



## Filing Receipt

**Received - 2023-03-03 04:10:10 PM**  
**Control Number - 54147**  
**ItemNumber - 17**

500 Winstead Building  
2728 N. Harwood  
Dallas, TX 75201

214.745.5400 *OFFICE*  
214.745.5390 *FAX*  
winstead.com

Scott Eidman  
direct dial: 214.745.5484  
email: [seidman@winstead.com](mailto:seidman@winstead.com)

March 3, 2023

Public Utility Commission of Texas  
Central Records  
Attn: Filing Clerk  
1701 N. Congress Avenue  
Austin, Texas 78711

Re: Docket No. 54147  
Revised Mapping Items and Supplemental Financial Test Items

Dear Filing Clerk:

On February 6, 2023, Commission Staff filed its Supplemental Recommendation on Administrative Completeness. The February 6<sup>th</sup> filing noted mapping deficiencies and requested information to cure deficiencies for the financial test requirements. Applicant has met with Commission Staff to discuss mapping items and financial test requirements and submits the following supplemental information.

The total customer connections for the requested area will be 5000 connections at final buildout. The applicant submitted the revised shapefiles on the interchange, as well as the following mapping items for review:

- (i) the revised General Location Map, attached as (Exhibit 1); and
- (ii) the revised Detailed Map, attached as (Exhibit 2).

In response to the financial test items noted on February 6<sup>th</sup>, applicant submits for review the following supplemental financial information:

- (i) the developer's year-end financial statements, attached as (Exhibit 3);
- (ii) the year-end financial statement for Rolling V Ranch WCID No. 3, attached as (Exhibit 4);

(iii) a lender letter from the bank working with the developer on the Rolling V 3 WCID No. 3 project, attached as (Exhibit 5);

(iv) the capital improvement plan for the water system, attached as (Exhibit 6);

(v) the five-year projection for facilities, attached as (Exhibit 7);

(vi) the Reimbursement Agreement between developer and Rolling V WCID No. 3, which provides that developer agrees to construct facilities on behalf of the district and receive reimbursements at a later date from future bond issuances by Rolling V WCID No. 3, attached as (Exhibit 8);

(vii) a feasibility letter from financial advisor for the district, attached as (Exhibit 9); and

(vi) a bond capacity letter from the financial advisor for the district, attached as (Exhibit 10).

The revised mapping items submitted herein address the mapping items noted on February 6<sup>th</sup> and the supplemental financial information meets the requirements of the two financial tests under 16 TAC § (e)(4)(B), subpart (B)(ii).

Sincerely,

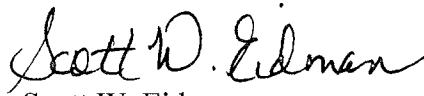
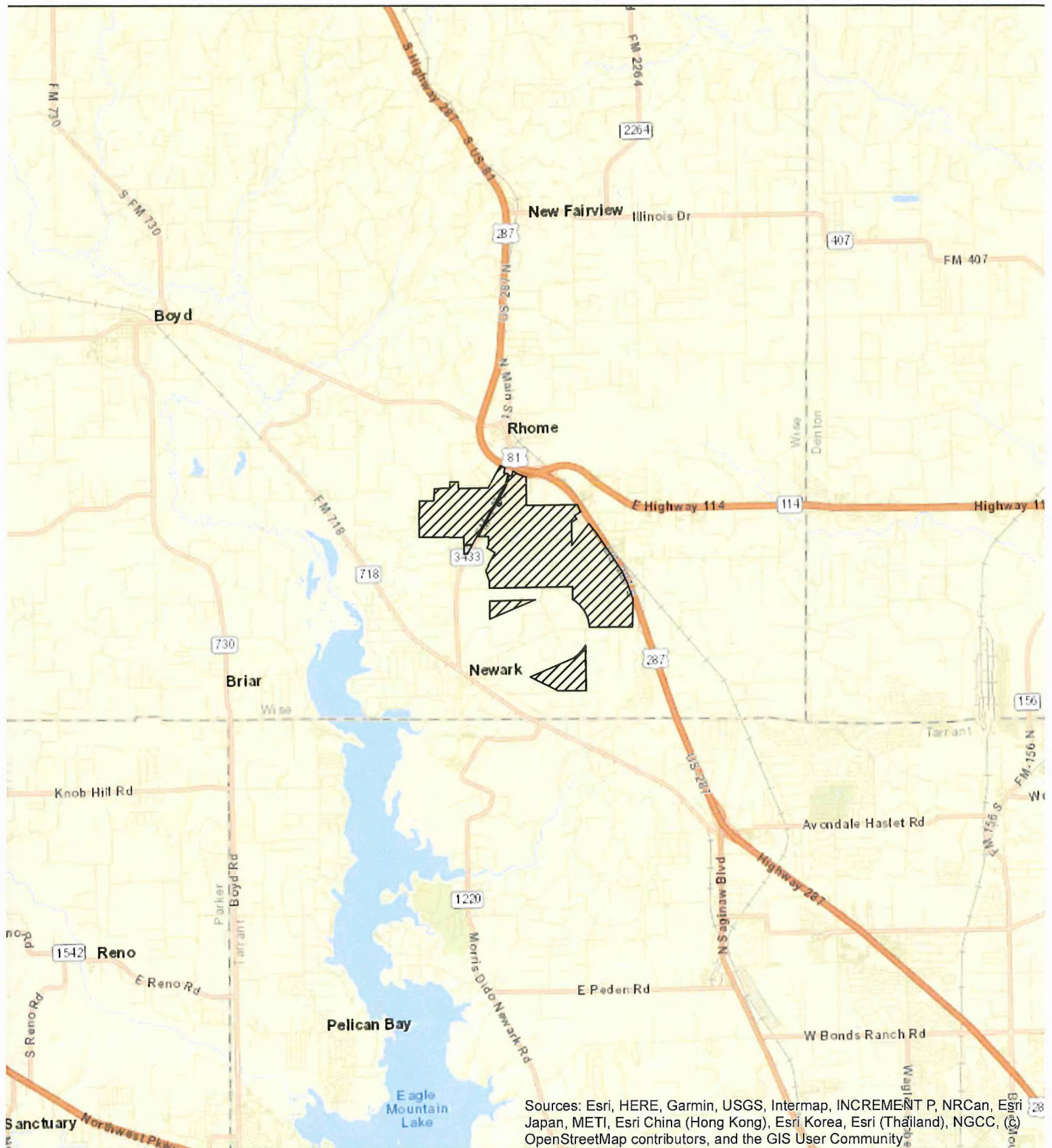
  
Scott W. Eidman

Exhibit 1  
Revised General Location Map






## Rolling V Ranch WCID No.3 of Wise County to Obtain a New Water CCN Number and Dually Certify with City of Rhome (CCN No. 10989)

Requested Area for Dual Certification is  
West of SH 287 and  
North of F.M. 718 (Avondale-Haslet Road)  
in the ETJ of the City of Rhome  
Wise County, TX

**Legend - 1" = 10,000'**

 REQUESTED WATER AREA TO  
OBTAIN AND DUALY CERTIFY



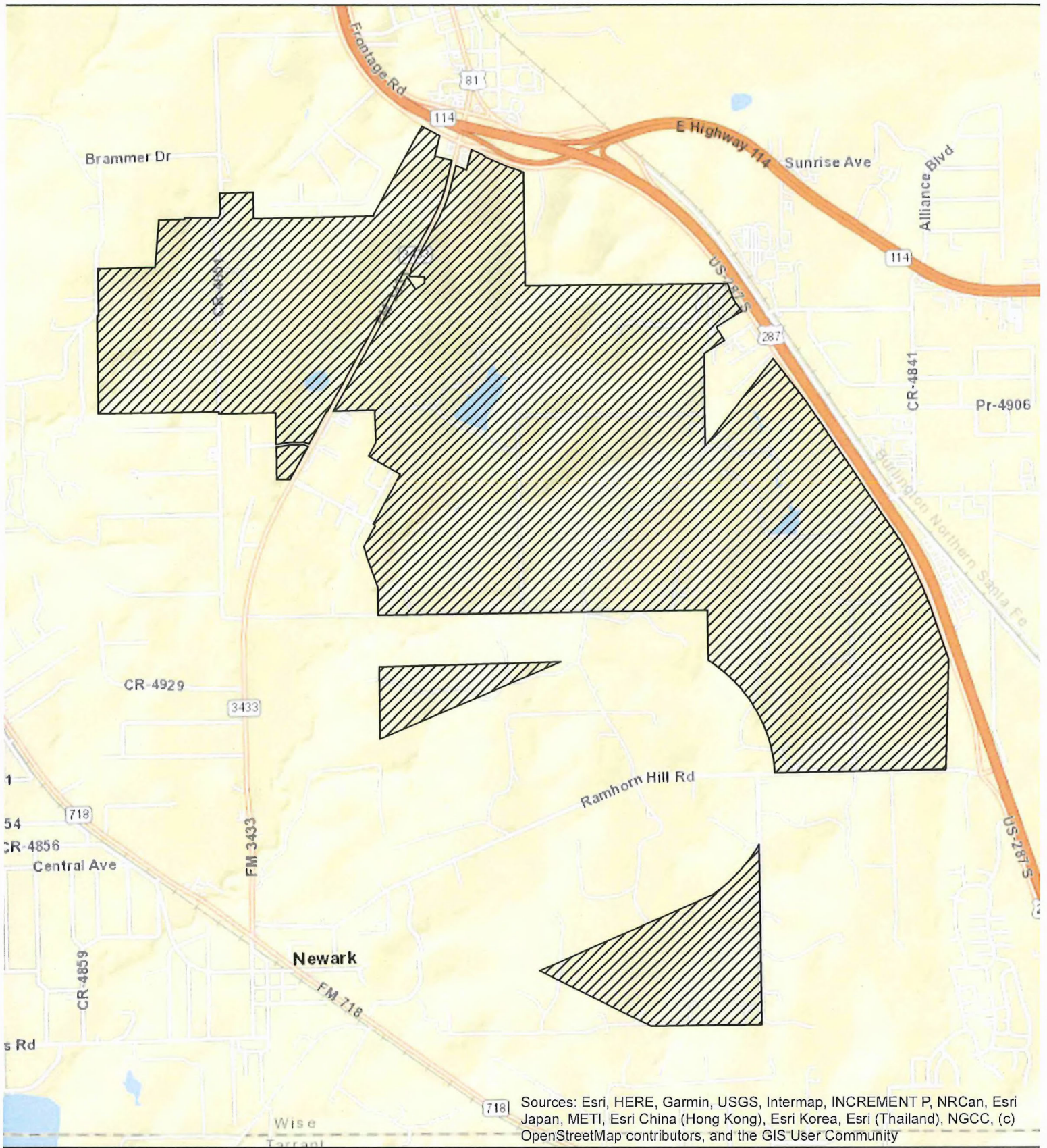
0 5,000 10,000 20,000

Feet

FEBRUARY 13, 2023

Exhibit 2  
Revised Detailed Map






## Rolling V Ranch WCID No.3 of Wise County to Obtain a New Water CCN Number and Dually Certify with City of Rhome (CCN No. 10989)

Requested Area for Dual Certification is  
West of SH 287 and  
North of F.M. 718 (Avondale-Haslet Road)  
in the ETJ of the City of Rhome  
Wise County, TX

**Legend - 1" = 2,500'**

 REQUESTED WATER AREA TO  
OBTAIN AND DUALY CERTIFY

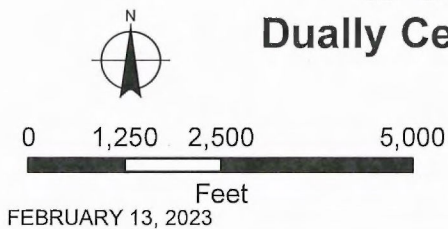


Exhibit 3  
Developer Year-End Financials



**PMB Rolling V Land, LP**  
**Balance Sheet**  
As of December 31, 2022

ASSETS	Dec 31, 21	Dec 31, 22
<b>Current Assets</b>		
Checking/Savings	476,378	3,231,887
Accounts Receivable	-	-
Due from PMB RVR Dev Co 1 LLC	1,595,446	3,133,530
<b>Total Current Assets</b>	2,071,823	6,365,417
<b>Notes Receivable PMB RVR Dev Co 1 LLC</b>		
PMB Rhome Dev Ph 1 West Principal	12,560,373	12,560,373
PMB Rhome Dev Ph 1 East Principal	10,835,118	10,835,118
Accrued Interest	290,745	606,584
<b>Total N/R PMB RVR Dev Co 1 LLC</b>	23,686,236	24,002,075
<b>Fixed Assets</b>		
Land Purchase	42,576,321	42,576,321
Vehicles & Equipment	182,731	182,731
Accumulated Depreciation	(182,731)	(182,731)
Capitalized Costs	32,500	42,083
Cost of Land Sold	(4,438,422)	(5,278,260)
<b>To Total Fixed Assets</b>	38,170,399	37,340,143
<b>TOTAL ASSETS</b>	<b>63,928,459</b>	<b>67,707,635</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>LIABILITIES</b>		
Accounts Payable	5,106	28,651
Due to RVR Dev Co 1 LLC	-	-
Deferred Guarantee Fee Income	93,500	74,750
Deferred Long Term Capital Gain	19,050,668	19,050,668
<b>Total Liabilities</b>	19,149,274	19,154,070
<b>EQUITY</b>		
Equity Contributions	44,641,681	44,641,681
Equity Distributions	(2,200,000)	(5,741,495)
Retained Earnings	(408,303)	2,337,504
Net Income - Long Term Capital Gain	2,674,906	7,291,405
Net Income (Loss) - Ordinary	70,900	24,471
<b>Total Equity</b>	44,779,184	48,553,566
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>63,928,459</b>	<b>67,707,635</b>

Note: Unaudited; Equity Capital Accounts do not include accrued preferred interest

**PMB Rolling V Land, LP**  
**Profit & Loss**  
**Fourth Quarter 2022**

	<u>4Q21</u>	<u>4Q22</u>	<u>YTD 4Q21</u>	<u>YTD 4Q22</u>
<b>LAND SALE OPERATIONS</b>				
Land Sale Proceeds, Gross	2,871,475	100,000	2,871,475	8,138,294
Cost of Land Sold	<u>(196,569)</u>	<u>(24,055)</u>	<u>(196,569)</u>	<u>(846,888)</u>
<b>LTCG on Land Sale</b>	2,674,906	75,945	2,674,906	7,291,405
<b>INCOME</b>				
Guarantee Fee Income	4,688	4,688	18,750	18,750
Interest Income	79,637	94,980	290,799	339,950
Grass Lease Income	25,625	-	25,625	-
Site Rental Income	<u>12,000</u>	<u>-</u>	<u>21,000</u>	<u>17,132</u>
<b>Total Income</b>	121,950	99,668	356,174	375,833
<b>EXPENSE</b>				
Insurance Expense	12,232	27,938	43,116	52,026
Ranch Operations	<u>(107)</u>	<u>6,098</u>	<u>242,157</u>	<u>299,336</u>
<b>Total Expense</b>	12,124	34,036	285,274	351,361
<b>Ordinary Net Income</b>	109,825	65,632	70,900	24,471
<b>Long Term Capital Gain</b>	<u>2,674,906</u>	<u>75,945</u>	<u>2,674,906</u>	<u>7,291,405</u>
<b>TOTAL NET INCOME</b>	<u><u>2,784,731</u></u>	<u><u>141,577</u></u>	<u><u>2,745,807</u></u>	<u><u>7,315,876</u></u>

Note: Unaudited; Equity Capital Accounts do not include accrued preferred interest

**PMB Rolling V Land, LP**  
**Statement of Cash Flows**  
Fourth Quarter 2022

	4Q21	4Q22	YTD 4Q21	YTD 4Q22
<b>OPERATING ACTIVITIES</b>				
Ordinary Net Income	109,825	65,632	70,900	24,471
<b>Net Cash from Operating Activities</b>	109,825	65,632	70,900	24,471
<b>INVESTING ACTIVITIES</b>				
Net Land Proceeds (Investment)	2,768,505	95,875	7,113,328	8,121,662
Due from PMB RVR Dev Co 1 LLC	(104,583)	(56,170)	596,760	(1,538,085)
Note Rec PMB RVR Dev Co 1 LLC	-	-	(24,145,491)	-
Accrued Interest	(79,609)	(79,609)	(290,745)	(315,839)
Deferred Long Term Capital Gain	-	-	19,050,668	-
Deferred Guarantee Fee Income	(4,688)	(4,688)	93,500	(18,750)
Vehicles & Equipment	-	-	-	-
Capitalized Costs	(32,500)	-	(20,950)	-
Refundable Earnest Money Deposits	-	-	-	-
Accounts Receivable	-	-	3,000	-
Accounts Payable	4,906	14,265	(20,433)	23,545
<b>Net Cash from Investing Activities</b>	2,552,032	(30,326)	2,379,637	6,272,533
<b>FINANCING ACTIVITIES</b>				
Equity Contributions / (Distributions)	(2,200,000)	-	(2,200,000)	(3,541,495)
<b>Net Cash from Financing Activities</b>	(2,200,000)	-	(2,200,000)	(3,541,495)
Net Change in Cash for Period	461,857	35,306	250,537	2,755,509
Cash at the Beginning of Period	14,521	3,196,581	225,840	476,378
<b>Cash at End of Period</b>	<b>476,378</b>	<b>3,231,887</b>	<b>476,378</b>	<b>3,231,887</b>

Note: Unaudited; Equity Capital Accounts do not include accrued preferred interest

