANCEMENTS	\$5,100,000	\$51,000	\$5,049,000
ORGANIZATION & ADDITIONAL ISSUANCE COSTS	\$4,790,000	\$47,900	\$4,742,100
SUB-TOTAL: NON-CONSTRUCTION COSTS	\$28,590,000	\$285,900	\$28,304,100
TOTAL USES OF FUNDS	\$136,000,000	\$1,360,000	\$134,640,000

B. DESCRIPTION AND ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

The Authorized Improvements include the following items:

1. WATER SYSTEM IMPROVEMENTS

The water system improvements will consist of (i) the construction of a water distribution and storage system, which benefits the PID, connecting to the Upper Trinity Regional Water District's water supply system and (ii) water contract rights.

2. WASTEWATER IMPROVEMENTS

The acquisition or construction of a wastewater collection system, which benefits the PID, connecting to the City's sanitary sewer collection and treatment system and (ii) wastewater contract rights.

3. DRAINAGE

The drainage improvements will consist of the acquisition or construction of a stormwater drainage and flood control system, which benefits the PID.

4. STREETS AND ROADWAYS

The acquisition or construction of streets or roadways and improvements thereto which benefits the PID.

5. ESTIMATED COST OF AUTHORIZED IMPROVEMENTS

The estimated cost of the Authorized Improvements is \$107,410,000. Table III-4 shows the estimated costs of the Authorized Improvements by category.

TABLE III-4	
PUBLIC IMPROVEMENT DISTRICT NO. 6 (CASTLE HILLS)	
ESTIMATED COST OF AUTHORIZED IMPROVEMENT BY CATEGORY	
<u>CATEGORY</u>	<u>ESTIMATED COST</u>
WATER FACILITIES	\$18,745,000
SEWER FACILITIES	\$17,585,000
DRAINAGE FACILITIES	\$36,550,000
STREET AND ROADWAY FACILITIES	\$14,350,000
DESIGN, ENGINEERING & ADMINISTRATION	\$9,049,000
CONTINGENCY	\$11,131,000
PROJECTED TOTAL EXPENDITURES	\$107,410,000

IV. ASSESSMENT PLAN

Section 372.015 of the PID Act states that the governing body of the municipality shall apportion the cost of an improvement to be assessed against property in an improvement district, and the apportionment shall be made on the basis of special benefits accruing to the property because of the improvement. More specifically, the PID Act provides that the costs of the improvements may be assessed (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited.

A. METHOD OF ASSESSMENT

The City Council determined that the PID Costs should be allocated to the Assessed Property on the basis of the benefit received by each parcel, as reflected by the valuation methodology, without regard to which Authorized Improvements have been completed and installed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements allocated to the PID on Parcels similarly benefited. In determining the relative value of Parcels, the City Council has taken into consideration (i) the type, size and number of lots and commercial parcels; (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements. One Lot Type has been established: Lot Type A – Commercial/Multi-Family.

Total Assessments in the amount to \$1,360,000, or one percent (1%) of the estimated \$136,000,000 in Bonds, have been levied pursuant to this Amended and Restated Plan. This represents an increase of \$760,000 in comparison to the Assessments levied under the Plan and reflects the additional benefit received from the public improvements described in the Utility Report and the Road Report. Table IV-1 on the following page shows the Assessment for Lot Type A Commercial/Multi-Family as \$3,762.52 per acre.

TABLE V-1			
PUBLIC IMPROVEMENT DISTRICT NO. 6 (CASTLE HILLS)			
ASSESSMENT BY LOT TYPE			
<u>LOT TYPE</u>	<u>ACRES</u>	<u>ASSESSMENT AMOUNT</u>	<u>TOTAL ASSESSMENTS</u>
ORIGINAL LOT TYPE A – COMMERCIAL/MULTI-FAMILY ¹	23.2721	\$1,553.00	\$61,589.50
AMENDED AND RESTATED LOT TYPE A – COMMERCIAL/MULTI-FAMILY	345.0906	\$3,762.52	\$1,298,410.50
TOTAL	368.3627	N/A	\$1,360,000.00

B. TERMS OF THE ASSESSMENTS

1. AMOUNT OF ASSESSMENTS

The Assessment for each Parcel is shown on the Assessment Roll, and no Assessment shall be changed except as authorized by this Annual Plan Update or the PID Act. The Assessments shall not exceed the amount required to repay the portion of the principal amount of the Bonds payable from Assessments and shall be collected with interest in an amount to pay a portion of the principal and interest on the Bonds.

