

**CenterPointe**  
**Service and Assessment Plan**  
**Public Improvement District Number Three**  
**League City, Galveston County, Texas**

**1. Introduction**

This Service and Assessment Plan (the "Plan") is prepared and adopted in conformance with the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code, and pursuant to Resolution No. 2000-11, creating the League City Public Improvement District Number Three (the "PID" or "PID No. 3" or the "District"), League City (the "City"), Galveston County, Texas. The creation of the PID was initiated by a petition (the "Creation Petition") submitted to the City by RH Calder, Ltd. in compliance with the requirements of Section 372.005 of the Act.

**2. Boundaries**

The boundaries of PID No. 3 are as indicated in the Metes and Bounds Description attached as Exhibit "A".

**3. Administration of the District**

Administration of the District will be the responsibility of the Board of Directors of the League City Tax Increment Reinvestment Zone Number Three ("the Board"), as appointed by the City Council of the City of League City, Texas.

**4. Public Improvements**

The Public Improvements will serve to promote the construction of approximately 387 single-family units ("SFU") and, the development of 219.33 acres of unrestricted reserve. The Public Improvements included in the Plan will confer a special benefit to properties within PID No. 3 and consist of (i) Water, Sewer, Drainage and Detention Infrastructure, and (ii) Wayfinding Improvements. The Public Improvements to be constructed will be pre-funded by RH Calder, Ltd. (the "Developer").

The improvements authorized under this Plan, and the estimated costs thereof, are described below:

**CENTERPOINTE  
ESTIMATED PID BUDGET**

| PID PROJECT IMPROVEMENTS |                     |
|--------------------------|---------------------|
| Water Distribution Lines | \$ 412,771          |
| Sanitary Sewer Lines     | \$ 790,609          |
| Stormwater Drainage      | \$ 1,110,566        |
| Detention Ponds          | \$ 1,086,000        |
| Contingency              | \$ 231,398          |
| Engineering              | \$ 381,802          |
| Wayfinding / Signage     | \$ 200,000          |
| <b>TOTAL</b>             | <b>\$ 4,213,146</b> |

**5. Construction of Public Improvements**

Design and construction of all Public Improvements shall be performed to City specifications, and all construction shall be bid competitively to the same extent and in the same manner as would be required for similar work carried out by the City. The budgets for each section of improvements will be submitted for approval to the Board, as contracts for the proposed Public Improvements are awarded. The Plan will be reviewed annually in accordance with the provisions of Chapter 372 of the Local Government Code and will include a review of the budgets, expenditures and revenues of the District. Additionally, the Plan will be reviewed for the purpose of establishing the installments for assessments for improvements based upon actual construction bids for improvements made and the financial needs of the District.

**6. Conveyance of Improvements to the City**

Upon completion of the improvements, and final inspection and acceptance of the improvements by the City, the Developer will convey all rights to the improvements to the City, subject to the Developer's rights of reimbursement described in a Public Improvement District Development and Financing Agreement to be executed among the Developer, the District and the City.

**7. Authorized Improvements**

The area within the PID is planned to be developed as part of the Planned Urban Development known as CenterPointe (the "Development"). It is estimated that the development of CenterPointe will be accomplished over a ten-year period in several phases. This Plan designates the improvements required for the growth and development of the land within the PID. The goal of this Plan is to provide sufficient certainty for the owners of land within the PID to proceed with the financing and construction of the necessary Public Improvements, while allowing for sufficient flexibility to meet the needs of the PID over the life of the development of CenterPointe.

The Developer contemplates multiple phases of construction, portions of which may be constructed concurrently. It is estimated that construction of the Public Improvements authorized herein will begin in the calendar year 2000 and will be completed during the calendar year 2004. The proposed phasing is estimated and may vary. The cost estimates provided below are expressed in calendar year 2000 dollars. The actual costs of the Public Improvements will be determined subject to final engineering and competitive public bid pursuant to the guidelines of the City.

**PHASE ONE RESIDENTIAL**

Improvements for Phase One Residential of the Plan are planned to be constructed beginning in calendar year 2000 and will be constructed as dictated by market conditions. Activities shall include construction and supervisory services for improvements detailed below. The following is a list of the improvements planned and estimated costs.