**PMB RVR Dev Co 1 LLC**  
**Balance Sheet**  
December 31, 2022

	Dec 31, 21	Dec 31, 22
<b>ASSETS</b>		
Cash		
West Cash	829,123	1,101,831
East Cash	1,727,112	2,087,883
<b>Total Cash</b>	<b>2,556,235</b>	<b>3,189,714</b>
Current Assets		
Property Tax Escrow Accounts	-	99,922
Accounts Receivable	7,920	-
<b>Total Current Assets</b>	<b>7,920</b>	<b>99,922</b>
Capitalized Development Costs		
Land Purchase	23,395,491	23,395,491
Closing Costs on Acquisition	283,044	283,044
Hard Construction Costs	9,397,766	21,050,940
City & Professional Fees	4,316,862	6,694,225
Overhead & Marketing	365,677	493,031
Project Management Fee	967,000	1,888,600
Master Infrastructure Costs	2,266,094	4,455,425
District Costs	1,440,881	2,070,672
Capitalized Loan Costs	585,666	1,770,963
Cost of Lots Sold	-	(15,083,587)
<b>Total Capitalized Development Costs</b>	<b>43,018,481</b>	<b>47,018,805</b>
<b>TOTAL ASSETS</b>	<b>45,582,636</b>	<b>50,308,440</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Accounts Payable	1,574,560	351,570
Due to PMB Rolling V Land LP	1,595,446	3,077,360
Builder Earnest Money Deposits	7,725,000	5,656,730
Note Payable - West	12,716,466	12,886,031
Note Payable - East	10,969,770	11,116,044
Loan Payable - Vantage West	6,402,084	5,875,054
Loan Payable - Vantage East	4,598,412	12,489,356
<b>Total Liabilities</b>	<b>45,581,738</b>	<b>51,452,146</b>
Equity		
Capital Stock	10,000	10,000
Retained Earnings	-	(9,103)
Net Income	(9,103)	(1,144,603)
<b>Total Equity</b>	<b>897</b>	<b>(1,143,706)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>45,582,636</b>	<b>50,308,440</b>

Note: Preliminary, unaudited; Does not include accrued preferred interest



**PMB RVR Dev Co 1 LLC**  
**Profit & Loss**  
**Fourth Quarter 2022**

	<u>4Q21</u>	<u>4Q22</u>	<u>YTD 2021</u>	<u>YTD 2022</u>
<b>Ordinary Income/Expense</b>				
Lot Sale Revenue	-	7,017,000	-	11,987,000
Builder Fees	-	1,442,114	-	2,480,285
Interest Income	927	7,724	5,890	13,650
Other Income	5,420	-	63,699	3,034
<b>Total Income</b>	<u><b>6,347</b></u>	<u><b>8,466,839</b></u>	<u><b>69,589</b></u>	<u><b>14,483,969</b></u>
<b>Expense</b>				
Cost of Lots Sold	-	10,205,375	-	15,083,587
Lot Sale Closing Costs	-	8,533	-	9,283
Advertising and Marketing	27,331	62,569	27,331	87,376
Bank Service Charges	-	165	603	574
Insurance Expense	-	55,666	-	135,193
Maintenance Expense	30,974	4,626	30,974	28,154
Professional Fees	15,310	-	19,782	3,193
Real Estate Tax Expense	-	(146)	-	(867)
Federal Income Tax	-	282,079	-	282,079
<b>Total Expense</b>	<u><b>73,616</b></u>	<u><b>10,618,868</b></u>	<u><b>78,691</b></u>	<u><b>15,628,572</b></u>
<b>Net Income (Loss)</b>	<u><b>(67,268)</b></u>	<u><b>(2,152,030)</b></u>	<u><b>(9,103)</b></u>	<u><b>(1,144,603)</b></u>

Note: Preliminary, unaudited

**PMB RVR Dev Co 1 LLC**  
**Statement of Cash Flows**  
Fourth Quarter 2022

	<u>4Q21</u>	<u>4Q22</u>	<u>YTD 4Q21</u>	<u>YTD 4Q22</u>
<b>OPERATING ACTIVITIES</b>				
Net Income	(67,268)	(2,152,030)	(9,103)	(1,144,603)
Increase / (Decrease) in Accounts Receivable	21,951	-	(7,920)	7,920
<b>Total Cash from Operating Activities</b>	<b>(45,317)</b>	<b>(2,152,030)</b>	<b>(17,023)</b>	<b>(1,136,683)</b>
<b>INVESTING ACTIVITIES</b>				
Land Purchase & Closing Costs	-	-	(23,678,535)	-
Property Tax Escrow Accounts	-	-	-	(99,922)
Capitalized Development Costs	(7,701,596)	(1,810,812)	(18,752,702)	(17,898,613)
Capitalized Loan Costs	(146,214)	(302,640)	(587,243)	(1,185,297)
Cost of Lots Sold	-	10,205,375	-	15,083,587
Increase / (Decrease) in Accounts Payable	(1,684,530)	(969,247)	1,574,560	(1,222,990)
Due from PMB Rolling V Land	104,583	-	104,583	-
Builder Earnest Money Deposits	-	(1,195,020)	7,725,000	(2,068,270)
<b>Total Cash from Investing Activities</b>	<b>(9,427,758)</b>	<b>5,927,657</b>	<b>(33,614,338)</b>	<b>(7,391,505)</b>
<b>FINANCING ACTIVITIES</b>				
Due to PMB Rolling V Land	-	-	1,490,863	1,481,915
Note Payable PMB Rolling V Land West	42,740	42,740	12,716,466	169,565
Note Payable PMB Rolling V Land East	36,869	36,869	10,969,770	146,274
Loan Payable - Vantage West	5,304,704	(1,783,192)	6,402,084	(527,031)
Loan Payable - Vantage East	3,978,876	(1,812,178)	4,598,412	7,890,944
Capital Stock	-	-	10,000	-
<b>Total Cash from Financing Activities</b>	<b>9,363,189</b>	<b>(3,515,761)</b>	<b>36,187,595</b>	<b>9,161,667</b>
Net Change in Cash for Period	(109,886)	259,866	2,556,235	633,479
Cash at Beginning of Period	2,666,120	2,929,848	-	2,556,235
<b>Cash at End of Period</b>	<b>2,556,235</b>	<b>3,189,714</b>	<b>2,556,235</b>	<b>3,189,714</b>

Note: Preliminary, unaudited; Does not include accrued preferred interest

Exhibit 4  
District Year-End Financial Statement

Authorization for the Filing of:

Texas Commission on Environmental Quality  
Annual Financial Report No. TCEQ-0722  
Fiscal Year Ended 4/30/2022

This Authorization is for the filing of the Texas Commission on Environmental Quality Annual Financial Report No. TCEQ-0722 for the Fiscal Year Ended 4/30/2022 that was compiled by our bookkeeping firm Dye & Toverly, LLC, signed by and filed on 6/24/2022. A copy will be sent to your attorney upon signing of this authorization.

We, the board **Rolling V Ranch WCID No. 3 of Wise County** reviewed and agree with the figures presented in this report, believing them to be true to the best of our knowledge. We have not reviewed the financial records ourselves and we are aware that this Financial Report is in accordance with TCEQ Rules and that this form is in the place annual audit that would be prepared by an outside firm.

Signed: Cathy Krummel Title: President

Date: July 12, 2022



*Dye & Tovery, LLC*

P.O. Box 863657  
Plano, TX 75086-3657  
Telephone (972) 612-0088  
Facsimile (972) 612-0098

June 23, 2022

To the Board of Supervisors of  
Rolling V Ranch WCID No. 3 of Wise County  
c/o Winstead P.C.  
2728 N. Harwood, Ste 500  
Dallas, TX 75201

Management is responsible for the accompanying financial statements of Rolling V Ranch WCID No. 3 of Wise County (a government entity), which comprise a statement of assets and liabilities – modified cash basis as of April 30, 2022, and the related statement of receipts and disbursements – modified cash basis for the year then ended, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Texas Commission on Environmental Quality (TCEQ,) and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The supplementary information required by the Texas Commission on Environmental Quality is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

This report is intended solely for the information and use of management and board of directors of Rolling V Ranch WCID No. 3 of Wise County, and the Texas Commission on Environmental Quality and is not intended to be and should not be used by anyone other than these specified parties.

We are not independent with respect to Rolling V Ranch WCID No. 3 of Wise County

*Dye & Tovery, LLC*  
Dye & Tovery, LLC

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2321 Coit Road, Suite B  
Plano, TX 75075

Email Addresses:  
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regina@DyeToveryCPA.com  
brandi@DyeToveryCPA.com  
debbie@DyeToveryCPA.com



# ANNUAL FINANCIAL REPORT

of

Legal Name of District or Authority:	Rolling V Ranch WCID No. 3 of Wise County
For the Fiscal Year Ended:	04/30/2022
Preparer:	Kathi Dye
Title:	District Bookkeeper
Date:	6-23-22
Telephone Number: (AC)	(972) 612-0088

c/o Winstead, P.C. 2728 N Harwood, Ste 500	Dallas, TX	75201
District's Mailing Address	City, State	Zip Code

## AUDIT REPORT EXEMPTION

Texas Water Code §49.198. AUDIT REPORT EXEMPTION (effective September 1, 2011)

§49.198(a) A district may elect to file annual financial reports with the executive director in lieu of the district's compliance with Section 49.191 provided:

§49.198(a)(1) The district had no bonds or other long-term (more than one year) liabilities outstanding during the fiscal period;

§49.198(a)(2) The district did not have gross receipts from operations, loans, taxes, or contributions in excess of \$250,000 during the fiscal period; and

§49.198(a)(3) The district's cash and temporary investments were not in excess of \$250,000 during the fiscal period.

§49.198(b) The annual financial report must be accompanied by an affidavit attesting to the accuracy and authenticity of the financial report signed by a duly authorized representative of the district.

§49.198(c) The annual financial report and affidavit in a format prescribed by the executive director must be on file with the executive director within 45 days after the close of the district's fiscal year.

§49.198(d) Districts governed by this section are subject to periodic audits by the executive director.

If the accompanying financial statements are compiled by a certified public accountant, see SSARS-1 and SSARS-7 for the applicable standards for reporting on compiled financial statements.

# FILING AFFIDAVIT

To: Texas Commission on Environmental Quality

Under the penalties of perjury, I certify that I have inspected the attached balance sheet, statement of receipts and disbursements, including the accompanying schedules and statements, and to the best of my knowledge and belief, they are a true, correct, and complete representation of the financial condition of:

Rolling V Ranch WCID No. 3 of Wise County as of

(Name of District)

04/30/2022

(Date of Fiscal Year End)

I also certify that the above district has complied in full

with all filing of audits, affidavits, and financial reports requirements of Section 49.194 of the Texas Water Code by filing copies of this Annual Financial Report in the district's office, located at:

2728 N. Harwood St., Ste 500; Dallas TX 75201

(Address of District)

Kathi Dye, Bookkeeper - See Accts' Compilation Report

(Typed Name and Title)

Kathi Dye 6-23-22

(Signature of Affiant)

(Date)

Subscribed and Sworn to before me by this 23rd day of June

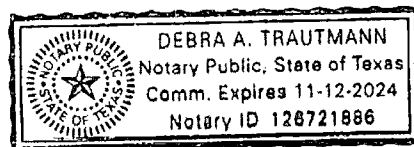
in the year 2022 In and For Collin County, Texas

Debra A. Trautmann

11-12-2024

(Typed Name of Notary)

(My Commission Expires On)



District Name: Rolling V Ranch WCID No. 3

**MISCELLANEOUS DISCLOSURES AND MAILING INFORMATION**

as of the District's Fiscal Year-End

**A. Disclosures to comply with Rule 30 TAC 293.95(b)**

- (1) Was there any developer activity to prepare for residential or commercial development? "Developer activity" means construction performed or actions taken in preparation for construction (i.e., plans, permits) to provide services for or access to present or future residential or commercial water, sewer or drainage facilities. ☒ Yes ☐ No

If yes, have payments for these facilities been made by (an) other party (ies) on behalf of the district? ☒ Yes ☐ No

These payments are estimated to cumulatively be:

Organization Costs	<u>40,000</u>
Construction Costs	<u>1,700,000</u>
Administration Cost	<u>90,000</u>
Total Costs	<u>1,830,000</u>

- (2) Was the Board aware of any other types of contingent or actual liabilities (e.g., claims, lawsuits) which are not disclosed elsewhere in this report? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

- 
- B. Disclosures to comply with V.T.C.A. Water Code §49.054(e) and §49.455(j).** The Texas Commission on Environmental Quality must be notified of any changes in boundaries, board members, board terms, and addresses. Guidance for filing this information and a District Registration Form may be obtained by calling 512/239-4691.

- C. Additional Information.** This report should be sent to:

District Creation Review Team, MC-152  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087

Phone Number: (512) 239-4691 Facsimile Number: (512) 239-6190



**STATEMENT OF ASSETS AND LIABILITIES – MODIFIED CASH BASIS**

April 30, 2022

Asset Type		Amount
Cash on Hand		
Cash in Bank (Schedule A)		5,372
Investment (Schedule B)		
Total Cash and Investments <sup>i</sup>		5,372
Accrued Interest Receivable – Optional (Schedule B)		
Inventory		
General Fixed Assets		
Other Assets		
(Explain):		
Total Assets: <sup>ii</sup>		5,372

LIABILITIES AND EXCESS		Amount
Notes Payable		
Refundable Deposits		
Developer Advances		
Other Liabilities		
(Explain):	Payroll Liabilities	413
Total Liabilities		413
Excess Assets Over Liabilities		4,959
Total Liabilities and Excess <sup>iii</sup>		5,372

**Note to Preparer:**

<sup>i</sup> "Total Cash and Investments" must equal "Cash and Investments – End of Year" on the Statement of Receipts and Disbursement", page 5.

<sup>ii</sup> Must equal "Total Liabilities and Excess"

<sup>iii</sup> Must equal "Total Assets"

**STATEMENT OF RECEIPTS AND DISBURSEMENTS – MODIFIED CASH BASIS**

For the Year Ended April 30, 2022

<b>Receipts</b>		<b>Amount</b>
Service Revenues		
Tax Receipts		
Penalty and Interest Received		
Interest Received on Investments		7
Loans or Advances		80,095
All Other Receipts		
(Explain):		
<b>Total Receipts</b>		<b>80,102</b>

<b>Less Disbursements</b>		<b>Amount</b>
Purchased Services for Resale		
Payroll		7,125
Legal, Accounting, or Contract Service		22,048
Supplies and Materials		
Maintenance		
Note Payments and Repayment of Advances		
All other Disbursements (Schedule C)		47,249
<b>Total Disbursements</b>		<b>76,422</b>
Excess of Receipts Over (under) Disbursements		3,680
Cash and Investments - Beginning of Year		1,692
Cash and Investment - End of Year (see Note 1 Page 4)		5,372

**Note to Preparer:** In addition to all disbursements related to the purchase of consumable supplies and materials, certain assets of insignificant value may be considered consumable and accordingly recognized under the account classification "Supplies and Materials." Please refer to Explanation of Terms, General Fixed Assets, pages 7 and 8 of this report, for additional clarification.

## SCHEDULE A 1 – CASH IN BANK<sup>i</sup>

Name of Bank	Account Number	Purpose of Account	Balance
Plains Capital Bank	Gen Fd - Operating		5,372
TOTAL			5,372

## SCHEDULE B – INVESTMENTS<sup>ii</sup>

Type of Investment	Name of Bank	Certificate Number	Interest Rate	Maturity Date	Principal Balance	(Optional) Accrued Interest
			0.00%			
			0.00%			
			0.00%			
			0.00%			
TOTALS						

## SCHEDULE C – SCHEDULE OF ALL OTHER DISBURSEMENTS<sup>iii</sup>

Description of Disbursements <sup>iv</sup>	Amount
Insurance	1,795
Wastewater Lease	45,500
Miscellaneous	(46)
TOTAL	47,249

<sup>i</sup> Please refer to Explanation of Terms, Cash in Bank, page 7 of this report, for proper reporting.

<sup>ii</sup> Please refer to Explanation of Terms, Investments, page 8 of this report, for proper reporting of "Principal Balance" and "Accrued Interest."

<sup>iii</sup> Please refer to Explanation of Terms, All Other Disbursements, page 7 of this report, for proper reporting of "All Other Disbursements."

<sup>iv</sup> A description should be given for each type of transaction and the amount of payments attributable to this type of disbursement. It may not be necessary to list each transaction separately.

# EXPLANATION OF TERMS

**All Other Disbursements** - This classification should be used only for payments, which cannot be classified properly in the six remaining accounts listed on the Statement of Receipts and Disbursements. Schedule C, page 6, should be completed for any report, which utilizes the "All Other Disbursements" classification.

**Cash Basis** - The financial statements contained in this report are to be prepared on the cash basis of accounting. They are not intended to be in conformity with Generally Accepted Accounting Principles (GAAP). Only transactions involving the exchange of cash should be included in these statements. No liabilities should be recorded unless they arise from the transfer of money. Exceptions to this rule are listed in "Investments" and "General Fixed Assets" below. Receipts and disbursements should not be recorded until payment is made. For the purpose of the Statement of Receipts and Disbursements, movement of funds between checking accounts and investments should not be considered as receipts or disbursements.

**Cash on Hand** - Petty cash, checks, money orders, and bank drafts not on deposit.

**Cash in Bank** - (From Schedule A) - Cash deposited in the district's checking account(s). The reserves, restrictions, or limitations as to its availability should be so stated. The total amount shown on Schedule A must reflect the reconciled balance as of the fiscal year end and reported under the account classification "Cash in Bank" on the Balance Sheet.

**Developer Advances** - Amounts owed to a developer for cash placed in the district's account or otherwise paid to the district. However, amounts payable to a developer for which repayment is contingent upon a bond sale (or some other event) should not be included as a liability of the district. Please see the Miscellaneous Disclosures, page 3 of this report, for disclosure of these contingent liabilities.

**Disbursements** - All transactions involving the disbursement of the district's fund should be included in the disbursements section. Payments made on behalf of the district by a third party should not be listed as a disbursement for the purpose of this statement. See the Miscellaneous Disclosures, page 3, of this report, for disclosures of these payments.

**Excess Assets Over Liabilities** - The difference between "Total Assets" and "Total Liabilities." If liabilities exceed assets, this number should be shown as a negative amount.