2. REDUCTION OF ASSESSMENTS

If after all Authorized Improvements have been constructed and acquired the actual PID Costs are less than the PID Costs used to calculate the Assessments, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessment for each Parcel shall be reduced by an equal percentage such that the sum of the resulting reduced Assessments for all Parcels equals the actual reduced PID Costs and such excess Bond proceeds shall be applied to redeem Bonds. The Assessments shall not be reduced to an amount less than the amount required to repay the portion of the outstanding Bonds secured by Assessments.

¹ Excludes 16.412 acres (\$25,477.93 Assessment) which were double-counted in the Plan and 1.60 acres estimated Right-of-Way dedication (No Assessment).

3. REALLOCATION OF ASSESSMENTS FOR PARCELS LOCATED WITHIN THE PID

a. UPON SUBDIVISION PRIOR TO RECORDING OF SUBDIVISION PLAT

Upon the subdivision of any Assessed Property without the recording of a Subdivision Plat, the Assessments shall be reallocated for the Assessed Property prior to the subdivision equally among the new subdivided Lots by dividing the outstanding principal amount of the Assessments for each Parcel existing prior to the subdivision among the newly created Parcels based on the Lot Type of the newly created parcel. Newly divided Parcels that are categorized as Lot Type A will bear the Lot Type A assessment. The Assessment on the newly divided Parcels shall not exceed the Assessment amount for the applicable Lot Type. The City will approve an updated Assessment Roll in the Plan Update each year showing the reallocation of assessments.

The calculation of the estimated acreage by Lot Type shall be confirmed by the City Council in an update to the Assessment/Service Plan. The estimate as confirmed shall be conclusive.

The reallocation of an Assessment for any Parcel may not exceed the Assessment prior to the reallocation and, to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an update to the Plan and Assessment Roll approved by the City Council.

b. UPON SUBDIVISION BY A RECORDED SUBDIVISION PLAT

Upon the subdivision of any Assessed Property by the recording of a Subdivision Plat, the Assessments shall be reallocated for the Assessed Property prior to the subdivision among the new subdivided Lots by dividing the outstanding principal amount of the Assessments for each Parcel existing prior to the subdivision among the newly created Parcels based on the Lot Type of the newly created parcel. Newly divided Parcels that are categorized as Lot Type A will bear the Lot Type A assessment. The City will approve an updated Assessment Roll in the Plan Update each year showing the reallocation of assessments.

The calculation of the estimated acreage by Lot Type shall be confirmed by the City Council in an update to the Assessment/Service Plan. The estimate as confirmed shall be conclusive.

The reallocation of an Assessment for any Parcel may not exceed the Assessment prior to the reallocation and to the extent the reallocation would

exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an update to the Assessment/Service Plan and Assessment Roll approved by the City Council.

c. UPON CONSOLIDATION

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for an Assessed Property may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be calculated and reflected in an update to this Assessment/Service Plan and Assessment Roll approved by the City Council.

d. UPON CHANGE IN USE OR LOT TYPE

Upon a change in land use from commercial/multi-family to another land use and method of allocation of assessments, therefore from Lot Type A to a future lot type for Assessed Property pursuant to the Plan, the Assessments shall be reallocated for the Assessed Property upon the change in land use by assessing each new Lot created as a result of the change in use an Assessment equal to, but not to exceed, the \$3,762.52 per acre assessment assessed for Lot Type A pursuant to the Amended and Restated Plan and issuing an updated Assessment Roll showing the reallocation of Assessments. Any acreage that is not divided into another lot type shall remain in Lot Type A and shall be assessed on a per acre basis. The amount of acreage in Lot Type A, new lot type and total Assessment for each Lot Type will then be revised accordingly in the next updated to the Amended and Restated Service SAP (an "Annual Service Plan Update").