**CENTERPOINTE  
ESTIMATED BUDGET – PID PHASE ONE RESIDENTIAL**

| DESCRIPTION (EXPENSES)        | SFU        | 2000             | 2001     | 2002     | 2003     | 2004     | TOTAL            |
|-------------------------------|------------|------------------|----------|----------|----------|----------|------------------|
| PHASE I                       |            |                  |          |          |          |          |                  |
| Section One-Residential       | 9          | 82,820           |          |          |          |          | 82,820           |
| Section Two-Residential       | 18         | 118,670          |          |          |          |          | 118,670          |
| Section Three-Residential     | 35         | 355,432          |          |          |          |          | 355,432          |
| Section Four-Residential      | 79         | 578,679          |          |          |          |          | 578,679          |
| Detention                     |            | 390,960          |          |          |          |          | 390,960          |
| Wayfinding Package            |            | 66,667           |          |          |          |          | 66,667           |
| <b>TOTAL PHASE I EXPENSES</b> | <b>141</b> | <b>1,593,228</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>1,593,228</b> |

**PHASE TWO RESIDENTIAL**

Improvements for Phase Two Residential of the Plan are planned to be constructed beginning in calendar year 2002 and will be constructed as dictated by market conditions. Activities shall include construction and supervisory services for improvements detailed below. The following is a list of the improvements planned and estimated costs.

**CENTERPOINTE  
ESTIMATED BUDGET – PID PHASE TWO RESIDENTIAL**

| DESCRIPTION (EXPENSES)           | SFU        | 2000     | 2001     | 2002             | 2003     | 2004     | TOTAL            |
|----------------------------------|------------|----------|----------|------------------|----------|----------|------------------|
| PHASE II                         |            |          |          |                  |          |          |                  |
| Section Five-Residential         | 69         |          |          | 614,006          |          |          | 614,006          |
| Section Six-Residential          | 84         |          |          | 639,999          |          |          | 639,999          |
| Detention                        |            |          |          | 434,400          |          |          | 434,400          |
| Wayfinding Package               |            |          |          | 66,667           |          |          | 66,667           |
| <b>TOTAL PHASE II - EXPENSES</b> | <b>153</b> | <b>0</b> | <b>0</b> | <b>1,755,072</b> | <b>0</b> | <b>0</b> | <b>1,755,072</b> |

**PHASE THREE RESIDENTIAL**

Improvements for Phase Three Residential of the Plan are planned to be constructed beginning in calendar year 2004 and will be constructed as dictated by market conditions. Activities shall include construction and supervisory services for improvements detailed below. The following is a list of the improvements planned and estimated costs.

**CENTERPOINTE  
ESTIMATED BUDGET – PID PHASE THREE RESIDENTIAL**

| DESCRIPTION (EXPENSES)            | SFU       | 2000     | 2001     | 2002     | 2003     | 2004           | TOTAL          |
|-----------------------------------|-----------|----------|----------|----------|----------|----------------|----------------|
| PHASE III                         |           |          |          |          |          |                |                |
| Section Seven-Residential         | 31        |          |          |          |          | 105,479        | 105,479        |
| Section Eight-Residential         | 62        |          |          |          |          | 432,061        | 432,061        |
| Detention                         |           |          |          |          |          | 260,640        | 260,640        |
| Wayfinding Package                |           |          |          |          |          | 66,667         | 66,667         |
| <b>TOTAL PHASE III - EXPENSES</b> | <b>93</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>864,847</b> | <b>864,847</b> |

**8. Annual Indebtedness**

The estimated annual indebtedness of the Public Improvement District is shown on Exhibit "B".

**9. Advance Financing by Developer**

The Developer will advance the funds for construction of the Public Improvements for the account of the City and will be entitled to repayment pursuant to a Public Improvement District Development and Financing Agreement (the "Development Agreement"), to be executed among the PID, the City and the Developer. Although the Public Improvements are required for the growth and development of the PID, it is not necessary for them to be built simultaneously. In addition, it is intended that portions of the PID not benefiting from a particular phase of the improvements not be assessed for such improvements.