**General Fixed Assets** - A fixed asset is one which the cost exceeds \$50 and has a productive life longer than one year. "Fixed" denotes the intent to continue use or possession; it does not indicate the immobility of the asset. An asset of cost not in excess of \$50 should be considered consumable and accordingly recognized under the account classification "Supplies and Materials" on the Statement of Receipts and Disbursements. A fixed asset purchased through the issuance of a short-term note payable should be reported as an asset at its full cost even though no cash transaction may have taken place. Likewise, the corresponding note payable should be reported in the liability section of the Balance Sheet. Fixed assets donated to the district by a developer should be included as "General Fixed Assets" on the Balance Sheet. However, no amounts should be recorded on the Statement of Receipts and Disbursements for this type of transaction. The Credit offset to the fixed asset will be included in "Excess Assets over Liabilities" on the Balance Sheet.

**Investments (From Schedule B)** - List the types of investments (certificates of deposit, savings accounts, securities) which generate income in the form of interest. This should not include any amounts listed on Schedule A as "Cash in Bank." The total amount shown on Schedule B for "Principal Balance" must be reported under the account classification "Investments" on the Balance Sheet. At the option of the preparer, any interest earned on investments but not yet received may be reported as "Accrued Interest" on Schedule B and in the Asset section of the Balance Sheet. Under no circumstance should accrued interest be included in "Interest Received

on Investments" under "Receipts" on page 5. "Interest Received on Investments" should include only amounts actually received during the fiscal year.

**Inventories** - The cost of materials and other items purchased for use during the fiscal year by which are not completely consumed by the end of the fiscal year.

**Notes Payable** - The total outstanding principal of short-term loans, which mature within one year of their issuance.

**Other Liabilities** - Only liabilities arising from the receipt of cash which cannot be properly classified in one of the other liability accounts should be listed in this classification along with a brief explanation of this liability. Accounts payable, accrued interest, and contracts payable should not be listed as liabilities in this report.

**Receipts** - All transactions involving the receipt of cash during the fiscal year should be included in the Receipts section. Only those amounts actually received during the fiscal year should be included. Amounts received for which repayment is contingent upon a bond sale (or some other event) should be included here. (See "Developer Advances" above for treatment of the contingent liability.)

**Refundable Deposits** - This amount reflects a liability arising from the receipt of deposits from customers, which will be refunded to the customer at some future date, based on the terms and conditions of the deposit agreement.

**Rounding Instructions** - Please round to the nearest whole dollar amount. For example:

\$467.50 should be rounded up to \$468 and \$3,678.49 should be rounded down to \$3,678.

Exhibit 5  
Bank Letter

# VANTAGE BANK

T E X A S

November 8, 2022

Public Utility Commission of Texas  
Attn: Fred Bednarski III  
1701 N. Congress Avenue  
PO Box 13326  
Austin, TX 78711-3326

**VIA EMAIL**  
[Fred.bednarski@puc.texas.gov](mailto:Fred.bednarski@puc.texas.gov)

Re: That certain Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (the "**CCN Application**") filed with the Public Utility Commission of Texas on September 23, 2022 as Docket No. 54147, being jointly made by Rolling V Ranch Water Control and Improvement District No. 3 of Wise County, a political subdivision of the State of Texas, operating as a water control and improvement district pursuant to Chapter 9021, Special District Local Laws Code, and Chapters 49 and 51 of the Texas Water Code ("**RVR WCID No. 3**") and The City of Rhome, Texas, a Texas municipality ("**Rhome**"; together with RVR WCID No. 3, collectively, "**Applicant**"), regarding that certain property located in the City of Rhome and its extraterritorial jurisdiction, Wise County, State of Texas and described in the Application (the "**Property**")

Dear Mr. Bednarski:

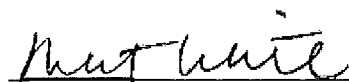
I am writing this letter on behalf of Vantage Bank Texas, a Texas state bank ("**Vantage Bank**"). Vantage Bank regularly conducts business with PMB Rolling V Land LP, a Texas limited partnership ("**Developer**") and its affiliates. Developer is the developer under to that certain Agreement for the Construction of Improvements and Reimbursement of Advances between Rolling V Ranch Water Control and Improvement District No. 3 of Wise County and PMB Rolling V Land LP dated January 21, 2021 and recorded on February 2, 2021 as Instrument No. 202101667 in the Official Public Records of Wise County, Texas (the "**District Agreement**").

In the opinion of Vantage Bank, Developer is in a satisfactory financial position to construct the Improvements (as defined in the District Agreement) as required in connection with the CCN Application. Pursuant to the loans described in that certain Deed of Trust, Security Agreement, Assignment of Rents and Leases and Financing Statement executed by Developer, as Grantor, for the benefit of Vantage Bank, as Beneficiary, dated January 27, 2021 and recorded on February 2, 2021 as Instrument No. 202101672 in the Official Public Records of Wise County, Texas (the "**DOT**"), together with the Loan Documents described in the DOT, Vantage Bank has loaned funds in the aggregate amount of \$44,900,000.00 (the "**Funds**") for the development of the Property by Developer and its affiliates (collectively, the "**Development**"), and Developer and its affiliates have the right to utilize a portion of the Funds for the construction of the Improvements.

Should you have any questions, please feel free to contact me at (817) 953-6717.

Best Regards,

VANTAGE BANK TEXAS

A handwritten signature in cursive script, appearing to read "Brent White", is positioned above a horizontal line.

Brent White, Senior Vice President



Exhibit 6  
CIP

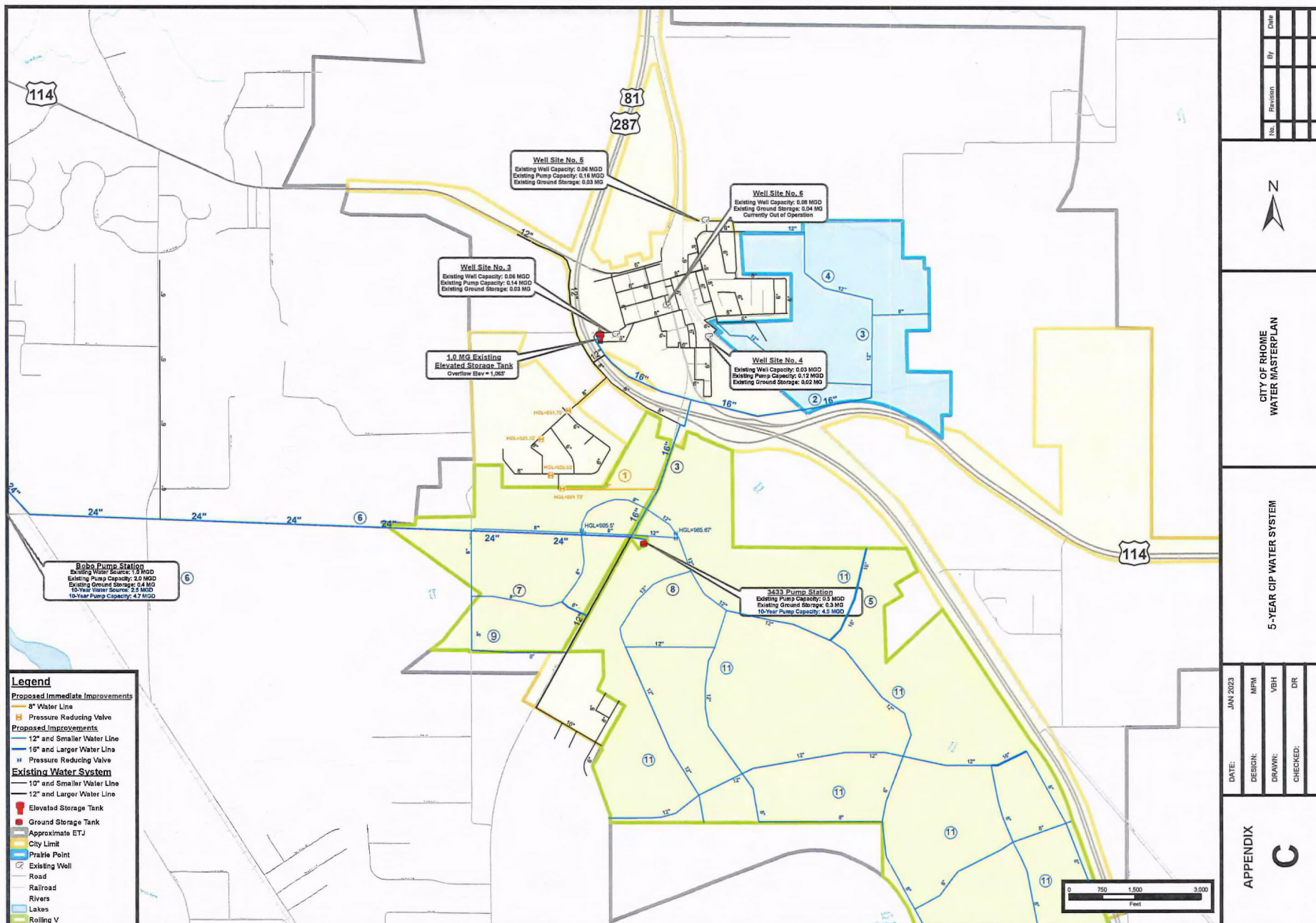


Exhibit 7  
Facilities Five Year Projection

**Rhome - Rolling V Water System Capital Improvement Plan - 5 Year Projection**

<b>Year</b>	<b>Project No.</b>	<b>Project Description</b>	<b>Allocated Rolling V Project Cost</b>	<b>Cumulative Allocated Rolling V Total Project Cost</b>
2023	2 & 3	16" Water Line from Elevation Storage Tank & 3433 Booster Pump Station Distribution Piping	\$ 1,673,936	\$ 1,673,936
2024	5	3433 Pump Station Improvements	\$ 389,868	\$ 2,063,804
2025	7	Rolling V West Phase 1	\$ 1,028,000	\$ 3,091,804
2026	9	Rolling V West Extension	\$ 380,000	\$ 3,471,804
2027	11	Rolling V Central Water System	\$ 3,687,230	<b>\$ 7,159,034</b>

Exhibit 8  
Reimbursement Agreement

**AGREEMENT FOR THE CONSTRUCTION OF IMPROVEMENTS  
AND REIMBURSEMENT OF ADVANCES BETWEEN  
ROLLING V RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3  
OF WISE COUNTY AND  
PMB ROLLING V LAND, LP**

THE STATE OF TEXAS                   §  
   §  
COUNTY OF WISE                   §

This Agreement for the Construction of Improvements and Reimbursement of Advances (the "Agreement") is made and entered into on the date last herein written by and between ROLLING V RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3 OF WISE COUNTY, a political subdivision of the State of Texas, operating as a water control and improvement district pursuant to Chapter 9021, Special District Local Laws Code, and Chapters 49 and 51 of the Texas Water Code (together with any successors and assigns, hereinafter referred to as the "District") and PMB Rolling V Land LP, a Texas limited partnership (together with any successors and assigns, hereinafter referred to as the "Developer").

This Agreement is being executed by the District and Developer to set forth the terms and conditions under which Developer has advanced to date, and may (but shall not be obligated to) advance funds for or on behalf of the District and/or to construct the certain improvements on behalf of the District, to serve or benefit the property within the District and the terms under which the District will purchase and maintain such improvements and /or the terms and conditions under which all of such costs expended by Developer shall be reimbursed by the District to the fullest extent allowed by law.

**RECITALS**

WHEREAS, the District was created as a water control and improvement district operating pursuant to Chapter 9021, Special District Local Laws Code, and Chapters 49 and 51 of the Texas Water Code; and

WHEREAS, in furtherance of the purposes for which it was created, the District will require the construction of certain improvement projects for the benefit of the District (collectively, the "Improvements"), and the District is willing to construct and install such Improvements, but does not have funds on hand for such purpose at the present time. The District will also require and has required certain funds for the creation, administration, organization, operation and maintenance of the District and Improvements. The District has heretofore requested and will request that the Developer advance funds and/or construct certain Improvements for the benefit of the District so that the District may fulfill its purpose as a political subdivision of the State of Texas. Therefore, the District has determined that it is in the best interest of the District to enter into this Agreement and request that the Developer advance funds to proceed with the construction of such Improvements as soon as is practicable; and

WHEREAS, the Developer, who owns or seeks to acquire and develop approximately 385.682 acres of real property located in Wise County, Texas, as more particularly described on Exhibit "A" (the "Property"), desires to develop such Property or, in the future, purchase, sell or convey parcels thereof for development, including property that may be added to the boundaries of the District; and Developer may, subject to certain covenants and agreements of the District, advance and continue to advance funds to or on behalf of the District, for the purposes of (i) creating, validating and organizing the District (the "Organizational Costs"), (ii) planning, designing, engineering, constructing and installing the Improvements ("Improvement Costs"), and (iii) all operation, maintenance, administrative, planning,

design, engineering, and contracting, director fees, legal fees, insurance and other ancillary costs and expenses related to the organization, operation, and administration of the District (the "O&M Costs"); and

WHEREAS, the Developer is willing to finance the costs of the construction of such Organizational Costs, Improvements Costs and O&M Costs or other valid District expenses for the benefit of the District (collectively "District Costs"), either by entering into contracts on behalf of the District or by making payments on behalf of the District under any such contracts entered into by the District, based upon the understanding that, at such time as the District is able to sell bonds using its best efforts for the purpose of paying District Costs (the "Bonds"), the District, upon funding of such sale, will purchase the Improvements at the Developer's cost and/or reimburse the Developer for funds advanced by the Developer to the District for any such Improvements, Organizational Costs or other expenditures on behalf of the District, and the District will pay interest as further described in Section 2.01 hereof; and

WHEREAS, the District and the Developer desire to enter into this Agreement for the financing, construction, and operation of the Improvements; and

WHEREAS, the District is willing to approve proceeding with construction of the Improvements, provided that the Developer advances all of the costs and assumes all risks of any delay in the sale of the bonds until the District acquires the Improvements pursuant to Article III hereof.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the District and the Developer hereby contract and agree as follows:

## ARTICLE 1

### Construction of the Improvements

1.01. Design of the Improvements. All physical facilities to be constructed or acquired as a part of the Improvements shall be designed by the District Engineer or a qualified engineer selected by the Developer. Such design shall be subject to the approval of all governmental agencies with jurisdiction, including, without limitation, the Texas Department of Health, the Texas Commission on Environmental Quality (the "Commission"), any city within whose extraterritorial jurisdiction all or a portion of the District may be located, and the County of Wise, as applicable.

### 1.02. Construction and Acquisition of Improvements.

(a) The Improvements shall be constructed and all easements, equipment, materials, and supplies required in connection therewith may be acquired in the name of the District or the Developer; provided, however, all construction contracts, easements and other agreements shall contain provisions in a form satisfactory to the District's attorneys, to the effect that any contractor, materialman or other party to a construction contract, easement or other agreement awarded or entered into by the Developer on behalf of the District shall look solely to the Developer for payment of all sums coming due thereunder and that the District shall have no obligation whatsoever to any such party. In the event that the District is financially capable of constructing Improvements and paying the costs related to such Improvements without advances from the Developer, all construction contracts, easements and other agreements shall be entered into solely by the District by Board approval and contain provisions to the effect that any contractor, materialman or other party to a construction contract, easement or other agreement awarded or entered into by the District shall look solely to the District for payment of all sums coming due thereunder and that the Developer shall have no obligation whatsoever to any such party. In the event the Improvements have been constructed in the name of the Developer, at the time of reimbursement of the

Developer with funds of the District, the Developer shall convey the Improvements so bonded to the District in accordance with Section 3.02 below.

(b) All construction contracts for the Improvements shall be bid and awarded in the manner provided by law, if applicable or required.

(c) The governing body of the District shall approve the award of all construction contracts for the Improvements and all pay applications and change orders relating to construction contracts for the Improvements. If the Improvements are constructed by the Developer and acquired by the District after construction as provided by law, the District will not be required to approve the award of construction contracts or any pay applications or change orders.

(d) The Developer shall make monthly reports to the District on the monies paid to contractors for the District Costs constructed in the name of the Developer and shall maintain accounts in such a manner to separately reflect the payments. The Developer shall provide such accounts to the District on a quarterly basis. The Developer's carrying charges shall be calculated based upon these separate accounts rather than upon a combination of the total construction costs.

(e) The Improvements shall be constructed in a good and workmanlike manner and all material used in such construction shall be fit for their intended purpose.

(f) Upon completion of construction of Improvements constructed in the name of the Developer, the Developer shall provide the District with final "record" drawings of the Improvements approved by the District's engineers.

(g) Upon completion of construction of Improvements constructed in the name of the Developer, the Developer shall provide the District with applicable acceptance letters and a certificate of completion from the District's engineers certifying that the construction of such Improvements has been completed in accordance with the plans and specifications approved by the District.

1.03. Cost of Improvements to be Funded by Developer. The Developer shall promptly pay the costs of the Improvements as the same become due, including, without limitation, all costs of design, engineering, materials, labor, construction, and inspection arising in connection with the Improvements; all payments arising under any contracts entered into for the construction of the Improvements; all costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, rights-of-way, or sites required as a part of the construction of the Improvements, including, without limitation, any on-site or off-site mitigation costs; and all out-of-pocket expenses incurred in connection with the construction of the Improvements. The District shall not be liable to any contractor, engineer, attorney, materialman or other party employed or contracted with in connection with the construction of the Improvements, but shall only be obligated to acquire the Improvements and/or reimburse the Developer in the manner and to the extent provided in Article II of this Agreement.

1.04. Indemnity. The Developer shall indemnify and hold the District harmless from and against all losses, costs, damages, expenses, and liabilities (herein collectively referred to as "Losses") of whatsoever nature, including, but not limited to, attorneys' fees, costs of litigation, court costs, amounts paid in settlement and amounts paid to discharge judgments relating to any claim, lawsuit, cause of action or other legal action or proceeding brought against the District or to which the District may be a party, even if groundless, false or fraudulent, directly or indirectly resulting from, arising out of, or relating to the acquisition, purchase or construction of the Improvements prior to the payment to the Developer for the Improvements pursuant to Section 2.01 hereof. In the event of any action brought against the District in which indemnification by the Developer is applicable, the District shall promptly give written notice to the Developer and the Developer shall assume the investigation and defense of such action, including the



employment of counsel and the payment of all expenses. The District shall have the right, at its expense, to employ separate counsel and to participate in the investigation and defense of any such action. The Developer shall not be liable for the settlement of any such action made by the District without the consent of the Developer; provided, however, that in the event of any settlement entered into with the consent of the Developer or of any final judgment for a plaintiff in any such action, the Developer shall indemnify and hold the District harmless from and against any losses incurred by reason of such settlement or judgment. The expiration of the term of this Agreement shall not relieve the Developer from any liability hereunder arising prior to the expiration of this Agreement.