The calculation of assessments and parcels by Lot Type shall be confirmed by the City Council in an Annual Service Plan Update. The estimate as confirmed shall be conclusive.

The reallocation of an Assessment for any Parcel may not exceed the Assessment prior to the reallocation and to the extent the reallocation of Assessments would cause the Assessment per acre to exceed the Lot Type A per acre amount pursuant to the Amended and Restated Plan, the amount exceeding the Assessments prior to the change in land use or subdivision of the Parcel shall be prepaid by such amount by the party requesting the change in land use or subdivision of the Parcel. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update and Assessment Roll approved by the City Council.

C. PAYMENT OF ASSESSMENTS

1. PAYMENT IN FULL OR IN PART

- a.** Pursuant to the provision of Section 372.018(f) of the Act, an Assessment may be prepaid at any time by paying the unpaid amount of the Assessment plus the interest accrued and penalties that have been imposed prior to the date of payment of the Assessment. An Assessment must be prepaid in full at the time an owner of a lot subject to the Assessment applies for a building permit to construct a structure on such lot and prior to the issuance of a certificate of occupancy for such lot. An Annual Interest Installment shall be billed in each year as reflected in the Assessment Roll.
- b.** If an Annual Interest Installment has been billed prior to payment in full of an Assessment, the Annual Interest Installment shall be due and payable and, as applicable, shall be credited against the payment-in-full amount.
- c.** Upon payment in full of an Assessment, the City shall deposit the payment in accordance with the applicable trust agreement for any Bonds; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Interest Installments thereof shall automatically terminate.
- d.** Once an Assessment is paid in full, the City is hereby authorized to grant a release relating to the Parcel subject to the Assessment. The form of such release shall be as determined by the City to comply with state law and shall effectuate the release of the City's lien on such Parcel subject to the Assessment upon payment in full of the Assessment.

2. PAYMENT IN ANNUAL INSTALLMENTS

Prior to the payment in full of any Assessment for a Parcel, Annual Interest Installments will be collected each year in the amounts shown in the Assessment Roll, which include interest on the outstanding Assessments. It is anticipated that the Denton County Tax Assessor/Collector or Denton County Fresh Water Supply District No. 1-H will bill and collect the Annual Interest Installments on behalf of the City of Lewisville. Payment of the Annual Interest Installments began with tax bills mailed in 2014.

Each Assessment shall bear interest of no more than the actual interest rate paid on the Bonds or, after issuance of multiple series of bonds, the interest on Assessments shall be calculated as a weighted average of the interest paid on the Bonds. The Annual Interest Installments as levied shall be reduced to equal the actual costs of repaying the Bonds attributable to repayment from Assessments, when issued,

taking into consideration any other available funds for these costs, such as interest income on account balances.

The Denton Tax Assessor/Collector or Denton County Fresh Water Supply District No. 1-H will invoice each owner of property for the Annual Interest Installment at the same time as the City's annual property tax bill, and the Annual Interest Installments shall be due and payable, and incur penalty and interest for unpaid Annual Interest Installments in the same manner as provided for the City's property taxes. Thereafter, subsequent Annual Interest Installments shall be due in the same manner in each succeeding calendar year until the Assessment together with interest as provided herein has been paid in full. Failure of an owner to receive an invoice for an Annual Interest Installment, either on the property tax bill or via a separate bill from the Denton County Fresh Water Supply District No. 1-H, shall not relieve the owner of the responsibility for the Assessment and Annual Interest Installment. Delinquent Assessments and Assessment Interest Installments shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Assessments and Annual Interest Installments to the extent permitted under the PID Act.

Assessments are personal obligations of the person owning the property assessed in the year an Assessment and/or Annual Interest Installment becomes due, and only to the extent of such Assessment and/or Annual Interest Installment. Any sale of property for nonpayment of the Assessment and/or Annual Interest Installments shall be subject to the lien established for the remaining unpaid Assessment and Annual Interest Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Assessment and/or Annual Interest Installments against such property as they become due and payable.