**10. Apportionment of Costs**

In accordance with Chapter 372, Texas Local Government Code, the Public Improvements to be constructed will be paid by assessments that constitute one hundred percent (100 %) of the total costs. The City shall pay assessments against exempt municipal property in the District. Payment of assessments on property owned by exempt jurisdictions other than the City shall be established by contract.

**11. Levy of Assessments**

The plan of assessment contemplates that the assessment will be levied in phases, as improvements are constructed within each Phase. The assessment year shall be concurrent with the City's tax year. The assessments against property may be paid in annual installments based on an amortization of fifteen (15) years plus the period between the effective date of the ordinance and the date of the first installment. For planning purposes the assumed interest rate is 6.35%. The final interest rate on financed assessments will be calculated in accordance with the provisions of the Development Agreement, subject to the maximum rate established by Chapter 372 of the Local Government Code.

The assessment shall be based upon the actual cost of the improvements plus those related costs as deemed reimbursable by the City. The assessment will be allocated on linear front foot basis. The cost of the Public Improvements will consist of the costs to (1) acquire and construct the water, sewer and drainage and detention infrastructure for each development phase, (2) the signage/wayfinding improvements for each development phase, (3) related professional design and engineering fees, and (4) interest payable to the Developer pursuant to the Public Improvement District Development and Financing Agreement.

The Plan estimates the following approximate assessments in each Phase:

**CENTERPOINTE  
PID ANNUAL ASSESSMENTS**

| PID PHASES                     | ANNUAL<br>ASSESSMENT |
|--------------------------------|----------------------|
| <b>Phase One Residential</b>   |                      |
| 70' Lots                       | \$ 1,333.08          |
| 80' Lots                       | \$ 1,523.52          |
| <b>Phase Two Residential</b>   |                      |
| 70' Lots                       | \$ 1,351.37          |
| 80' Lots                       | \$ 1,544.42          |
| <b>Phase Three Residential</b> |                      |
| 70' Lots                       | \$ 1,046.37          |
| 80' Lots                       | \$ 1,195.86          |

Notice of the levy of each assessment will be given as provided in Chapter 372 of the Local Government Code. The assessment levy statement will be sent to each property owner in the District, and the installment of the assessment levy will be due and payable at the same time property taxes are due and payable to the City. Financed assessments shall bear interest at 6.35%, or such other rate as may be provided in Chapter 372 of the Local Government Code, made over a period not to exceed fifteen (15) years from the original assessment date.

The first installment of an assessment against a particular property shall be due on the first day of the calendar year following the earlier of: (i) the date such property has been improved with a habitable structure as evidenced by the issuance of a certificate of occupancy or such other indication of substantial completion as may be established by the District, or (ii) the third anniversary of the date such assessment was levied. Thereafter, subsequent installments shall be due on the first day of each succeeding calendar year until the assessment together with interest as provided herein has been paid in full. The owner of assessed property may pay at any time the entire assessment then due on each property, with accrued on the assessment through the date of payment.

A lien will be established against the property assessed effective as of the date of the ordinance levying the assessment, privileged above all other liens, including prior mortgage liens, to the extent allowed by Section 372.018(b) of the Local Government Code. Assessment installments shall be considered delinquent on the same date as the City's property taxes in the year following the assessment levy. Delinquent assessments or installments shall incur the costs of collection. If practicable, the assessment may be included on the City property tax statement.

EXHIBIT "A"

CENTERPOINTE  
PUBLIC IMPROVEMENT DISTRICT NUMBER THREE  
LEAGUE CITY, GALVESTON COUNTY, TEXAS

METES AND BOUNDS DESCRIPTION  
OF A 354.8301 ACRE TRACT OF LAND,  
OUT OF THE STEPHEN F. AUSTIN LEAGUE, ABSTRACT No.3  
GALVESTON COUNTY, TEXAS

Being a 354.8301 acre (15,456,398 square feet) tract of land situated in the Stephen F. Austin League, Abstract No. 3, Galveston County, Texas, being out of that certain called 600 acre tract of land as described in Volume 239, Page 84 of the Deed Records of Galveston County, Texas and being the same tracts of land conveyed to R. H. Calder, LTD. as described in Special Warranty Deed, dated October 14, 1997 as recorded in File No. 9739474 of the Clerk's Files of Galveston County, Texas; said 355.4374 acre tract of land is more particularly described by metes and bounds as follows with all bearings being referenced to the Texas State Plane Coordinate System, South Central Zone, North American Datum 1983; All distances are in surface and may be converted to grid by multiplying by the combined factor of 0.9998700:

BEGINNING at a found 5/8-inch iron rod for the Southeast corner of the League City Heights Subdivision as recorded in Volume 238. Page 34 of the Deed Records of Galveston County, Texas, said corner also being the Northeast corner of a 40.115 acre tract conveyed to Burkett's Distributing Company in Film Code No. 006-82-0129 of the Clerk's Files of Galveston County, Texas and being the Southeast corner of the herein described tract of land;

THENCE South 87 06' 52" West, 2164.14 feet along the North line of said 40.115 acre tract to a set 3/4-inch iron rod on the Northeast right-of-way line of Interstate Highway 45 for the Southwest corner of the herein described tract of land;

THENCE North 29 31' 35" West, 797.87 feet along the Northeast right-of-way line of Interstate Highway 45 to a found 5/8-inch iron rod for corner, said corner also being the Southwest corner of an 8.9779 acre tract of land as conveyed to 440 League City Development in File Number 8520203 of the Clerk's Files of Galveston County, Texas;

THENCE North 87 03' 33" East, along the South line of said 8.9779 acre tract, passing the Southeast corner of said 8.9779 acre tract at 437.63 feet, a total distance of 457.63 feet to a set 3/4-inch iron rod for corner and being the Southeast corner of a 0.31 acre tract as conveyed to City of League City, Section 4B Industrial Development Corporation in Film Code Number 010-58-0325 of the Clerk's Files of Galveston County, Texas;

THENCE North 03 00' 16" West, 682.37 feet along the East line of said 0.31 acre tract to a set 3/4-inch iron rod for corner and being on the South line of a 42.8843 acre tract of land as conveyed to City of League City, Section 4B Industrial Development corporation in Film Code Number 010-58-0325 of the Clerk's Files of Galveston County, Texas;

THENCE North 86 56' 32" East, 782.53 feet along the South line of said 42.8843 acre tract of land to a set 3/4-inch iron rod for corner, said corner also being the Southeast corner of said 42.8843 acre tract of land;

THENCE North 02 41' 10" West, 1172.86 feet along the East line of said 42.8843 acre tract of land to a set 3/4-inch iron rod for the Northwest corner of the herein described tract of land; said corner being on the South line of an HL & P Fee Strip as recorded in Volume 1657, Page 87 and Volume 1689, Page 18 of the Deed Records of Galveston County, Texas;

THENCE North 02 36' 12" West, 278.60 feet to a found 5/8-inch iron rod on the North line of said HL & P Fee Strip for corner; said corner also being the Southeast corner of an 8.3576 acre tract of land as conveyed to Henry G. Butler in File Number 9416425 of the Clerk's Files of Galveston County, Texas;

THENCE North 02 54' 15" West, 343.86 feet along the East line of said 8.3576 acre tract of land to a found 1-inch bolt on the South right-of-way line of Link Road, as recorded in Volume 1499, Page 497 of the Deed Records of Galveston County, Texas, for the Northwest corner of the herein described tract of land;

THENCE North 00 35' 04" West, 70.26 feet to a found 1/2-inch iron pipe on the North right-of-way line of said Link Road, said corner being the Southeast corner of a 31.627 acre tract of land as conveyed to Henry G. Butler, Jr. in File Number 9416425 of the Clerk's Files of Galveston County, Texas;

THENCE North 02 55' 13" West, 960.21 feet along the East line of said 31.627 acre tract to a found 5/8-inch iron rod for corner;

THENCE South 87 05' 41" West, along the north line of said 31.627 acre tract of land and passing the Northwest corner of said 31.627 acre tract at 1434.61 feet, a total distance of 2165.73 feet to a set 3/4-inch iron rod on the East right-of-way line of Calder Road and also being the Northwest corner of Block B, Clear Creek Subdivision, as recorded in Volume 119, Page 67 of the Deed Records of Galveston County, Texas;

THENCE along the East right-of-way line of Calder Road as follows:

- North 02 58' 30" West, 279.33 feet to a found 5/8-inch iron rod for corner;
- South 87 42' 51" West, 14.96 feet to a found 5/8-inch iron rod for corner;

- North 02 55' 24" West, 568.29 feet to a set 3/4-inch iron rod for corner, being in the centerline of a drainage easement as recorded in Volume 2451, Page 566 of the Deed Records of Galveston County, Texas;

THENCE along the centerline of said drainage easement as follows:

- North 32 05' 52" East, 573.72 feet to a set 3/4-inch iron rod for corner;
- North 42 48' 32" East, 599.45 to a set 3/4-inch iron rod for corner;
- North 37 12' 05" East, 600.75 feet to a set 3/4-inch iron rod for corner;
- North 37 12' 11" East, 198.02 feet to a set 3/4-inch iron rod for corner;
- Along the arc of a curve to the right, having a chord of North 57 45' 48" East, 73.76 feet, a radius of 100.00 feet, a central angle of 43 17' 00", a distance of 75.54 feet to a set 3/4-inch iron rod for corner;
- North 79 18' 54" East, 758.12 feet to a set 3/4-inch iron rod for corner;
- Along the arc of a curve to the left, having a chord of North 54 33' 27" East, 110.90 feet, a radius of 135.00 feet, a central angle of 48 30' 10", a distance of 114.28 feet to a set 3/4-inch iron rod for corner;

THENCE North 02 54' 06" West, 789.77 feet to a found concrete monument on the Southwesterly right-of-way line of the Houston Interurban Right-of-way, and being the most Northerly corner of the herein described tract of land;

THENCE South 42 34' 29" East, 4257.13 feet, along the said Southwesterly right-of-way of the Houston Interurban right-of-way, to a found 1/2-inch iron pipe for the most Easterly corner of the herein described tract of land, said corner also being the Northeast corner of a 45.16 acre tract of land as conveyed to Carl E. Gay in Volume 2167, Page 810 of the Deed Records of Galveston County, Texas;

THENCE South 87 14' 41" West, 1447.65 feet along the North line of said 45.16 acre tract to a found 1/2-inch iron pipe for corner and being the Northwest corner of said 45.16 acre tract of land;

THENCE South 02 56' 37" East, 938.12 feet along the West line of said 45.16 acre tract of land to a found 1/2-inch iron pipe for corner;

THENCE South 86 43' 51" West, 179.16 feet to a found fence post for corner;

THENCE South 02 15' 44" East, 147.25 feet to a found 5/8-inch iron rod for corner on the North right-of-way line of said Link Road;

THENCE North 87 03' 34" East, 180.91 feet along the North right-of-way line of said Link Road to a point for corner;

THENCE South 01 21' 14" East, 69.77 feet to a set 3/4-inch iron rod on the South right-of-way line of said Link Road for corner;

THENCE South 03 03' 28" East, 999.95 feet along the West line of said League City Orange Grove Subdivision and the East line of said League city Heights to a found 5/8-inch iron rod for corner;

THENCE South 02 57' 44" West, 2130.72 feet along the West line of said League City Orange Grove Subdivision and the East line of said League City Heights to the POINT OF BEGINNING, containing 354.8301 acres (15,456,398 square feet) of land, more or less.