1.05 Timing of Improvements. Notwithstanding anything herein to the contrary, the Developer may advance funds and/or construct and install Improvements as Developer deems appropriate in its sole and absolute discretion, including the construction and installation of Improvements to serve portions of the Property and in different phases and sections over a period of time. Developer may exercise its sole discretion on all aspects of the phasing and timing of development and shall not be obligated to advance funds and/or construct and install the Improvements for the entire property at one time.

## ARTICLE II

### Reimbursement for Funds Advanced

2.01. Obligation to Reimburse. The District and Developer agree that the District shall be obligated to issue and sell, from time to time, Bonds to reimburse the Developer for all previous and ongoing funds advanced by Developer for District Costs or acquisition of Improvements as provided by law. It is the mutual intent and agreement of the District and Developer to provide for future reimbursement of funds advanced by the Developer or acquisition of Improvements constructed by Developer through issuance of Bonds and use of bond proceeds and other legally available funds of the District. The District's obligation to proceed with the issuance of Bonds for such reimbursement or acquisition by the District shall be absolute and unconditional subject only to: (1) satisfaction of the conditions set forth in Section 2.03 of this Agreement; and (2) the performance by the District of the administrative and ministerial acts set forth in this Agreement. The District is obligated to reimburse the Developer for all funds advanced or expended by the Developer for the acquisition, construction, maintenance, operation and management of any Improvements authorized under, as applicable to the District, Sections 49, and 51, Texas Water Code and any other current or future authorization acquired or granted to the District.

2.02. Time and Amount of Reimbursement. At any time, the District shall, upon Developer's request, reimburse the Developer for operation and administrative expenses related to the operation and maintenance of the District and the Facilities subject to any applicable laws and the availability of surplus District operating funds in District's reasonable discretion.

Within thirty (30) days after the District's receipt of the proceeds of the sale of Bonds to finance the acquisition or construction of the District Costs or a portion of the District Costs, the District shall reimburse the Developer for those District Costs which have been paid or advanced by the Developer pursuant to Section 1.03 hereof, including any amounts paid or advanced by the Developer for the purpose of oversizing any facilities in order to serve areas within or outside the District owned by persons or entities other than the Developer. Interest shall be added to such amount calculated from the respective dates of payment or advancement of such funds to the date of reimbursement at an annual interest rate equal to the net effective interest rate (as defined in Chapter 1204, Texas Government Code, as amended) on the Bonds issued to finance the District Costs or portion of the District Costs or, if the Developer has a borrowing rate on the District Costs which is less, the Developer's borrowing rate. It is specifically

understood and agreed by the parties that the issuance of Bonds to acquire the District Costs and/or reimburse the Developer for funds advanced for the District Costs will most likely be accomplished through a series of bond sales over time. The District's financial advisor shall advise the District as to the amount of Bonds that can be prudently sold from time to time.

2.03. Conditions to Reimbursement. The District's obligation to issue the Bonds and to acquire the Improvements and/or reimburse the Developer for funds advanced for the District Costs shall be subject to the following terms and conditions:

- (a) Recommendation of the District's financial advisor that the sale of the Bonds to finance all or a portion of the District Costs is feasible and prudent;
- (b) Receipt of a bona fide bid for the Bonds through either public or private sale;
- (c) Approval of the Bonds by the Attorney General of the State of Texas, if applicable;
- (d) Registration of the Bonds by the Comptroller of Public Accounts of the State of Texas, if applicable;
- (e) If the bonds are secured by ad valorem taxes, the assessed value of all taxable property within the District, as shown by the latest appraisal roll issued for the District by the Wise County Appraisal District, together with the projected increase in the assessed value as a result of development of the land benefitted by the District Costs, is such that the projected debt service on the District's outstanding bonded indebtedness and the bonds then being issued, can be paid with a tax rate found by the District's financial advisor to be reasonable; and
- (f) The District shall not be obligated to issue bonds in increments of less than \$1,000,000 unless such bond issue is the last bond issue anticipated to be issued by the District.

The Bonds shall be offered on terms and conditions generally accepted in the bond market for similar types of districts with similar revenue pledges at the recommendation of the District's financial advisor. The District shall issue and sell a sufficient amount of the Bonds through a series of bond sales to pay the full purchase price of the Improvements, to reimburse the Developer for District Costs, and to pay the cost for the District's guaranteed reservation of any water or wastewater capacity resulting from construction of the Improvements, whichever is applicable; provided, however, that the District reserves the right to issue and sell less than all of the Bonds authorized on any offering if a portion of the proceeds of the sale would not be immediately necessary for construction, acquisition of, reimbursement for or payment for a part of the District costs not under construction at such time. The District shall not be obligated to sell or issue any amount of the Bonds in excess of the amount then recommended by the District's financial advisor. The District shall not be obligated to offer the Bonds in contravention of any law of the State of Texas. The District shall use its best efforts to sell the Bonds, but shall not be considered to have guaranteed the sale thereof.

2.04. Time of Issuance of Bonds. Subject to the terms and conditions set forth herein, upon presentation by the Developer to the District of evidence supporting the expenditure by the Developer of reimbursable District Costs, the District shall proceed with the issuance and sale of the Bonds as soon as is feasibly practicable to reimburse Developer for such District Costs. It is the intention of the District and the Developer to issue bonds and reimburse the Developer in the most expeditious manner possible. If the Developer is the only party requesting reimbursement of District Costs, the District Costs included in a bond issue shall be designated in writing by the Developer to the District. In the event the District

has multiple developers, the District will employ a policy of reimbursing District Costs in the order the District Costs have been expended and to the extent that such District Costs may be reimbursed under the constitutional authority of a certain bond issuance.

2.05. Continuing Securities Disclosure. The Developer agrees to provide periodic financial and operating information and notices of material events regarding the Developer and the Developer's development within the District as may be required by the United States Securities and Exchange Commission Rule 15c2-12.

### ARTICLE III

#### Acquisition of Improvements

3.01. Acquisition of Improvements. At the time of reimbursement of the Developer for the Improvement Costs or a portion of the Improvement Costs, the District will acquire such Improvements from the Developer as have been constructed in the name of the Developer or assume the Developer's interest in any Improvements paid for by the Developer but owned by entities other than the Developer, as applicable, including off-site Improvements, and shall assume the contracts for any portion of the Improvements which remains incomplete at the time of reimbursement and directly make and administer all payments (and the Developer shall have no further responsibility to make or administer such payments) coming due under all such Contracts assumed by the District. In the event that some or all of the Improvements are dedicated to a regional service provider, the District will have an interest in the capacity of the regional system to the extent that the District has reimbursed such system for its pro rata share of the Improvements or reimbursed the Developer for any such Improvements paid on behalf of the District.

3.02. Conveyance Requirements. If the Developer is to convey the Improvements to the District, rather than to a regional service provider, the Developer shall convey the Improvements to the District by general warranty deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrance, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen. The Developer shall provide reasonable proof of title and proof of no liens, claims, or encumbrances. Each conveyance shall include all easements within which the Improvements of the District are located, unless such easements have been dedicated to the public, and all easements necessary to own, operate and maintain the Improvements. Each conveyance shall additionally include fee simple title to any and all plant sites, together with necessary rights of way where such site or sites are not directly accessible by a dedicated public street, and all licenses, franchises and permits for the Improvements. The Developer shall also assign, in writing, all of its contractors' and materialmen's warranties relating to the Improvements. All documents or instruments of conveyance, transfer, or assignment hereunder shall be in a form and content acceptable to the District's attorneys. In the event the Improvements so bonded have been constructed in the name of the District, the Developer, at the time of reimbursement by the District, shall deliver to the District a release of all liens upon the bonded Improvements securing the costs of construction of the bonded Improvements advanced by a third party lender.

3.03. Correction of Defects. Conveyance of the Improvements to the District shall not relieve the Developer of liability for the correction of any existing engineering or construction defects then existing in the Improvements at the time of conveyance or for satisfaction of any unpaid claim for materials or labor. The District shall be under no obligation to contest or challenge any claim for labor or materials; provided, however, that in the event the Developer fails to promptly correct any such defect or satisfy any such claim, the District may elect to do so and, in such event, shall have full rights of

subrogation. Subject to any applicable statutes of limitation, the Developer shall pay the District for the District's costs in correcting any defect or satisfying any claim including, but not limited to, construction costs, engineering fees, attorneys' fees, building or construction permits, filing fees or court costs.

3.04. Survival or Representations. All representations, warranties and agreements of the District and the Developer hereunder shall survive the conveyance of the Improvements to the District.

3.05. Use of Improvements. The Developer and the District agree that if the District is unable to purchase the Improvements or any capacity resulting from the construction of the Improvements at such time as the construction of the Improvements is certified to be complete by the District's Engineers, the District shall be entitled to utilize the Improvements from year to year from the date of completion of construction without charge to provide service to users within the District on the same terms and conditions as service is provided to other similar users within the District until the District can meet the conditions set forth in Article II, Section 2.03 above. In consideration for such use and the right to retain all fees and charges accruing therefrom the District agrees to perform all routine maintenance on the Improvements at their sole expense. The Developer shall, however, be responsible for the cost of correcting any construction or engineering defects during such period.

#### ARTICLE IV

##### Representations

4.01. Representations by the Developer. The Developer hereby represents to the District that:

- (a) The execution and delivery of this Agreement and the transactions contemplated hereby have been duly authorized by the Developer;
- (b) This Agreement, the representations and covenants contained herein, and the consummation of the transactions contemplated hereby shall not violate or constitute a breach of any contract or other agreement to which the Developer is a party;
- (c) The Developer has made financial arrangements sufficient to assure its ability to perform its obligations hereunder; and
- (d) The Developer will send a representative to all meetings of the Board of Directors of the District at which such presence may be required hereunder or otherwise requested.

4.02. Representations by the District. The District hereby represents and covenants to the Developer that it shall use its good faith efforts:

- (a) To obtain the Attorney General's approval of the Bonds;
- (b) To obtain registration of the Bonds by the Comptroller of Public Accounts of the State of Texas;
- (c) To market the Bonds in the manner set forth herein; and
- (d) To levy and collect the taxes, facility charges and other revenues due the District and necessary for operation and maintenance of the District and the repayment of debt service on the Bonds.

## ARTICLE V

### Remedies

5.01. Default by the Developer. In the event of default by the Developer hereunder, the District shall have the right:

- (a) To terminate this Agreement without thereby incurring any liability to the Developer whatsoever;
- (b) To pursue all other legal or equitable remedies; and
- (c) To recover from the Developer all expenses incurred in pursuing its legal rights hereunder, including reasonable attorneys' fees.

An event of default by the Developer does not release the District from the obligation to reimburse the Developer for District Costs advanced by the Developer on behalf of the District prior to the date of default by the Developer.

5.02. Default by District. In the event of default by the District hereunder, the Developer shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the District and its officers to observe and perform the covenants, obligations and conditions hereof.

5.03. Future Performance. The failure of either party hereto to insist, in any one or more instances, upon performance of any of the terms, covenants, and conditions of this Agreement, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition by the other party hereto, but the obligation of such other party with respect to such future performance shall continue in full force and effect.

## ARTICLE VI

### Miscellaneous

6.01. Severability. In case any one or more provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.02. Modification. This Agreement may be modified or varied only by a written instrument subscribed by both of the parties hereto.

6.03. Applicability of Agreement to Annexed Property. This Agreement shall, without the necessity of any amendment or supplement hereto or any additional action by the parties hereto, upon annexation by the District, subsequent to the date hereof, of any additional property owned or controlled by the Developer become applicable to such annexed property with the same effect as applicable to the Property. This Agreement shall explicitly not become applicable to any annexed property not owned or controlled by the Developer at the time of annexation.

6.04. Assignability. (a) This Agreement may be assigned in whole or in part by the Developer upon the delivery to the District of a written instrument evidencing such assignment and consent or acknowledgment of the District to such written instrument. Notwithstanding the foregoing, the District hereby authorizes the Developer to grant a security interest in the Developers' rights hereunder and to all

sums to be paid to the Developer by the District pursuant to this Agreement to any bank or lending institution making a construction or development loan to the Developer for payment of District Costs without District consent and to the extent permitted by State law. The Developer shall provide for acknowledgement by the District of any assignment instrument or shall provide a copy of such assignment instrument to the District within thirty (30) days of execution. If any city shall annex and dissolve the District in its entirety and assume the obligations of the District, this Agreement shall remain in full force and effect and such city shall be entitled to the benefits and be required to assume the obligations hereof, including, without limitation, the obligation to reimburse the Developer as provided in Article II hereof and to issue any necessary authorized but unissued Bonds prior to abolition of the District or, if the annexation precludes or impairs the ability of the District or the city to issue any such Bonds, to reimburse the Developer in cash for all District Costs as provided in Section 43.0715, Texas Local Government Code (except that references therein to the Commission shall be inapplicable).

(b) This Agreement may be assigned in whole or in part by the District to any other district resulting from the division of the District (or the division of any such district created by the division of the District) or from the disannexation of land from the District and the obligations of the District hereunder may be assumed by such district in an instrument in writing delivered to the Developer.

6.05. Captions. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement, or used as interpreting the meanings and provisions hereof.

6.06. Applicable Law. This Agreement shall be construed and interpreted under the laws of the State of Texas and all obligations of the parties created hereunder are performable in Wise County, Texas.

6.07. Parties at Interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall never be construed to confer any benefit on any third party. This Agreement shall be binding upon each party, its successors and assigns.

6.08. Term. Except as otherwise provided herein, this Agreement shall be in force and effect from the date of execution hereof for a term of thirty (30) years or until the transactions contemplated hereby are consummated, whichever first occurs.

6.09. Force Majeure. If the District or the Developer is rendered unable, in whole or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to remedy such inability and to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. The term "force majeure", as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the Government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery; pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other incapacities of the party, whether similar to those enumerated or otherwise, which are not within the control of the party, which the party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding

to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of such party.

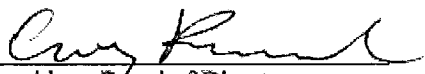
6.10. Effective Date. This Agreement shall take effect on January 21, 2021, (the “Effective Date”).

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts, each of equal dignity, on this 21<sup>st</sup> day of January, 2021, to be effective as of the Effective Date.

DISTRICT:

**ROLLING V RANCH WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 3 OF WISE  
COUNTY**

  
\_\_\_\_\_  
President, Board of Directors  
Rolling V Ranch Water Control and Improvement  
District No. 3 of Wise County

ATTEST:

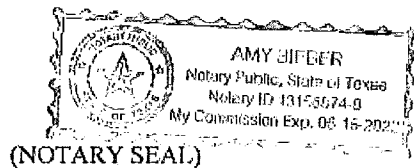
  
\_\_\_\_\_  
Secretary




THE STATE OF TEXAS                   §

COUNTY OF WISE                       §

This instrument was acknowledged before me on January 21, 2021, by Cory Kammandel, President of Rolling V Ranch Water Control and Improvement District No. 3 of Wise County, a political subdivision of the State of Texas, on behalf of said District.



  
\_\_\_\_\_  
Notary Public in and for the State of Texas



DEVELOPER:

**PMB ROLLING V LAND LP,**  
a Texas limited partnership

By: PMB Rolling V Land GP LLC,  
a Texas limited liability company

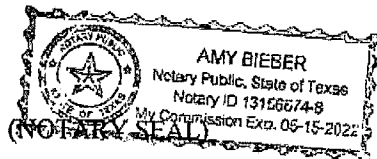
By: E. Peter Pincoffs III  
Name: E. Peter Pincoffs III  
Title: Manager

ACKNOWLEDGMENT

THE STATE OF TEXAS           §

COUNTY OF DALLAS           §

This instrument was acknowledged before me on January 21, 2021, by E. Peter Pincoffs III, Manager of PMB Rolling V Land GP LLC, a Texas limited liability company, as the general partner of PMB Rolling V Land LP, a Texas limited partnership, on behalf of said limited liability company and limited partnership.



AB  
Notary Public in and for the State of Texas

Exhibit 9  
Feasibility Letter District Financial Advisor

November 4, 2022

Public Utility Commission of Texas  
P.O. Box 13326  
Austin, Texas 78711-3326

RE: Rolling V Ranch Water Control & Improvement District No. 3  
Financial Feasibility

Ladies and Gentlemen:

In accordance with 16 Texas Admin. Code § 24.11(e)(4)(c), we have been asked to provide an opinion on the financial feasibility of Rolling V Ranch Water Control & Improvement District No. 3 (the "District"). Robert W. Baird & Co. Incorporated acts as financial advisor to over 350 special districts in Texas and are considered an expert in our field.

Currently, the District is funding its operating costs through a combination of developer advances and maintenance tax revenues from the districts within the District's service area (the District and Rolling V Ranch Water Control and Improvement District Nos. 1, 2 and 4). The District's service area's current taxable assessed valuation is de minimis and therefore the maintenance tax revenues generated thus far has been minimal and operations have been funded thus far primarily through developer advances. Operations funded with developer advances in the early stages of a special district, such as the District, is typical for most districts at this stage in their development cycle. As land within the District's service area is developed (currently anticipated to have 5,000 single-family connections per the District's engineer) and the District's service area's taxable assessed value grows, the District (and the districts in the District's service area) anticipate levying ad valorem property tax rates totaling \$1.00 per \$100 of assessed valuation composed of tax rates for maintenance and operations purposes and tax rates for debt service purposes as authorized by the District's voters. Proceeds from the District's maintenance and operations tax rate will supplement and/or replace developer advances for operating purposes over time.