If a Parcel or portion thereof is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel or portion thereof to become Non-Benefited Property, the owner of such Parcel or portion thereof shall pay to the District the full amount of the Assessment, plus all interest due thereon, for such Parcel or portion thereof prior to any such transfer or act.

If an Annual Interest Installment has been billed prior to payment in full of an Assessment, the Annual Interest Installment shall be due and payable and, as applicable, shall be credited against the payment-in-full amount. Upon payment in full of an Assessment and all interest on the Assessment to the date of payment in full, the City shall deposit the payment to a separate account whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Interest Installments thereof shall automatically terminate. The principal amount of the Annual Interest Installments may not exceed the principal amounts shown on the Assessment Roll as finally adopted by the City.

D. UPDATE OF ASSESSMENT ROLL

The Assessment Roll is to be updated each year to reflect (i) each Parcel within the PID and (ii) the applicable Assessment and Annual Interest Installment.

The Assessment Roll is attached as Exhibit A. Assessments totaling \$68,670.55 have been prepaid to date.

EXHIBIT A

**CITY OF LEWISVILLE
PUBLIC IMPROVEMENT DISTRICT No. 6
(CASTLE HILLS)**

ASSESSMENT ROLL

CITY OF LEWISVILLE
CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT NO. 6

ASSESSMENT ROLL

DCAD ID	LAND USE	OWNER	PHASE	BLOCK	LOT	PID	FWSO	SITUS ADDRESS	ACRES	ASSESSMENT CATEGORY	BUILDING PERMIT DATE	ASSESSMENT AND PRIOR YEARS' ANNUAL INTEREST INSTALLMENT SUMMARY					2018 INTEREST INSTALLMENT DETAIL			
												ASSESSMENT SUMMARY			INTEREST SUMMARY		REMITTANCE TO TRUSTEE (SHORTFALL)/ OVERAGE	ANNUAL INTEREST PERIOD 1.1.18 - 12.31.18		
												AMENDED	ASSESSMENT PAID	ASSESSMENT BALANCE	INTEREST PAYABLE (1)	INTEREST PAID		INTEREST REMITTED TO TRUSTEE	INTEREST ACCRUAL START DATE	INTEREST CALCULATION
17573	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			1	PID 6	1H	SH 121 & Crider Rd	9.3300	LOT TYPE A		\$ 35,104.32	\$ -	\$ 35,104.32	\$ 5,214.18	\$ 5,214.18	\$ -	\$ 2,151.62	1/1/2018	\$ 2,151.62
726103	MULTI-FAMILY/COMMERCIAL	CH PH 10A LLC							9.6750	LOT TYPE A		\$ 36,402.39	\$ -	\$ 36,402.39	\$ 5,406.98	\$ 5,406.98	\$ -	\$ 2,231.18	1/1/2018	\$ 2,231.18
17577	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			2	PID 6	1H	Crider Rd	0.1800	LOT TYPE A		\$ 677.25	\$ -	\$ 677.25	\$ 100.59	\$ 100.59	\$ -	\$ 41.51	1/1/2018	\$ 41.51
726104	MULTI-FAMILY/COMMERCIAL	CH PH 10A LLC							3.5300	LOT TYPE A		\$ 13,281.70	\$ -	\$ 13,281.70	\$ 1,972.78	\$ 1,972.78	\$ -	\$ 814.06	1/1/2018	\$ 814.06