**EXHIBIT "B"**  
**ESTIMATED AMOUNT OF ANNUAL INDEBTEDNESS**

**CENTERPOINTE PHASE ONE  
PROJECTED CASH FLOW**

| PHASE ONE - 15 YEAR REVENUE SCHEDULE |                                  |                         |  |                                   | PHASE ONE - 15 YEAR PAYMENT SCHEDULE |                                  |                                |  |
|--------------------------------------|----------------------------------|-------------------------|--|-----------------------------------|--------------------------------------|----------------------------------|--------------------------------|--|
| YEAR                                 | ANNUAL (1)<br>PID ONE<br>REVENUE | (2)<br>PID ONE<br>ADMIN | PID FUNDS<br>AVAILABLE<br>FOR DIRECT PAY | END PID ONE<br>REVENUE<br>BALANCE | (3)<br>DEVELOPER<br>ADVANCES         | SIMPLE(4)<br>INTEREST<br>@ 6.35% | DIRECT (5)<br>PAY<br>REIMBURSE | UNREIMBURSED<br>ADVANCES &<br>INTEREST |
| 2000                                 | \$ -                             | \$ -                    | \$ -                                     | \$ -                              | \$ 1,593,228                         | \$ -                             | \$ -                           | \$ 1,593,228                           |
| 2001                                 | 0                                | (45,000)                | (45,000)                                 | 0                                 | -                                    | 101,170                          | 0                              | 1,694,398                              |
| 2002                                 | 96,012                           | (45,000)                | 6,012                                    | 0                                 | -                                    | 101,170                          | (6,012)                        | 1,789,555                              |
| 2003                                 | 180,636                          | (21,600)                | 159,036                                  | 0                                 | -                                    | 100,788                          | (159,036)                      | 1,731,307                              |
| 2004                                 | 180,636                          | (21,600)                | 159,036                                  | 0                                 | -                                    | 90,689                           | (159,036)                      | 1,662,960                              |
| 2005                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | 80,591                           | (164,436)                      | 1,579,115                              |
| 2006                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | 70,149                           | (164,436)                      | 1,484,828                              |
| 2007                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | 59,707                           | (164,436)                      | 1,380,098                              |
| 2008                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | 49,265                           | (164,436)                      | 1,264,928                              |
| 2009                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | 38,824                           | (164,436)                      | 1,139,315                              |
| 2010                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | 28,382                           | (164,436)                      | 1,003,261                              |
| 2011                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | 17,940                           | (164,436)                      | 856,765                                |
| 2012                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | 7,499                            | (164,436)                      | 699,828                                |
| 2013                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | (0)                              | (164,436)                      | 535,392                                |
| 2014                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | -                                | (164,436)                      | 370,955                                |
| 2015                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | -                                | (164,436)                      | 206,519                                |
| 2016                                 | 180,636                          | (16,200)                | 164,436                                  | 0                                 | -                                    | -                                | (164,436)                      | 42,083                                 |
| 2017                                 | 84,624                           | (16,200)                | 68,424                                   | 26,341                            | -                                    | -                                | (42,083)                       | 0                                      |
| 2018                                 | 0                                | 0                       | 0  | 0                                 | -                                    | -                                | -                              | -                                      |
| 2019                                 | 0                                | 0                       | 0  | 0                                 | -                                    | -                                | -                              | -                                      |
| 2020                                 | 0                                | 0                       | 0  | 0                                 | -                                    | -                                | -                              | -                                      |
| 2021                                 | 0                                | 0                       | 0  | 0                                 | -                                    | -                                | -                              | -                                      |
| 2022                                 | 0                                | 0                       | 0  | 0                                 | -                                    | -                                | -                              | -                                      |
| <b>TOTAL</b>                         | <b>2,709,543</b>                 | <b>(343,800)</b>        | <b>2,320,743</b>                         | <b>26,341</b>                     | <b>1,593,228</b>                     | <b>746,175</b>                   | <b>(2,339,402)</b>             |  |

- (1) PID Revenue calculated on the Phase One development per the takedown schedule.  
PID Assessment calculated on lot linear frontage; for 15 years.
- (2) PID Administration assumed at proportionate share of assumed annual expense of \$45,000.
- (3) Developer Advances provided by the Developer.
- (4) Simple interest of 6.35% calculated on developer advance balance until reimbursed.
- (5) Direct Pay Reimbursement calculated on projected available PID Revenues at 92% collection rate.