The District's and the service area's voters have authorized the issuance of unlimited tax bonds to finance utility and road projects, and such bonds are expected to be issued in the future as the District's taxable assessed valuation grows as a result of land development and home construction within the District. Upon issuance of such bonds, future tax rates will be a combination of debt service tax rates and maintenance and operations tax rate totaling \$1.00 per \$100 of assessed valuation.

Based on current market conditions, projected development within the District, ad valorem tax revenues and the issuance of unlimited tax bonds to finance construction costs associated with the facilities necessary to service the District, it is our opinion that the project is financially feasible and will be able to provide continuous and adequate service to the requested area in docket 54147.

This letter is provided to satisfy the requirements of 16 TAC 24.11(e)(4)(C) and is to be used for no other purpose.

Robert W. Baird & Co.  
950 E State Hwy 114, Suite 160  
Southlake, TX 76092  
Main 713 230-6120  
Toll Free 800 711-6126

[www.rwbaird.com](http://www.rwbaird.com)



Please do not hesitate to contact us should you need additional information.

Sincerely,  
ROBERT W. BAIRD & CO. INCORPORATED

A handwritten signature in black ink, appearing to read "Ryan Nesmith". The signature is fluid and cursive, with the first name "Ryan" and last name "Nesmith" clearly distinguishable.

Ryan Nesmith  
Managing Director

Robert W. Baird & Co.  
950 E. State Hwy 114, Suite 160  
Southlake, TX 76092  
Main 713.230-6120  
Toll Free 800.711-6126

[www.rwbaird.com](http://www.rwbaird.com)

Exhibit 10  
Bond Capacity Letter District Financial Advisor

# MEMORANDUM

**Date:** January 9, 2023  
**To:** Brian Motsenbocker – PMB Capital Investments  
**From:** Ryan Nesmith & Samantha Jones  
**Re:** Rolling V Ranch WCID 3 (Master District) – 2023 Contract Tax Bond Capacity

As financial advisor to Rolling V Ranch Water Control & Improvement District Nos. 1, 2 and 3 (the respectively, “WCID 1,” “WCID 2,” and “WCID 3” or collectively, the “Districts” ), we have prepared an analysis to determine the 2023 bonding capacity of WCID 3, in its capacity as the “Master District”, to issue unlimited tax contract revenue bonds.

Our analysis is based on the following assumptions:

- Value projections through September 1, 2023 for the Districts as follows:

	2022 Certified Taxable AV	Est. Value as of 1/1/2023	Proj. Value as of 9/1/2023
WCID 1	\$ 1,721,488	\$ 27,135,000	\$ 72,810,000
WCID 2	2,487,217	20,445,000	47,715,000
WCID 3	-	-	-
Service Area	\$ 4,208,705	\$ 47,580,000	\$ 120,525,000

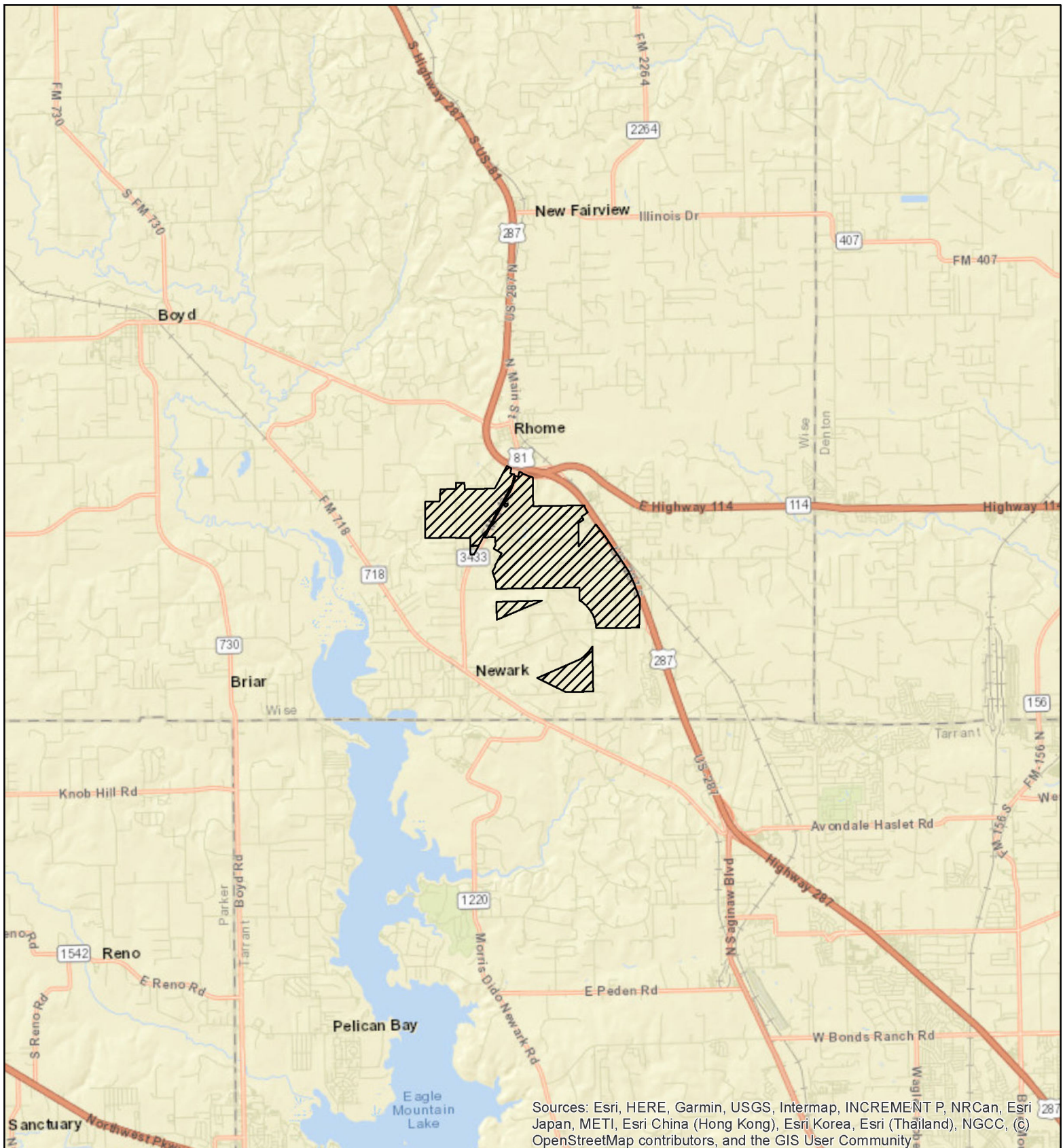
- For purposes of feasibility, this analysis ignores the 2022 certified taxable value within WCID 3
- 90% tax collection rate:
  - Financial feasibility rules set by the Texas Commission on Environmental Quality (the “TCEQ”) state that a district may only show a maximum of 90% tax collections on its first bond application
- 1.00% interest earnings on surplus funds
- The bonds would be sold with:
  - 25-year level debt structures
  - An estimated interest rate of 5.75%
  - 18 months of capitalized interest will be set aside from the bond proceeds
- The bonds were sized by the following constraints:
  - A contract tax rate of \$0.85 per \$100 of assessed valuation
  - Adequate debt service coverage (ending debt service fund balance of no less than 25% of the following year’s debt service requirements)
  - TCEQ financial feasibility rules for no-growth scenarios

## RESULTS

Assuming growth through a September 1, 2023 projected value of ~\$120,525,000, we determined that the Master District can submit a bond application in the principal amount of ~\$11,120,000 with a targeted submission date of **April/May 2023**. Such value will need to be supported by a certified estimate of value from the Wise County Appraisal District in order to comply with TCEQ requirements to ensure 100% reimbursement. The bonds are assumed to be sold in **November 2023** with funding in **December 2023**.

Based upon the assumptions above, the developer would receive ~\$9,225,000 in reimbursement from the proposed bonds (including an estimated 3 years of developer interest).

Please let us know if you would like to see any changes to the assumptions above and we will be happy to prepare additional scenarios for you. Additionally, please do not hesitate to contact us with any questions at 713-230-6141 (Ryan) or 713-230-6123 (Samantha).



## Rolling V Ranch WCID No.3 of Wise County to Obtain a New Water CCN Number and Dually Certify with City of Rhome (CCN No. 10989)




0 5,000 10,000 20,000

Feet

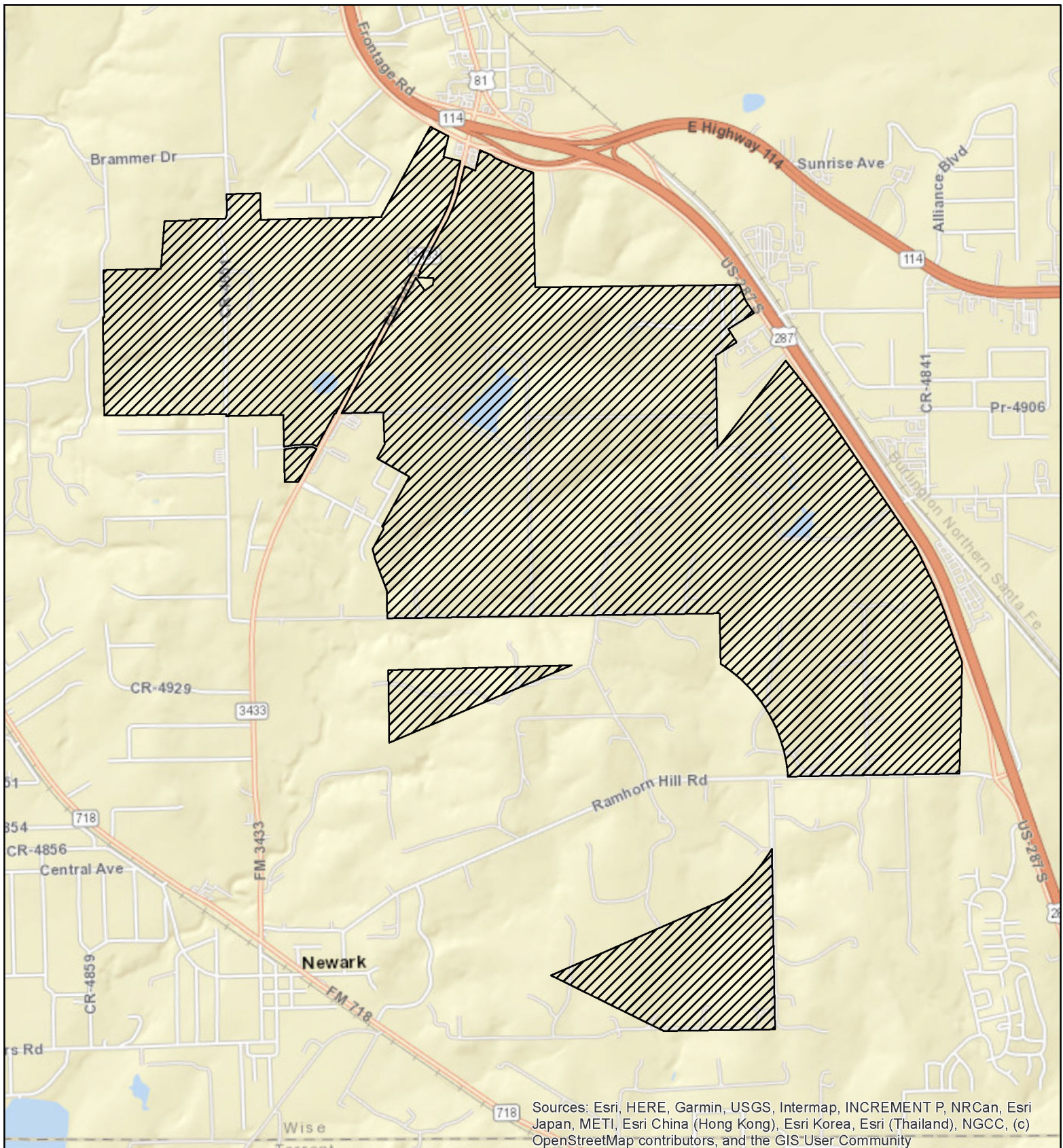
FEBRUARY 13, 2023

Requested Area for Dual Certification is  
West of SH 287 and  
North of F.M. 718 (Avondale-Haslet Road)  
in the ETJ of the City of Rhome  
Wise County, TX

**Legend - 1" = 10,000'**

 REQUESTED WATER AREA TO  
OBTAIN AND DUALY CERTIFY






## Rolling V Ranch WCID No.3 of Wise County to Obtain a New Water CCN Number and Dually Certify with City of Rhome (CCN No. 10989)

Requested Area for Dual Certification is  
West of SH 287 and  
North of F.M. 718 (Avondale-Haslet Road)  
in the ETJ of the City of Rhome  
Wise County, TX

**Legend - 1" = 2,500'**

 REQUESTED WATER AREA TO  
OBTAIN AND DUALY CERTIFY



0 1,250 2,500 5,000

Feet

FEBRUARY 13, 2023



**PMB RVR Dev Co 1 LLC**

**Balance Sheet**

**December 31, 2022**

	<b>Dec 31, 21</b>	<b>Dec 31, 22</b>
<b>ASSETS</b>		
Cash		
West Cash	829,123	1,101,831
East Cash	1,727,112	2,087,883
<b>Total Cash</b>	<b>2,556,235</b>	<b>3,189,714</b>
Current Assets		
Property Tax Escrow Accounts	-	99,922
Accounts Receivable	7,920	-
<b>Total Current Assets</b>	<b>7,920</b>	<b>99,922</b>
Capitalized Development Costs		
Land Purchase	23,395,491	23,395,491
Closing Costs on Acquisition	283,044	283,044
Hard Construction Costs	9,397,766	21,050,940
City & Professional Fees	4,316,862	6,694,225
Overhead & Marketing	365,677	493,031
Project Management Fee	967,000	1,888,600
Master Infrastructure Costs	2,266,094	4,455,425
District Costs	1,440,881	2,070,672
Capitalized Loan Costs	585,666	1,770,963
Cost of Lots Sold	-	(15,083,587)
<b>Total Capitalized Development Costs</b>	<b>43,018,481</b>	<b>47,018,805</b>
<b>TOTAL ASSETS</b>	<b>45,582,636</b>	<b>50,308,440</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Accounts Payable	1,574,560	351,570
Due to PMB Rolling V Land LP	1,595,446	3,077,360
Builder Earnest Money Deposits	7,725,000	5,656,730
Note Payable - West	12,716,466	12,886,031
Note Payable - East	10,969,770	11,116,044
Loan Payable - Vantage West	6,402,084	5,875,054
Loan Payable - Vantage East	4,598,412	12,489,356
<b>Total Liabilities</b>	<b>45,581,738</b>	<b>51,452,146</b>
Equity		
Capital Stock	10,000	10,000
Retained Earnings	-	(9,103)
Net Income	(9,103)	(1,144,603)
<b>Total Equity</b>	<b>897</b>	<b>(1,143,706)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>45,582,636</b>	<b>50,308,440</b>

Note: Preliminary, unaudited; Does not include accrued preferred interest

**PMB RVR Dev Co 1 LLC**  
**Profit & Loss**  
**Fourth Quarter 2022**

	<b>4Q21</b>	<b>4Q22</b>	<b>YTD 2021</b>	<b>YTD 2022</b>
<b>Ordinary Income/Expense</b>				
Lot Sale Revenue	-	7,017,000	-	11,987,000
Builder Fees	-	1,442,114	-	2,480,285
Interest Income	927	7,724	5,890	13,650
Other Income	5,420	-	63,699	3,034
<b>Total Income</b>	<b>6,347</b>	<b>8,466,839</b>	<b>69,589</b>	<b>14,483,969</b>
<b>Expense</b>				
Cost of Lots Sold	-	10,205,375	-	15,083,587
Lot Sale Closing Costs	-	8,533	-	9,283
Advertising and Marketing	27,331	62,569	27,331	87,376
Bank Service Charges	-	165	603	574
Insurance Expense	-	55,666	-	135,193
Maintenance Expense	30,974	4,626	30,974	28,154
Professional Fees	15,310	-	19,782	3,193
Real Estate Tax Expense	-	(146)	-	(867)
Federal Income Tax	-	282,079	-	282,079
<b>Total Expense</b>	<b>73,616</b>	<b>10,618,868</b>	<b>78,691</b>	<b>15,628,572</b>
<b>Net Income (Loss)</b>	<b>(67,268)</b>	<b>(2,152,030)</b>	<b>(9,103)</b>	<b>(1,144,603)</b>

Note: Preliminary, unaudited

**PMB RVR Dev Co 1 LLC**  
**Statement of Cash Flows**  
**Fourth Quarter 2022**

	<b>4Q21</b>	<b>4Q22</b>	<b>YTD 4Q21</b>	<b>YTD 4Q22</b>
<b>OPERATING ACTIVITIES</b>				
Net Income	(67,268)	(2,152,030)	(9,103)	(1,144,603)
Increase / (Decrease) in Accounts Receivable	21,951	-	(7,920)	7,920
<b>Total Cash from Operating Activities</b>	<b>(45,317)</b>	<b>(2,152,030)</b>	<b>(17,023)</b>	<b>(1,136,683)</b>
<b>INVESTING ACTIVITIES</b>				
Land Purchase & Closing Costs	-	-	(23,678,535)	-
Property Tax Escrow Accounts	-	-	-	(99,922)
Capitalized Development Costs	(7,701,596)	(1,810,812)	(18,752,702)	(17,898,613)
Capitalized Loan Costs	(146,214)	(302,640)	(587,243)	(1,185,297)
Cost of Lots Sold	-	10,205,375	-	15,083,587
Increase / (Decrease) in Accounts Payable	(1,684,530)	(969,247)	1,574,560	(1,222,990)
Due from PMB Rolling V Land	104,583	-	104,583	-
Builder Earnest Money Deposits	-	(1,195,020)	7,725,000	(2,068,270)
<b>Total Cash from Investing Activities</b>	<b>(9,427,758)</b>	<b>5,927,657</b>	<b>(33,614,338)</b>	<b>(7,391,505)</b>
<b>FINANCING ACTIVITIES</b>				
Due to PMB Rolling V Land	-	-	1,490,863	1,481,915
Note Payable PMB Rolling V Land West	42,740	42,740	12,716,466	169,565
Note Payable PMB Rolling V Land East	36,869	36,869	10,969,770	146,274
Loan Payable - Vantage West	5,304,704	(1,783,192)	6,402,084	(527,031)
Loan Payable - Vantage East	3,978,876	(1,812,178)	4,598,412	7,890,944
Capital Stock	-	-	10,000	-
<b>Total Cash from Financing Activities</b>	<b>9,363,189</b>	<b>(3,515,761)</b>	<b>36,187,595</b>	<b>9,161,667</b>
Net Change in Cash for Period	(109,886)	259,866	2,556,235	633,479
Cash at Beginning of Period	2,666,120	2,929,848	-	2,556,235
<b>Cash at End of Period</b>	<b>2,556,235</b>	<b>3,189,714</b>	<b>2,556,235</b>	<b>3,189,714</b>