17843	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			4	PID 6	1H	FM 544, Crider Rd & Parker Rd	104.3696	LOT TYPE A		\$ 392,692.77	\$ -	\$ 392,692.77	\$ 58,515.81	\$ 58,515.81	\$ -	\$ 24,068.97	1/1/2018	\$ 24,068.97
726105	MULTI-FAMILY/COMMERCIAL	CH PH 10A LLC							26.1900	LOT TYPE A		\$ 98,540.42	\$ -	\$ 98,540.42	\$ 14,683.66	\$ 14,683.66	\$ -	\$ 6,039.75	1/1/2018	\$ 6,039.75
17849	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			3	PID 6	1H	SH 121 & FM 544	44.2271	LOT TYPE A		\$ 166,405.38	\$ -	\$ 166,405.38	\$ 24,716.81	\$ 24,716.81	\$ -	\$ 10,199.34	1/1/2018	\$ 10,199.34
20194	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			2	PID 6	1H	Crider Rd	0.1742	LOT TYPE A		\$ 655.43	\$ -	\$ 655.43	\$ 97.34	\$ 97.34	\$ -	\$ 40.17	1/1/2018	\$ 40.17
136338	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			11	PID 6	1H	FM 544	2.8102	LOT TYPE A		\$ 10,573.44	\$ -	\$ 10,573.44	\$ 1,570.53	\$ 1,570.53	\$ -	\$ 648.07	1/1/2018	\$ 648.07
155133	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			11C	PID 6	1H		0.1148	LOT TYPE A		\$ 431.94	\$ -	\$ 431.94	\$ 64.15	\$ 64.15	\$ -	\$ 26.47	1/1/2018	\$ 26.47
155134	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			11D	PID 6	1H		0.1148	LOT TYPE A		\$ 431.94	\$ -	\$ 431.94	\$ 64.15	\$ 64.15	\$ -	\$ 26.47	1/1/2018	\$ 26.47
160695	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			11E	PID 6	1H	FM 544	0.1148	LOT TYPE A		\$ 431.94	\$ -	\$ 431.94	\$ 64.15	\$ 64.15	\$ -	\$ 26.47	1/1/2018	\$ 26.47
179553	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			11F	PID 6	1H	FM 544	0.1148	LOT TYPE A		\$ 431.94	\$ -	\$ 431.94	\$ 64.15	\$ 64.15	\$ -	\$ 26.47	1/1/2018	\$ 26.47
179554	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			11G	PID 6	1H	FM 544	0.1148	LOT TYPE A		\$ 431.94	\$ -	\$ 431.94	\$ 64.15	\$ 64.15	\$ -	\$ 26.47	1/1/2018	\$ 26.47
182419	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			11B	PID 6	1H		0.1148	LOT TYPE A		\$ 431.94	\$ -	\$ 431.94	\$ 64.15	\$ 64.15	\$ -	\$ 26.47	1/1/2018	\$ 26.47
308831	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			1A	PID 6	1H		18.0747	LOT TYPE A		\$ 68,006.43	\$ -	\$ 68,006.43	\$ 10,101.25	\$ 10,101.25	\$ -	\$ 4,168.26	1/1/2018	\$ 4,168.26
309088	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			3C, 4A	PID 6	1H		52.8509	LOT TYPE A		\$ 198,852.60	\$ -	\$ 198,852.60	\$ 29,536.31	\$ 29,536.31	\$ -	\$ 12,188.10	1/1/2018	\$ 12,188.10
712796	MULTI-FAMILY/COMMERCIAL	BRECO LANDS	2	A	1				7.8690	LOT TYPE A		\$ 29,607.27	\$ -	\$ 29,607.27	\$ 4,397.68	\$ 4,397.68	\$ -	\$ 1,814.69	1/1/2018	\$ 1,814.69
309089	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			7	PID 6	1H		0.6600	LOT TYPE A		\$ 2,483.26	\$ -	\$ 2,483.26	\$ 368.83	\$ 368.83	\$ -	\$ 152.20	1/1/2018	\$ 152.20