**CENTERPOINTE PHASE TWO  
PROJECTED CASH FLOW**

**PHASE TWO - 15 YEAR REVENUE SCHEDULE**

| YEAR         | ANNUAL (1)<br>PID TWO<br>REVENUE | (2)<br>PID TWO<br>ADMIN | PID FUNDS<br>AVAILABLE<br>FOR DIRECT PAY | END PID TWO<br>REVENUE<br>BALANCE |
|--------------|----------------------------------|-------------------------|--|-----------------------------------|
| 2000         | \$ -                             | \$ -                    | \$ -                                     | \$ -                              |
| 2001         | 0                                | 0                       | 0  | 0                                 |
| 2002         | 0                                | 0                       | 0  | -                                 |
| 2003         | 11,545                           | (23,418)                | (11,874)                                 | 0                                 |
| 2004         | 107,808                          | (23,400)                | 72,534                                   | 0                                 |
| 2005         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2006         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2007         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2008         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2009         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2010         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2011         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2012         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2013         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2014         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2015         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2016         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2017         | 196,435                          | (20,025)                | 176,410                                  | 0                                 |
| 2018         | 184,890                          | (33,750)                | 151,140                                  | 0                                 |
| 2019         | 88,626                           | (33,750)                | 54,876                                   | 29,588                            |
| 2020         | 0                                | 0                       | 0  | 0                                 |
| 2021         | 0                                | 0                       | 0  | 0                                 |
| 2022         | 0                                | 0                       | 0  | 0                                 |
| <b>TOTAL</b> | <b>2,946,519</b>                 | <b>(374,643)</b>        | <b>2,560,001</b>                         | <b>29,588</b>                     |

**PHASE TWO - 15 YEAR PAYMENT SCHEDULE**

| (3)<br>DEVELOPER<br>ADVANCES | SIMPLE (4)<br>INTEREST<br>@ 6.35% | DIRECT (5)<br>PAY<br>REIMBURSE | UNREIMBURSED<br>ADVANCES &<br>INTEREST |
|------------------------------|-----------------------------------|--------------------------------|--|
| \$ -                         | \$ -                              | \$ -                           | \$ -                                   |
| 0                            | 0                                 | 0                              | 0                                      |
| 1,755,072                    | 0                                 | 0                              | 1,755,072                              |
| -                            | 111,447                           | 0                              | 1,866,519                              |
| -                            | 111,447                           | (72,534)                       | 1,905,431                              |
| -                            | 106,841                           | (176,410)                      | 1,835,863                              |
| -                            | 95,639                            | (176,410)                      | 1,755,093                              |
| -                            | 84,437                            | (176,410)                      | 1,663,120                              |
| -                            | 73,235                            | (176,410)                      | 1,559,946                              |
| -                            | 62,033                            | (176,410)                      | 1,445,569                              |
| -                            | 50,831                            | (176,410)                      | 1,319,991                              |
| -                            | 39,629                            | (176,410)                      | 1,183,210                              |
| -                            | 28,427                            | (176,410)                      | 1,035,228                              |
| -                            | 17,225                            | (176,410)                      | 876,043                                |
| -                            | 6,023                             | (176,410)                      | 705,657                                |
| -                            | 0                                 | (176,410)                      | 529,247                                |
| -                            | 0                                 | (176,410)                      | 352,837                                |
| -                            | 0                                 | (176,410)                      | 176,428                                |
| -                            | -                                 | (151,140)                      | 25,288                                 |
| -                            | -                                 | (25,288)                       | (0)                                    |
| -                            | -                                 | -                              | -                                      |
| -                            | -                                 | -                              | -                                      |
| -                            | -                                 | -                              | -                                      |
| -                            | -                                 | -                              | -                                      |
| <b>1,755,072</b>             | <b>787,215</b>                    | <b>(2,542,287)</b>             |  |

- (1) PID Revenue calculated on the Phase Two development per the takedown schedule.  
PID Assessment Rate calculated on lot linear foot frontage ; for 15 years.
- (2) PID Administration assumed at proportionate share of assumed annual expense of \$45,000.
- (3) Developer Advances provided by the Developer.
- (4) Simple interest of 6.35% calculated on developer advance balance until reimbursed.  
Based on the Bond Buyer Index of 25 Revenue Bonds per First Southwest.
- (5) Direct Pay Reimbursement calculated on projected available PID Revenues at 92% collection rate.