Note: Preliminary, unaudited; Does not include accrued preferred interest

**PMB Rolling V Land, LP**  
**Balance Sheet**  
As of December 31, 2022

ASSETS	Dec 31, 21	Dec 31, 22
<b>Current Assets</b>		
Checking/Savings	476,378	3,231,887
Accounts Receivable	-	-
Due from PMB RVR Dev Co 1 LLC	1,595,446	3,133,530
<b>Total Current Assets</b>	2,071,823	6,365,417
<b>Notes Receivable PMB RVR Dev Co 1 LLC</b>		
PMB Rhome Dev Ph 1 West Principal	12,560,373	12,560,373
PMB Rhome Dev Ph 1 East Principal	10,835,118	10,835,118
Accrued Interest	290,745	606,584
<b>Total N/R PMB RVR Dev Co 1 LLC</b>	23,686,236	24,002,075
<b>Fixed Assets</b>		
Land Purchase	42,576,321	42,576,321
Vehicles & Equipment	182,731	182,731
Accumulated Depreciation	(182,731)	(182,731)
Capitalized Costs	32,500	42,083
Cost of Land Sold	(4,438,422)	(5,278,260)
<b>To Total Fixed Assets</b>	38,170,399	37,340,143
<b>TOTAL ASSETS</b>	<b>63,928,459</b>	<b>67,707,635</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>LIABILITIES</b>		
Accounts Payable	5,106	28,651
Due to RVR Dev Co 1 LLC	-	-
Deferred Guarantee Fee Income	93,500	74,750
Deferred Long Term Capital Gain	19,050,668	19,050,668
<b>Total Liabilities</b>	19,149,274	19,154,070
<b>EQUITY</b>		
Equity Contributions	44,641,681	44,641,681
Equity Distributions	(2,200,000)	(5,741,495)
Retained Earnings	(408,303)	2,337,504
Net Income - Long Term Capital Gain	2,674,906	7,291,405
Net Income (Loss) - Ordinary	70,900	24,471
<b>Total Equity</b>	44,779,184	48,553,566
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>63,928,459</b>	<b>67,707,635</b>

Note: Unaudited; Equity Capital Accounts do not include accrued preferred interest

**PMB Rolling V Land, LP**  
**Profit & Loss**  
**Fourth Quarter 2022**

	<b>4Q21</b>	<b>4Q22</b>	<b>YTD 4Q21</b>	<b>YTD 4Q22</b>
<b>LAND SALE OPERATIONS</b>				
Land Sale Proceeds, Gross	2,871,475	100,000	2,871,475	8,138,294
Cost of Land Sold	(196,569)	(24,055)	(196,569)	(846,888)
<b>LTCG on Land Sale</b>	<b>2,674,906</b>	<b>75,945</b>	<b>2,674,906</b>	<b>7,291,405</b>
<b>INCOME</b>				
Guarantee Fee Income	4,688	4,688	18,750	18,750
Interest Income	79,637	94,980	290,799	339,950
Grass Lease Income	25,625	-	25,625	-
Site Rental Income	12,000	-	21,000	17,132
<b>Total Income</b>	<b>121,950</b>	<b>99,668</b>	<b>356,174</b>	<b>375,833</b>
<b>EXPENSE</b>				
Insurance Expense	12,232	27,938	43,116	52,026
Ranch Operations	(107)	6,098	242,157	299,336
<b>Total Expense</b>	<b>12,124</b>	<b>34,036</b>	<b>285,274</b>	<b>351,361</b>
<b>Ordinary Net Income</b>	<b>109,825</b>	<b>65,632</b>	<b>70,900</b>	<b>24,471</b>
<b>Long Term Capital Gain</b>	<b>2,674,906</b>	<b>75,945</b>	<b>2,674,906</b>	<b>7,291,405</b>
<b>TOTAL NET INCOME</b>	<b>2,784,731</b>	<b>141,577</b>	<b>2,745,807</b>	<b>7,315,876</b>

Note: Unaudited; Equity Capital Accounts do not include accrued preferred interest

**PMB Rolling V Land, LP**  
**Statement of Cash Flows**  
**Fourth Quarter 2022**

	<b>4Q21</b>	<b>4Q22</b>	<b>YTD 4Q21</b>	<b>YTD 4Q22</b>
<b>OPERATING ACTIVITIES</b>				
Ordinary Net Income	109,825	65,632	70,900	24,471
<b>Net Cash from Operating Activities</b>	<b>109,825</b>	<b>65,632</b>	<b>70,900</b>	<b>24,471</b>
<b>INVESTING ACTIVITIES</b>				
Net Land Proceeds (Investment)	2,768,505	95,875	7,113,328	8,121,662
Due from PMB RVR Dev Co 1 LLC	(104,583)	(56,170)	596,760	(1,538,085)
Note Rec PMB RVR Dev Co 1 LLC	-	-	(24,145,491)	-
Accrued Interest	(79,609)	(79,609)	(290,745)	(315,839)
Deferred Long Term Capital Gain	-	-	19,050,668	-
Deferred Guarantee Fee Income	(4,688)	(4,688)	93,500	(18,750)
Vehicles & Equipment	-	-	-	-
Capitalized Costs	(32,500)	-	(20,950)	-
Refundable Earnest Money Deposits	-	-	-	-
Accounts Receivable	-	-	3,000	-
Accounts Payable	4,906	14,265	(20,433)	23,545
<b>Net Cash from Investing Activities</b>	<b>2,552,032</b>	<b>(30,326)</b>	<b>2,379,637</b>	<b>6,272,533</b>
<b>FINANCING ACTIVITIES</b>				
Equity Contributions / (Distributions)	(2,200,000)	-	(2,200,000)	(3,541,495)
<b>Net Cash from Financing Activities</b>	<b>(2,200,000)</b>	<b>-</b>	<b>(2,200,000)</b>	<b>(3,541,495)</b>
Net Change in Cash for Period	461,857	35,306	250,537	2,755,509
Cash at the Beginning of Period	14,521	3,196,581	225,840	476,378
<b>Cash at End of Period</b>	<b>476,378</b>	<b>3,231,887</b>	<b>476,378</b>	<b>3,231,887</b>

Note: Unaudited; Equity Capital Accounts do not include accrued preferred interest

Authorization for the Filing of:

Texas Commission on Environmental Quality  
Annual Financial Report No. TCEQ-0722  
Fiscal Year Ended 4/30/2022

This Authorization is for the filing of the Texas Commission on Environmental Quality Annual Financial Report No. TCEQ-0722 for the Fiscal Year Ended 4/30/2022 that was compiled by our bookkeeping firm Dye & Toverly, LLC, signed by and filed on 6/24/2022. A copy will be sent to your attorney upon signing of this authorization.

We, the board **Rolling V Ranch WCID No. 3 of Wise County** reviewed and agree with the figures presented in this report, believing them to be true to the best of our knowledge. We have not reviewed the financial records ourselves and we are aware that this Financial Report is in accordance with TCEQ Rules and that this form is in the place annual audit that would be prepared by an outside firm.

Signed: Cathy Kimmel Title: President

Date: July 12, 2022



## *Dye & Tovery, LLC*

P.O. Box 863657  
Plano, TX 75086-3657  
Telephone (972) 612-0088  
Facsimile (972) 612-0098

June 23, 2022

To the Board of Supervisors of  
Rolling V Ranch WCID No. 3 of Wise County  
c/o Winstead P.C.  
2728 N. Harwood, Ste 500  
Dallas, TX 75201

Management is responsible for the accompanying financial statements of Rolling V Ranch WCID No. 3 of Wise County (a government entity), which comprise a statement of assets and liabilities – modified cash basis as of April 30, 2022, and the related statement of receipts and disbursements – modified cash basis for the year then ended, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Texas Commission on Environmental Quality (TCEQ,) and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The supplementary information required by the Texas Commission on Environmental Quality is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

This report is intended solely for the information and use of management and board of directors of Rolling V Ranch WCID No. 3 of Wise County, and the Texas Commission on Environmental Quality and is not intended to be and should not be used by anyone other than these specified parties.

We are not independent with respect to Rolling V Ranch WCID No. 3 of Wise County

*Dye & Tovery, LLC*  
Dye & Tovery, LLC

Physical Address:  
2321 Coit Road, Suite B  
Plano, TX 75075

Email Addresses:  
kathi@DyeToveryCPA.com  
kerry@DyeToveryCPA.com  
regina@DyeToveryCPA.com  
brandi@DyeToveryCPA.com  
debbie@DyeToveryCPA.com





# ANNUAL FINANCIAL REPORT

Of

Legal Name of District or Authority:	Rolling V Ranch WCID No. 3 of Wise County
For the Fiscal Year Ended:	04/30/2022
Preparer:	Kathi Dye
Title:	District Bookkeeper
Date:	6-23-22
Telephone Number: (AC)	(972) 612-0088

c/o Winstead, P.C. 2728 N Harwood, Ste 500	Dallas, TX	75201
District's Mailing Address	City, State	Zip Code

## AUDIT REPORT EXEMPTION

Texas Water Code §49.198. AUDIT REPORT EXEMPTION (effective September 1, 2011)

§49.198(a) A district may elect to file annual financial reports with the executive director in lieu of the district's compliance with Section 49.191 provided:

§49.198(a)(1) The district had no bonds or other long-term (more than one year) liabilities outstanding during the fiscal period;

§49.198(a)(2) The district did not have gross receipts from operations, loans, taxes, or contributions in excess of \$250,000 during the fiscal period; and

§49.198(a)(3) The district's cash and temporary investments were not in excess of \$250,000 during the fiscal period.

§49.198(b) The annual financial report must be accompanied by an affidavit attesting to the accuracy and authenticity of the financial report signed by a duly authorized representative of the district.

§49.198(c) The annual financial report and affidavit in a format prescribed by the executive director must be on file with the executive director within 45 days after the close of the district's fiscal year.

§49.198(d) Districts governed by this section are subject to periodic audits by the executive director.

If the accompanying financial statements are compiled by a certified public accountant, see SSARS-1 and SSARS-7 for the applicable standards for reporting on compiled financial statements.

# FILING AFFIDAVIT

To: Texas Commission on Environmental Quality

Under the penalties of perjury, I certify that I have inspected the attached balance sheet, statement of receipts and disbursements, including the accompanying schedules and statements, and to the best of my knowledge and belief, they are a true, correct, and complete representation of the financial condition of:

Rolling V Ranch WCID No. 3 of Wise County as of

*(Name of District)*

04/30/2022

*(Date of Fiscal Year End)*

I also certify that the above district has complied in full

with all filing of audits, affidavits, and financial reports requirements of Section 49.194 of the Texas Water Code by filing copies of this Annual Financial Report in the district's office, located at:

2728 N. Harwood St., Ste 500; Dallas TX 75201

*(Address of District)*

Kathi Dye, Bookkeeper - See Accts' Compilation Report

*(Typed Name and Title)*

Kathi Dye 6-23-22

*(Signature of Affiant)*

*(Date)*

Subscribed and Sworn to before me by this 23rd day of June

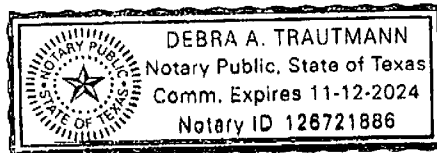
in the year 2022 In and For Collin County, Texas

Debra A. Trautmann

11-12-2024

*(Typed Name of Notary)*

*(My Commission Expires On)*



District Name: Rolling V Ranch WCID No. 3

**MISCELLANEOUS DISCLOSURES AND MAILING INFORMATION**

as of the District's Fiscal Year-End

**A. Disclosures to comply with Rule 30 TAC 293.95(b)**

- (1) Was there any developer activity to prepare for residential or commercial development? "Developer activity" means construction performed or actions taken in preparation for construction (i.e., plans, permits) to provide services for or access to present or future residential or commercial water, sewer or drainage facilities. ☒ Yes ☐ No

If yes, have payments for these facilities been made by (an) other party (ies) on behalf of the district? ☒ Yes ☐ No

These payments are estimated to cumulatively be:

Organization Costs	<u>40,000</u>
Construction Costs	<u>1,700,000</u>
Administration Cost	<u>90,000</u>
Total Costs	<u>1,830,000</u>

- (2) Was the Board aware of any other types of contingent or actual liabilities (e.g., claims, lawsuits) which are not disclosed elsewhere in this report? ☐ Yes ☒ No

If yes, explain: \_\_\_\_\_

- 
- B. Disclosures to comply with V.T.C.A. Water Code §49.054(e) and §49.455(j).** The Texas Commission on Environmental Quality must be notified of any changes in boundaries, board members, board terms, and addresses. Guidance for filing this information and a District Registration Form may be obtained by calling 512/239-4691.

- C. Additional Information.** This report should be sent to:

District Creation Review Team, MC-152  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087

Phone Number: (512) 239-4691 Facsimile Number: (512) 239-6190

**STATEMENT OF ASSETS AND LIABILITIES – MODIFIED CASH BASIS**

April 30, 2022

Asset Type		Amount
Cash on Hand		
Cash in Bank (Schedule A)		5,372
Investment (Schedule B)		
Total Cash and Investments <sup>i</sup>		5,372
Accrued Interest Receivable – Optional (Schedule B)		
Inventory		
General Fixed Assets		
Other Assets		
(Explain):		
Total Assets: <sup>ii</sup>		5,372

LIABILITIES AND EXCESS		Amount
Notes Payable		
Refundable Deposits		
Developer Advances		
Other Liabilities		
(Explain):	Payroll Liabilities	413
Total Liabilities		413
Excess Assets Over Liabilities		4,959
Total Liabilities and Excess <sup>iii</sup>		5,372

**Note to Preparer:**

<sup>i</sup> "Total Cash and Investments" must equal "Cash and Investments – End of Year" on the Statement of Receipts and Disbursement", page 5.

<sup>ii</sup> Must equal "Total Liabilities and Excess"

<sup>iii</sup> Must equal "Total Assets"

**STATEMENT OF RECEIPTS AND DISBURSEMENTS – MODIFIED CASH BASIS**

For the Year Ended April 30, 2022

<b>Receipts</b>		<b>Amount</b>
Service Revenues		
Tax Receipts		
Penalty and Interest Received		
Interest Received on Investments		7
Loans or Advances		80,095
All Other Receipts		
(Explain):		
<b>Total Receipts</b>		<b>80,102</b>

<b>Less Disbursements</b>		<b>Amount</b>
Purchased Services for Resale		
Payroll		7,125
Legal, Accounting, or Contract Service		22,048
Supplies and Materials		
Maintenance		
Note Payments and Repayment of Advances		
All other Disbursements (Schedule C)		47,249
Total Disbursements		76,422
Excess of Receipts Over (under) Disbursements		3,680
Cash and Investments - Beginning of Year		1,692
Cash and Investment - End of Year (see Note 1 Page 4)		5,372

**Note to Preparer:** In addition to all disbursements related to the purchase of consumable supplies and materials, certain assets of insignificant value may be considered consumable and accordingly recognized under the account classification "Supplies and Materials." Please refer to Explanation of Terms, General Fixed Assets, pages 7 and 8 of this report, for additional clarification.

## SCHEDULE A 1 – CASH IN BANK<sup>i</sup>

Name of Bank	Account Number	Purpose of Account	Balance
Plains Capital Bank	Gen Fd - Operating		5,372
TOTAL			5,372

## SCHEDULE B – INVESTMENTS<sup>ii</sup>

Type of Investment	Name of Bank	Certificate Number	Interest Rate	Maturity Date	Principal Balance	(Optional) Accrued Interest
			0.00%			
			0.00%			
			0.00%			
			0.00%			
TOTALS						

## SCHEDULE C – SCHEDULE OF ALL OTHER DISBURSEMENTS<sup>iii</sup>

Description of Disbursements <sup>iv</sup>	Amount
Insurance	1,795
Wastewater Lease	45,500
Miscellaneous	(46)
TOTAL	47,249

<sup>i</sup> Please refer to Explanation of Terms, Cash in Bank, page 7 of this report, for proper reporting.

<sup>ii</sup> Please refer to Explanation of Terms, Investments, page 8 of this report, for proper reporting of "Principal Balance" and "Accrued Interest."

<sup>iii</sup> Please refer to Explanation of Terms, All Other Disbursements, page 7 of this report, for proper reporting of "All Other Disbursements."

<sup>iv</sup> A description should be given for each type of transaction and the amount of payments attributable to this type of disbursement. It may not be necessary to list each transaction separately.

# EXPLANATION OF TERMS

**All Other Disbursements** - This classification should be used only for payments, which cannot be classified properly in the six remaining accounts listed on the Statement of Receipts and Disbursements. Schedule C, page 6, should be completed for any report, which utilizes the "All Other Disbursements" classification.

**Cash Basis** - The financial statements contained in this report are to be prepared on the cash basis of accounting. They are not intended to be in conformity with Generally Accepted Accounting Principles (GAAP). Only transactions involving the exchange of cash should be included in these statements. No liabilities should be recorded unless they arise from the transfer of money. Exceptions to this rule are listed in "Investments" and "General Fixed Assets" below. Receipts and disbursements should not be recorded until payment is made. For the purpose of the Statement of Receipts and Disbursements, movement of funds between checking accounts and investments should not be considered as receipts or disbursements.