309092	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			11I	PID 6	1H	2151 Parker Rd	10.4073	LOT TYPE A		\$ 39,157.68	\$ -	\$ 39,157.68	\$ 6,106.64	\$ 6,106.64	\$ -	\$ 2,400.06	1/1/2018	\$ 2,400.06
523338	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			18	PID 6	1H		21.3227	LOT TYPE A		\$ 80,227.10	\$ -	\$ 80,227.10	\$ 11,916.43	\$ 11,916.43	\$ -	\$ 4,917.29	1/1/2018	\$ 4,917.29
523338-1	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			18	PID 6	1H		0.0090	LOT TYPE A	1/1/2018	\$ 33.85	\$ 33.85	\$ -	\$ 2.96	\$ 2.96	\$ -	\$ -	NA	\$ -
619774	MULTI-FAMILY/COMMERCIAL	BRECO LANDS			18	PID 6	1H		0.2750	LOT TYPE A		\$ 1,034.69	\$ -	\$ 1,034.69	\$ 153.69	\$ 153.69	\$ -	\$ 63.42	1/1/2018	\$ 63.42
634181	MULTI-FAMILY/COMMERCIAL	SWC 121 / 423 LP		A	4	PID 6	1H	E SH 121	1.2477	LOT TYPE A		\$ 4,694.50	\$ -	\$ 4,694.50	\$ 697.29	\$ 697.29	\$ -	\$ 287.74	1/1/2018	\$ 287.74
634191	MULTI-FAMILY/COMMERCIAL	SWC 121 / 423 LP		A	3	PID 6	1H	E SH 121	2.2503	LOT TYPE A		\$ 8,466.80	\$ -	\$ 8,466.80	\$ 1,257.61	\$ 1,257.61	\$ -	\$ 518.95	1/1/2018	\$ 518.95
634182	MULTI-FAMILY/COMMERCIAL	SWC 121 / 423 LP		A	5	PID 6	1H	E SH 121	0.9791	LOT TYPE A		\$ 3,683.88	\$ -	\$ 3,683.88	\$ 547.18	\$ 547.18	\$ -	\$ 225.79	1/1/2018	\$ 225.79
121768	MULTI-FAMILY/COMMERCIAL	BRAZOS ELECTRIC POWER COOP			11A	PID 6	1H	FM 544	1.8730	LOT TYPE A	11/15/2018	\$ 7,047.20	\$ 7,047.20	\$ -	\$ 991.56	\$ 991.56	\$ -	\$ -	NA	\$ -
172236	MULTI-FAMILY/COMMERCIAL	TEXAS UTILITIES ELECTRIC CO			3A	PID 6	1H		26.0970	LOT TYPE A		\$ 98,190.50	\$ -	\$ 98,190.50	\$ 14,584.59	\$ 14,584.59	\$ -	\$ 6,018.30	1/1/2018	\$ 6,018.30
652758	MULTI-FAMILY/COMMERCIAL	DISCOVERY	1	A	1	PID 6	1H	Windhaven Pkwy	20.3720	LOT TYPE A	11/5/2014	\$ 31,637.72	\$ 31,637.72	\$ -	\$ 314.18	\$ 314.18	\$ -	\$ -	NA	\$ -
652760	MULTI-FAMILY/COMMERCIAL	BRECO LANDS	1	A	3	PID 6	1H	Windhaven Pkwy	0.6431	LOT TYPE A	11/5/2014	\$ 998.73	\$ 998.73	\$ -	\$ 9.92	\$ 9.92	\$ -	\$ -	NA	\$ -
675305	MULTI-FAMILY/COMMERCIAL	BRECO LANDS	1	A	2R-1	PID 6	1H	Windhaven Pkwy	0.8960	LOT TYPE A	11/5/2014	\$ 1,391.49	\$ 1,391.49	\$ -	\$ 13.82	\$ 13.82	\$ -	\$ -	NA	\$ -
675306	MULTI-FAMILY/COMMERCIAL	BRECO LANDS	1	A	2R-2	PID 6	1H	Windhaven Pkwy	1.3610	LOT TYPE A	11/5/2014	\$ 2,113.63	\$ 2,113.63	\$ -	\$ 20.99	\$ 20.99	\$ -	\$ -	NA	\$ -
N/A	N/A	RIGHT-OF-WAY SHORTFALL	N/A	N/A	N/A	PID 6	1H	RIGHT-OF-WAY SHORTFALL	NA	LOT TYPE A	6/12/2017	\$ 25,447.93	\$ 25,447.93	\$ -	\$ 4,516.16	\$ 4,516.16	\$ -	\$ -	NA	\$ -
GRAND TOTAL									368.3627			\$ 1,360,000.00	\$ 68,670.55	\$ 1,291,329.45	\$ 198,200.67	\$ 198,200.67	\$ -	\$ 79,148.29		\$ 79,148.29

⁽¹⁾ Interest Payable includes annual interest through 2018.