**CENTERPOINTE PHASE THREE  
PROJECTED CASH FLOW**

| PHASE THREE - 15 YEAR REVENUE SCHEDULE |                                    |                           |  |   | PHASE THREE - 15 YEAR PAYMENT SCHEDULE |                                   |                                |  |  |
|--|------------------------------------|---------------------------|--|---|--|-----------------------------------|--------------------------------|--|--|
| YEAR                                   | ANNUAL (1)<br>PID THREE<br>REVENUE | (2)<br>PID THREE<br>ADMIN | PID FUNDS<br>AVAILABLE<br>FOR DIRECT PAY | END PID THREE<br>REVENUE (3)<br>BALANCE | (4)<br>DEVELOPER<br>ADVANCES           | SIMPLE (5)<br>INTEREST<br>@ 6.35% | DIRECT (6)<br>PAY<br>REIMBURSE | UNREIMBURSED<br>ADVANCES &<br>INTEREST (7) |  |
| 2000                                   | \$ -                               | \$ -                      | \$ -                                     | \$ -                                    | \$ -                                   | \$ -                              | \$ -                           | \$ -                                       |  |
| 2001                                   | 0                                  | 0                         | 0  | 0                                       | 0                                      | 0                                 | 0                              | 0  |  |
| 2002                                   | 0                                  | 0                         | 0  | 0                                       | 0                                      | 0                                 | 0                              | 0  |  |
| 2003                                   | 0                                  | 0                         | 0  | 0                                       | 0                                      | 0                                 | 0                              | 0  |  |
| 2004                                   | 0                                  | 0                         | 0  | 0                                       | 864,847                                | 0                                 | 0                              | 864,847                                    |  |
| 2005                                   | 6,326                              | (8,775)                   | (2,449)                                  | 0                                       | -                                      | 54,918                            | 0                              | 919,764                                    |  |
| 2006                                   | 85,402                             | (8,775)                   | 74,178                                   | 0                                       | -                                      | 54,918                            | (74,178)                       | 900,504                                    |  |
| 2007                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | 50,207                            | (89,279)                       | 861,432                                    |  |
| 2008                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | 44,538                            | (89,279)                       | 816,692                                    |  |
| 2009                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | 38,869                            | (89,279)                       | 766,281                                    |  |
| 2010                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | 33,200                            | (89,279)                       | 710,202                                    |  |
| 2011                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | 27,531                            | (89,279)                       | 648,453                                    |  |
| 2012                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | 21,861                            | (89,279)                       | 581,036                                    |  |
| 2013                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | 16,192                            | (89,279)                       | 507,948                                    |  |
| 2014                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | 10,523                            | (89,279)                       | 429,192                                    |  |
| 2015                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | 4,854                             | (89,279)                       | 344,767                                    |  |
| 2016                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | (0)                               | (89,279)                       | 255,487                                    |  |
| 2017                                   | 98,054                             | (8,775)                   | 89,279                                   | 0                                       | -                                      | (0)                               | (89,279)                       | 166,208                                    |  |
| 2018                                   | 98,054                             | (11,250)                  | 86,804                                   | 0                                       | -                                      | 0                                 | (86,804)                       | 79,404                                     |  |
| 2019                                   | 98,054                             | (11,250)                  | 86,804                                   | 7,400                                   | -                                      | 0                                 | (79,404)                       | 0  |  |
| 2020                                   | 91,728                             | (45,000)                  | 46,728                                   | 54,128                                  | -                                      | 0                                 | -                              | 0  |  |
| 2021                                   | 12,652                             | (45,000)                  | (32,348)                                 | 21,780                                  | -                                      | 0                                 | -                              | 0  |  |
| 2022                                   | -                                  | -                         | -  | -                                       | -                                      | -                                 | -                              | -  |  |
| <b>TOTAL</b>                           | <b>1,470,813</b>                   | <b>(226,575)</b>          | <b>1,241,789</b>                         | <b>21,780</b>                           | <b>864,847</b>                         | <b>357,611</b>                    | <b>(1,222,457)</b>             |  |  |

- (1) PID Revenue calculated on the Phase Three development per the takedown schedule.  
PID Assessment Rate calculated on linear foot frontage; for 15 years.
- (2) PID Administration assumed at proportionate share of assumed annual expense of \$45,000.
- (3) PID available revenues carried forward to reimburse Phase III portion of PID Administration.
- (4) Developer Advances provided by the Developer.
- (5) Simple interest of 6.35% calculated on developer advance balance until reimbursed.  
Based on the Bond Buyer Index of 25 Revenue Bonds - per First Southwest.
- (6) Direct Pay Reimbursement calculated on projected available PID Revenues at 92% collection rate.
- (7) Advances and interest paid off a year early - available funds carried over to reimburse Phase III portion of PID Administration expense.