**Cash on Hand** - Petty cash, checks, money orders, and bank drafts not on deposit.

**Cash in Bank** - (From Schedule A) - Cash deposited in the district's checking account(s). The reserves, restrictions, or limitations as to its availability should be so stated. The total amount shown on Schedule A must reflect the reconciled balance as of the fiscal year end and reported under the account classification "Cash in Bank" on the Balance Sheet.

**Developer Advances** - Amounts owed to a developer for cash placed in the district's account or otherwise paid to the district. However, amounts payable to a developer for which repayment is contingent upon a bond sale (or some other event) should not be included as a liability of the district. Please see the Miscellaneous Disclosures, page 3 of this report, for disclosure of these contingent liabilities.

**Disbursements** - All transactions involving the disbursement of the district's fund should be included in the disbursements section. Payments made on behalf of the district by a third party should not be listed as a disbursement for the purpose of this statement. See the Miscellaneous Disclosures, page 3, of this report, for disclosures of these payments.

**Excess Assets Over Liabilities** - The difference between "Total Assets" and "Total Liabilities." If liabilities exceed assets, this number should be shown as a negative amount.

**General Fixed Assets** - A fixed asset is one which the cost exceeds \$50 and has a productive life longer than one year. "Fixed" denotes the intent to continue use or possession; it does not indicate the immobility of the asset. An asset of cost not in excess of \$50 should be considered consumable and accordingly recognized under the account classification "Supplies and Materials" on the Statement of Receipts and Disbursements. A fixed asset purchased through the issuance of a short-term note payable should be reported as an asset at its full cost even though no cash transaction may have taken place. Likewise, the corresponding note payable should be reported in the liability section of the Balance Sheet. Fixed assets donated to the district by a developer should be included as "General Fixed Assets" on the Balance Sheet. However, no amounts should be recorded on the Statement of Receipts and Disbursements for this type of transaction. The Credit offset to the fixed asset will be included in "Excess Assets over Liabilities" on the Balance Sheet.

**Investments (From Schedule B)** - List the types of investments (certificates of deposit, savings accounts, securities) which generate income in the form of interest. This should not include any amounts listed on Schedule A as "Cash in Bank." The total amount shown on Schedule B for "Principal Balance" must be reported under the account classification "Investments" on the Balance Sheet. At the option of the preparer, any interest earned on investments but not yet received may be reported as "Accrued Interest" on Schedule B and in the Asset section of the Balance Sheet. Under no circumstance should accrued interest be included in "Interest Received

on Investments" under "Receipts" on page 5. "Interest Received on Investments" should include only amounts actually received during the fiscal year.

**Inventories** - The cost of materials and other items purchased for use during the fiscal year by which are not completely consumed by the end of the fiscal year.

**Notes Payable** - The total outstanding principal of short-term loans, which mature within one year of their issuance.

**Other Liabilities** - Only liabilities arising from the receipt of cash which cannot be properly classified in one of the other liability accounts should be listed in this classification along with a brief explanation of this liability. Accounts payable, accrued interest, and contracts payable should not be listed as liabilities in this report.

**Receipts** - All transactions involving the receipt of cash during the fiscal year should be included in the Receipts section. Only those amounts actually received during the fiscal year should be included. Amounts received for which repayment is contingent upon a bond sale (or some other event) should be included here. (See "Developer Advances" above for treatment of the contingent liability.)

**Refundable Deposits** - This amount reflects a liability arising from the receipt of deposits from customers, which will be refunded to the customer at some future date, based on the terms and conditions of the deposit agreement.

**Rounding Instructions** - Please round to the nearest whole dollar amount. For example:

\$467.50 should be rounded up to \$468 and \$3,678.49 should be rounded down to \$3,678.



# VANTAGE BANK

T E X A S

November 8, 2022

Public Utility Commission of Texas  
Attn: Fred Bednarski III  
1701 N. Congress Avenue  
PO Box 13326  
Austin, TX 78711-3326

**VIA EMAIL**

Fred.bednarski@puc.texas.gov

Re: That certain Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (the "**CCN Application**") filed with the Public Utility Commission of Texas on September 23, 2022 as Docket No. 54147, being jointly made by Rolling V Ranch Water Control and Improvement District No. 3 of Wise County, a political subdivision of the State of Texas, operating as a water control and improvement district pursuant to Chapter 9021, Special District Local Laws Code, and Chapters 49 and 51 of the Texas Water Code ("**RVR WCID No. 3**") and The City of Rhome, Texas, a Texas municipality ("**Rhome**"; together with RVR WCID No. 3, collectively, "**Applicant**"), regarding that certain property located in the City of Rhome and its extraterritorial jurisdiction, Wise County, State of Texas and described in the Application (the "**Property**")

Dear Mr. Bednarski:

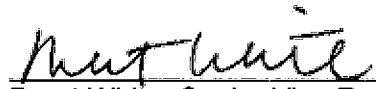
I am writing this letter on behalf of Vantage Bank Texas, a Texas state bank ("**Vantage Bank**"). Vantage Bank regularly conducts business with PMB Rolling V Land LP, a Texas limited partnership ("**Developer**") and its affiliates. Developer is the developer under to that certain Agreement for the Construction of Improvements and Reimbursement of Advances between Rolling V Ranch Water Control and Improvement District No. 3 of Wise County and PMB Rolling V Land LP dated January 21, 2021 and recorded on February 2, 2021 as Instrument No. 202101667 in the Official Public Records of Wise County, Texas (the "**District Agreement**").

In the opinion of Vantage Bank, Developer is in a satisfactory financial position to construct the Improvements (as defined in the District Agreement) as required in connection with the CCN Application. Pursuant to the loans described in that certain Deed of Trust, Security Agreement, Assignment of Rents and Leases and Financing Statement executed by Developer, as Grantor, for the benefit of Vantage Bank, as Beneficiary, dated January 27, 2021 and recorded on February 2, 2021 as Instrument No. 202101672 in the Official Public Records of Wise County, Texas (the "**DOT**"), together with the Loan Documents described in the DOT, Vantage Bank has loaned funds in the aggregate amount of \$44,900,000.00 (the "**Funds**") for the development of the Property by Developer and its affiliates (collectively, the "**Development**"), and Developer and its affiliates have the right to utilize a portion of the Funds for the construction of the Improvements.

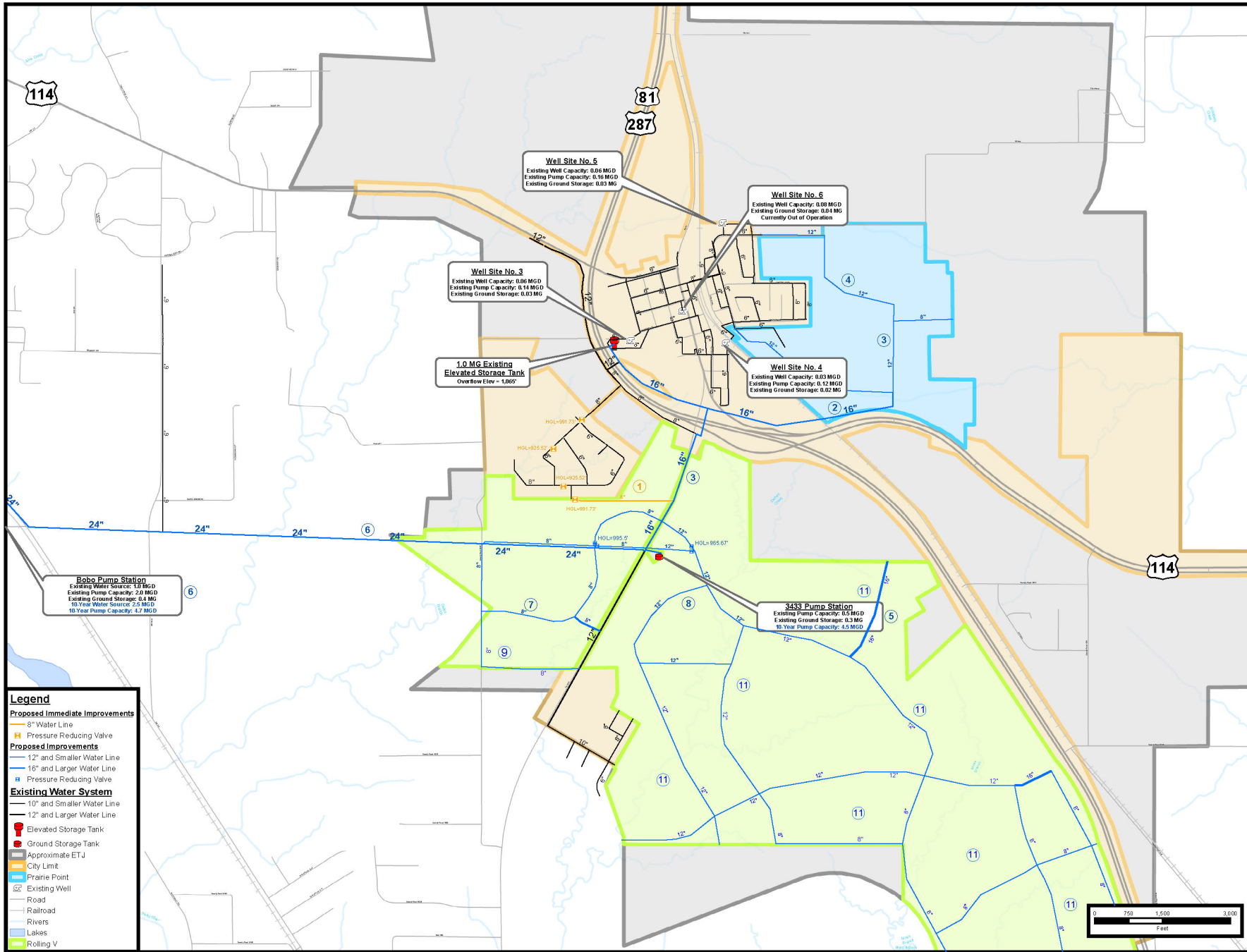
Should you have any questions, please feel free to contact me at (817) 953-6717.

Best Regards,

VANTAGE BANK TEXAS

A handwritten signature in cursive script, appearing to read "Brent White", is written over a horizontal line.

Brent White, Senior Vice President



No.	Revision	By	Date



# CITY OF RHOME WATER MASTERPLAN

## 5-YEAR CIP WATER SYSTEM

DATE	DESIGN	DRAWN	CHECKED
JAN 2023	MPM	VBH	DR

## APPENDIX C

**Rhome - Rolling V Water System Capital Improvement Plan - 5 Year Projection**

<b>Year</b>	<b>Project No.</b>	<b>Project Description</b>	<b>Allocated Rolling V Project Cost</b>	<b>Cumulative Allocated Rolling V Total Project Cost</b>
2023	2 & 3	16" Water Line from Elevation Storage Tank & 3433 Booster Pump Station Distribution Piping	\$ 1,673,936	\$ 1,673,936
2024	5	3433 Pump Station Improvements	\$ 389,868	\$ 2,063,804
2025	7	Rolling V West Phase 1	\$ 1,028,000	\$ 3,091,804
2026	9	Rolling V West Extension	\$ 380,000	\$ 3,471,804
2027	11	Rolling V Central Water System	\$ 3,687,230	<b>\$ 7,159,034</b>

**AGREEMENT FOR THE CONSTRUCTION OF IMPROVEMENTS  
AND REIMBURSEMENT OF ADVANCES BETWEEN  
ROLLING V RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3  
OF WISE COUNTY AND  
PMB ROLLING V LAND, LP**

THE STATE OF TEXAS                   §  
  §  
COUNTY OF WISE                   §

This Agreement for the Construction of Improvements and Reimbursement of Advances (the "Agreement") is made and entered into on the date last herein written by and between ROLLING V RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3 OF WISE COUNTY, a political subdivision of the State of Texas, operating as a water control and improvement district pursuant to Chapter 9021, Special District Local Laws Code, and Chapters 49 and 51 of the Texas Water Code (together with any successors and assigns, hereinafter referred to as the "District") and PMB Rolling V Land LP, a Texas limited partnership (together with any successors and assigns, hereinafter referred to as the "Developer").

This Agreement is being executed by the District and Developer to set forth the terms and conditions under which Developer has advanced to date, and may (but shall not be obligated to) advance funds for or on behalf of the District and/or to construct the certain improvements on behalf of the District, to serve or benefit the property within the District and the terms under which the District will purchase and maintain such improvements and /or the terms and conditions under which all of such costs expended by Developer shall be reimbursed by the District to the fullest extent allowed by law.

**RECITALS**

WHEREAS, the District was created as a water control and improvement district operating pursuant to Chapter 9021, Special District Local Laws Code, and Chapters 49 and 51 of the Texas Water Code; and

WHEREAS, in furtherance of the purposes for which it was created, the District will require the construction of certain improvement projects for the benefit of the District (collectively, the "Improvements"), and the District is willing to construct and install such Improvements, but does not have funds on hand for such purpose at the present time. The District will also require and has required certain funds for the creation, administration, organization, operation and maintenance of the District and Improvements. The District has heretofore requested and will request that the Developer advance funds and/or construct certain Improvements for the benefit of the District so that the District may fulfill its purpose as a political subdivision of the State of Texas. Therefore, the District has determined that it is in the best interest of the District to enter into this Agreement and request that the Developer advance funds to proceed with the construction of such Improvements as soon as is practicable; and

WHEREAS, the Developer, who owns or seeks to acquire and develop approximately 385.682 acres of real property located in Wise County, Texas, as more particularly described on Exhibit "A" (the "Property"), desires to develop such Property or, in the future, purchase, sell or convey parcels thereof for development, including property that may be added to the boundaries of the District; and Developer may, subject to certain covenants and agreements of the District, advance and continue to advance funds to or on behalf of the District, for the purposes of (i) creating, validating and organizing the District (the "Organizational Costs"), (ii) planning, designing, engineering, constructing and installing the Improvements ("Improvement Costs"), and (iii) all operation, maintenance, administrative, planning,

design, engineering, and contracting, director fees, legal fees, insurance and other ancillary costs and expenses related to the organization, operation, and administration of the District (the "O&M Costs"); and

WHEREAS, the Developer is willing to finance the costs of the construction of such Organizational Costs, Improvements Costs and O&M Costs or other valid District expenses for the benefit of the District (collectively "District Costs"), either by entering into contracts on behalf of the District or by making payments on behalf of the District under any such contracts entered into by the District, based upon the understanding that, at such time as the District is able to sell bonds using its best efforts for the purpose of paying District Costs (the "Bonds"), the District, upon funding of such sale, will purchase the Improvements at the Developer's cost and/or reimburse the Developer for funds advanced by the Developer to the District for any such Improvements, Organizational Costs or other expenditures on behalf of the District, and the District will pay interest as further described in Section 2.01 hereof; and

WHEREAS, the District and the Developer desire to enter into this Agreement for the financing, construction, and operation of the Improvements; and

WHEREAS, the District is willing to approve proceeding with construction of the Improvements, provided that the Developer advances all of the costs and assumes all risks of any delay in the sale of the bonds until the District acquires the Improvements pursuant to Article III hereof.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the District and the Developer hereby contract and agree as follows:

## ARTICLE 1

### Construction of the Improvements

1.01. Design of the Improvements. All physical facilities to be constructed or acquired as a part of the Improvements shall be designed by the District Engineer or a qualified engineer selected by the Developer. Such design shall be subject to the approval of all governmental agencies with jurisdiction, including, without limitation, the Texas Department of Health, the Texas Commission on Environmental Quality (the "Commission"), any city within whose extraterritorial jurisdiction all or a portion of the District may be located, and the County of Wise, as applicable.

### 1.02. Construction and Acquisition of Improvements.

(a) The Improvements shall be constructed and all easements, equipment, materials, and supplies required in connection therewith may be acquired in the name of the District or the Developer; provided, however, all construction contracts, easements and other agreements shall contain provisions in a form satisfactory to the District's attorneys, to the effect that any contractor, materialman or other party to a construction contract, easement or other agreement awarded or entered into by the Developer on behalf of the District shall look solely to the Developer for payment of all sums coming due thereunder and that the District shall have no obligation whatsoever to any such party. In the event that the District is financially capable of constructing Improvements and paying the costs related to such Improvements without advances from the Developer, all construction contracts, easements and other agreements shall be entered into solely by the District by Board approval and contain provisions to the effect that any contractor, materialman or other party to a construction contract, easement or other agreement awarded or entered into by the District shall look solely to the District for payment of all sums coming due thereunder and that the Developer shall have no obligation whatsoever to any such party. In the event the Improvements have been constructed in the name of the Developer, at the time of reimbursement of the

Developer with funds of the District, the Developer shall convey the Improvements so bonded to the District in accordance with Section 3.02 below.

(b) All construction contracts for the Improvements shall be bid and awarded in the manner provided by law, if applicable or required.

(c) The governing body of the District shall approve the award of all construction contracts for the Improvements and all pay applications and change orders relating to construction contracts for the Improvements. If the Improvements are constructed by the Developer and acquired by the District after construction as provided by law, the District will not be required to approve the award of construction contracts or any pay applications or change orders.

(d) The Developer shall make monthly reports to the District on the monies paid to contractors for the District Costs constructed in the name of the Developer and shall maintain accounts in such a manner to separately reflect the payments. The Developer shall provide such accounts to the District on a quarterly basis. The Developer's carrying charges shall be calculated based upon these separate accounts rather than upon a combination of the total construction costs.

(e) The Improvements shall be constructed in a good and workmanlike manner and all material used in such construction shall be fit for their intended purpose.

(f) Upon completion of construction of Improvements constructed in the name of the Developer, the Developer shall provide the District with final "record" drawings of the Improvements approved by the District's engineers.

(g) Upon completion of construction of Improvements constructed in the name of the Developer, the Developer shall provide the District with applicable acceptance letters and a certificate of completion from the District's engineers certifying that the construction of such Improvements has been completed in accordance with the plans and specifications approved by the District.

1.03. Cost of Improvements to be Funded by Developer. The Developer shall promptly pay the costs of the Improvements as the same become due, including, without limitation, all costs of design, engineering, materials, labor, construction, and inspection arising in connection with the Improvements; all payments arising under any contracts entered into for the construction of the Improvements; all costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, rights-of-way, or sites required as a part of the construction of the Improvements, including, without limitation, any on-site or off-site mitigation costs; and all out-of-pocket expenses incurred in connection with the construction of the Improvements. The District shall not be liable to any contractor, engineer, attorney, materialman or other party employed or contracted with in connection with the construction of the Improvements, but shall only be obligated to acquire the Improvements and/or reimburse the Developer in the manner and to the extent provided in Article II of this Agreement.

1.04. Indemnity. The Developer shall indemnify and hold the District harmless from and against all losses, costs, damages, expenses, and liabilities (herein collectively referred to as "Losses") of whatsoever nature, including, but not limited to, attorneys' fees, costs of litigation, court costs, amounts paid in settlement and amounts paid to discharge judgments relating to any claim, lawsuit, cause of action or other legal action or proceeding brought against the District or to which the District may be a party, even if groundless, false or fraudulent, directly or indirectly resulting from, arising out of, or relating to the acquisition, purchase or construction of the Improvements prior to the payment to the Developer for the Improvements pursuant to Section 2.01 hereof. In the event of any action brought against the District in which indemnification by the Developer is applicable, the District shall promptly give written notice to the Developer and the Developer shall assume the investigation and defense of such action, including the

employment of counsel and the payment of all expenses. The District shall have the right, at its expense, to employ separate counsel and to participate in the investigation and defense of any such action. The Developer shall not be liable for the settlement of any such action made by the District without the consent of the Developer; provided, however, that in the event of any settlement entered into with the consent of the Developer or of any final judgment for a plaintiff in any such action, the Developer shall indemnify and hold the District harmless from and against any losses incurred by reason of such settlement or judgment. The expiration of the term of this Agreement shall not relieve the Developer from any liability hereunder arising prior to the expiration of this Agreement.

1.05 Timing of Improvements. Notwithstanding anything herein to the contrary, the Developer may advance funds and/or construct and install Improvements as Developer deems appropriate in its sole and absolute discretion, including the construction and installation of Improvements to serve portions of the Property and in different phases and sections over a period of time. Developer may exercise its sole discretion on all aspects of the phasing and timing of development and shall not be obligated to advance funds and/or construct and install the Improvements for the entire property at one time.

## ARTICLE II

### Reimbursement for Funds Advanced

2.01. Obligation to Reimburse. The District and Developer agree that the District shall be obligated to issue and sell, from time to time, Bonds to reimburse the Developer for all previous and ongoing funds advanced by Developer for District Costs or acquisition of Improvements as provided by law. It is the mutual intent and agreement of the District and Developer to provide for future reimbursement of funds advanced by the Developer or acquisition of Improvements constructed by Developer through issuance of Bonds and use of bond proceeds and other legally available funds of the District. The District's obligation to proceed with the issuance of Bonds for such reimbursement or acquisition by the District shall be absolute and unconditional subject only to: (1) satisfaction of the conditions set forth in Section 2.03 of this Agreement; and (2) the performance by the District of the administrative and ministerial acts set forth in this Agreement. The District is obligated to reimburse the Developer for all funds advanced or expended by the Developer for the acquisition, construction, maintenance, operation and management of any Improvements authorized under, as applicable to the District, Sections 49, and 51, Texas Water Code and any other current or future authorization acquired or granted to the District.

2.02. Time and Amount of Reimbursement. At any time, the District shall, upon Developer's request, reimburse the Developer for operation and administrative expenses related to the operation and maintenance of the District and the Facilities subject to any applicable laws and the availability of surplus District operating funds in District's reasonable discretion.

Within thirty (30) days after the District's receipt of the proceeds of the sale of Bonds to finance the acquisition or construction of the District Costs or a portion of the District Costs, the District shall reimburse the Developer for those District Costs which have been paid or advanced by the Developer pursuant to Section 1.03 hereof, including any amounts paid or advanced by the Developer for the purpose of oversizing any facilities in order to serve areas within or outside the District owned by persons or entities other than the Developer. Interest shall be added to such amount calculated from the respective dates of payment or advancement of such funds to the date of reimbursement at an annual interest rate equal to the net effective interest rate (as defined in Chapter 1204, Texas Government Code, as amended) on the Bonds issued to finance the District Costs or portion of the District Costs or, if the Developer has a borrowing rate on the District Costs which is less, the Developer's borrowing rate. It is specifically



understood and agreed by the parties that the issuance of Bonds to acquire the District Costs and/or reimburse the Developer for funds advanced for the District Costs will most likely be accomplished through a series of bond sales over time. The District's financial advisor shall advise the District as to the amount of Bonds that can be prudently sold from time to time.

2.03. Conditions to Reimbursement. The District's obligation to issue the Bonds and to acquire the Improvements and/or reimburse the Developer for funds advanced for the District Costs shall be subject to the following terms and conditions:

- (a) Recommendation of the District's financial advisor that the sale of the Bonds to finance all or a portion of the District Costs is feasible and prudent;
- (b) Receipt of a bona fide bid for the Bonds through either public or private sale;
- (c) Approval of the Bonds by the Attorney General of the State of Texas, if applicable;
- (d) Registration of the Bonds by the Comptroller of Public Accounts of the State of Texas, if applicable;
- (e) If the bonds are secured by ad valorem taxes, the assessed value of all taxable property within the District, as shown by the latest appraisal roll issued for the District by the Wise County Appraisal District, together with the projected increase in the assessed value as a result of development of the land benefitted by the District Costs, is such that the projected debt service on the District's outstanding bonded indebtedness and the bonds then being issued, can be paid with a tax rate found by the District's financial advisor to be reasonable; and
- (f) The District shall not be obligated to issue bonds in increments of less than \$1,000,000 unless such bond issue is the last bond issue anticipated to be issued by the District.

The Bonds shall be offered on terms and conditions generally accepted in the bond market for similar types of districts with similar revenue pledges at the recommendation of the District's financial advisor. The District shall issue and sell a sufficient amount of the Bonds through a series of bond sales to pay the full purchase price of the Improvements, to reimburse the Developer for District Costs, and to pay the cost for the District's guaranteed reservation of any water or wastewater capacity resulting from construction of the Improvements, whichever is applicable; provided, however, that the District reserves the right to issue and sell less than all of the Bonds authorized on any offering if a portion of the proceeds of the sale would not be immediately necessary for construction, acquisition of, reimbursement for or payment for a part of the District costs not under construction at such time. The District shall not be obligated to sell or issue any amount of the Bonds in excess of the amount then recommended by the District's financial advisor. The District shall not be obligated to offer the Bonds in contravention of any law of the State of Texas. The District shall use its best efforts to sell the Bonds, but shall not be considered to have guaranteed the sale thereof.

2.04. Time of Issuance of Bonds. Subject to the terms and conditions set forth herein, upon presentation by the Developer to the District of evidence supporting the expenditure by the Developer of reimbursable District Costs, the District shall proceed with the issuance and sale of the Bonds as soon as is feasibly practicable to reimburse Developer for such District Costs. It is the intention of the District and the Developer to issue bonds and reimburse the Developer in the most expeditious manner possible. If the Developer is the only party requesting reimbursement of District Costs, the District Costs included in a bond issue shall be designated in writing by the Developer to the District. In the event the District

has multiple developers, the District will employ a policy of reimbursing District Costs in the order the District Costs have been expended and to the extent that such District Costs may be reimbursed under the constitutional authority of a certain bond issuance.

2.05. Continuing Securities Disclosure. The Developer agrees to provide periodic financial and operating information and notices of material events regarding the Developer and the Developer's development within the District as may be required by the United States Securities and Exchange Commission Rule 15c2-12.

### ARTICLE III

#### Acquisition of Improvements

3.01. Acquisition of Improvements. At the time of reimbursement of the Developer for the Improvement Costs or a portion of the Improvement Costs, the District will acquire such Improvements from the Developer as have been constructed in the name of the Developer or assume the Developer's interest in any Improvements paid for by the Developer but owned by entities other than the Developer, as applicable, including off-site Improvements, and shall assume the contracts for any portion of the Improvements which remains incomplete at the time of reimbursement and directly make and administer all payments (and the Developer shall have no further responsibility to make or administer such payments) coming due under all such Contracts assumed by the District. In the event that some or all of the Improvements are dedicated to a regional service provider, the District will have an interest in the capacity of the regional system to the extent that the District has reimbursed such system for its pro rata share of the Improvements or reimbursed the Developer for any such Improvements paid on behalf of the District.

3.02. Conveyance Requirements. If the Developer is to convey the Improvements to the District, rather than to a regional service provider, the Developer shall convey the Improvements to the District by general warranty deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrance, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen. The Developer shall provide reasonable proof of title and proof of no liens, claims, or encumbrances. Each conveyance shall include all easements within which the Improvements of the District are located, unless such easements have been dedicated to the public, and all easements necessary to own, operate and maintain the Improvements. Each conveyance shall additionally include fee simple title to any and all plant sites, together with necessary rights of way where such site or sites are not directly accessible by a dedicated public street, and all licenses, franchises and permits for the Improvements. The Developer shall also assign, in writing, all of its contractors' and materialmen's warranties relating to the Improvements. All documents or instruments of conveyance, transfer, or assignment hereunder shall be in a form and content acceptable to the District's attorneys. In the event the Improvements so bonded have been constructed in the name of the District, the Developer, at the time of reimbursement by the District, shall deliver to the District a release of all liens upon the bonded Improvements securing the costs of construction of the bonded Improvements advanced by a third party lender.

3.03. Correction of Defects. Conveyance of the Improvements to the District shall not relieve the Developer of liability for the correction of any existing engineering or construction defects then existing in the Improvements at the time of conveyance or for satisfaction of any unpaid claim for materials or labor. The District shall be under no obligation to contest or challenge any claim for labor or materials; provided, however, that in the event the Developer fails to promptly correct any such defect or satisfy any such claim, the District may elect to do so and, in such event, shall have full rights of

subrogation. Subject to any applicable statutes of limitation, the Developer shall pay the District for the District's costs in correcting any defect or satisfying any claim including, but not limited to, construction costs, engineering fees, attorneys' fees, building or construction permits, filing fees or court costs.

3.04. Survival or Representations. All representations, warranties and agreements of the District and the Developer hereunder shall survive the conveyance of the Improvements to the District.

3.05. Use of Improvements. The Developer and the District agree that if the District is unable to purchase the Improvements or any capacity resulting from the construction of the Improvements at such time as the construction of the Improvements is certified to be complete by the District's Engineers, the District shall be entitled to utilize the Improvements from year to year from the date of completion of construction without charge to provide service to users within the District on the same terms and conditions as service is provided to other similar users within the District until the District can meet the conditions set forth in Article II, Section 2.03 above. In consideration for such use and the right to retain all fees and charges accruing therefrom the District agrees to perform all routine maintenance on the Improvements at their sole expense. The Developer shall, however, be responsible for the cost of correcting any construction or engineering defects during such period.

#### ARTICLE IV

##### Representations

4.01. Representations by the Developer. The Developer hereby represents to the District that:

- (a) The execution and delivery of this Agreement and the transactions contemplated hereby have been duly authorized by the Developer;
- (b) This Agreement, the representations and covenants contained herein, and the consummation of the transactions contemplated hereby shall not violate or constitute a breach of any contract or other agreement to which the Developer is a party;
- (c) The Developer has made financial arrangements sufficient to assure its ability to perform its obligations hereunder; and
- (d) The Developer will send a representative to all meetings of the Board of Directors of the District at which such presence may be required hereunder or otherwise requested.

4.02. Representations by the District. The District hereby represents and covenants to the Developer that it shall use its good faith efforts:

- (a) To obtain the Attorney General's approval of the Bonds;
- (b) To obtain registration of the Bonds by the Comptroller of Public Accounts of the State of Texas;
- (c) To market the Bonds in the manner set forth herein; and
- (d) To levy and collect the taxes, facility charges and other revenues due the District and necessary for operation and maintenance of the District and the repayment of debt service on the Bonds.

## ARTICLE V

### Remedies

5.01. Default by the Developer. In the event of default by the Developer hereunder, the District shall have the right:

- (a) To terminate this Agreement without thereby incurring any liability to the Developer whatsoever;
- (b) To pursue all other legal or equitable remedies; and
- (c) To recover from the Developer all expenses incurred in pursuing its legal rights hereunder, including reasonable attorneys' fees.

An event of default by the Developer does not release the District from the obligation to reimburse the Developer for District Costs advanced by the Developer on behalf of the District prior to the date of default by the Developer.

5.02. Default by District. In the event of default by the District hereunder, the Developer shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the District and its officers to observe and perform the covenants, obligations and conditions hereof.

5.03. Future Performance. The failure of either party hereto to insist, in any one or more instances, upon performance of any of the terms, covenants, and conditions of this Agreement, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition by the other party hereto, but the obligation of such other party with respect to such future performance shall continue in full force and effect.

## ARTICLE VI

### Miscellaneous

6.01. Severability. In case any one or more provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.02. Modification. This Agreement may be modified or varied only by a written instrument subscribed by both of the parties hereto.

6.03. Applicability of Agreement to Annexed Property. This Agreement shall, without the necessity of any amendment or supplement hereto or any additional action by the parties hereto, upon annexation by the District, subsequent to the date hereof, of any additional property owned or controlled by the Developer become applicable to such annexed property with the same effect as applicable to the Property. This Agreement shall explicitly not become applicable to any annexed property not owned or controlled by the Developer at the time of annexation.

6.04. Assignability. (a) This Agreement may be assigned in whole or in part by the Developer upon the delivery to the District of a written instrument evidencing such assignment and consent or acknowledgment of the District to such written instrument. Notwithstanding the foregoing, the District hereby authorizes the Developer to grant a security interest in the Developers' rights hereunder and to all

sums to be paid to the Developer by the District pursuant to this Agreement to any bank or lending institution making a construction or development loan to the Developer for payment of District Costs without District consent and to the extent permitted by State law. The Developer shall provide for acknowledgement by the District of any assignment instrument or shall provide a copy of such assignment instrument to the District within thirty (30) days of execution. If any city shall annex and dissolve the District in its entirety and assume the obligations of the District, this Agreement shall remain in full force and effect and such city shall be entitled to the benefits and be required to assume the obligations hereof, including, without limitation, the obligation to reimburse the Developer as provided in Article II hereof and to issue any necessary authorized but unissued Bonds prior to abolition of the District or, if the annexation precludes or impairs the ability of the District or the city to issue any such Bonds, to reimburse the Developer in cash for all District Costs as provided in Section 43.0715, Texas Local Government Code (except that references therein to the Commission shall be inapplicable).

(b) This Agreement may be assigned in whole or in part by the District to any other district resulting from the division of the District (or the division of any such district created by the division of the District) or from the disannexation of land from the District and the obligations of the District hereunder may be assumed by such district in an instrument in writing delivered to the Developer.

6.05. Captions. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement, or used as interpreting the meanings and provisions hereof.

6.06. Applicable Law. This Agreement shall be construed and interpreted under the laws of the State of Texas and all obligations of the parties created hereunder are performable in Wise County, Texas.

6.07. Parties at Interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall never be construed to confer any benefit on any third party. This Agreement shall be binding upon each party, its successors and assigns.

6.08. Term. Except as otherwise provided herein, this Agreement shall be in force and effect from the date of execution hereof for a term of thirty (30) years or until the transactions contemplated hereby are consummated, whichever first occurs.

6.09. Force Majeure. If the District or the Developer is rendered unable, in whole or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to remedy such inability and to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. The term "force majeure", as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the Government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery; pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other inability of the party, whether similar to those enumerated or otherwise, which are not within the control of the party, which the party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding

to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of such party.

6.10. Effective Date. This Agreement shall take effect on January 21, 2021, (the “Effective Date”).

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DEVELOPER:

**PMB ROLLING V LAND LP,**  
a Texas limited partnership

By: PMB Rolling V Land GP LLC,  
a Texas limited liability company

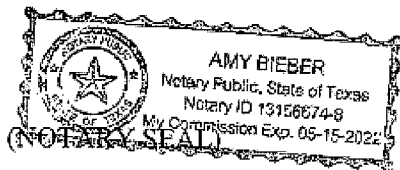
By: E. Peter Pincoffs III  
Name: E. Peter Pincoffs III  
Title: Manager

ACKNOWLEDGMENT

THE STATE OF TEXAS           §

COUNTY OF DALLAS           §

This instrument was acknowledged before me on January 21, 2021, by E. Peter Pincoffs III, Manager of PMB Rolling V Land GP LLC, a Texas limited liability company, as the general partner of PMB Rolling V Land LP, a Texas limited partnership, on behalf of said limited liability company and limited partnership.



[Signature]  
Notary Public in and for the State of Texas



November 4, 2022

Public Utility Commission of Texas  
P.O. Box 13326  
Austin, Texas 78711-3326

RE: Rolling V Ranch Water Control & Improvement District No. 3  
Financial Feasibility

Ladies and Gentlemen:

In accordance with 16 Texas Admin. Code § 24.11(e)(4)(c), we have been asked to provide an opinion on the financial feasibility of Rolling V Ranch Water Control & Improvement District No. 3 (the "District"). Robert W. Baird & Co. Incorporated acts as financial advisor to over 350 special districts in Texas and are considered an expert in our field.

Currently, the District is funding its operating costs through a combination of developer advances and maintenance tax revenues from the districts within the District's service area (the District and Rolling V Ranch Water Control and Improvement District Nos. 1, 2 and 4). The District's service area's current taxable assessed valuation is de minimis and therefore the maintenance tax revenues generated thus far has been minimal and operations have been funded thus far primarily through developer advances. Operations funded with developer advances in the early stages of a special district, such as the District, is typical for most districts at this stage in their development cycle. As land within the District's service area is developed (currently anticipated to have 5,000 single-family connections per the District's engineer) and the District's service area's taxable assessed value grows, the District (and the districts in the District's service area) anticipate levying ad valorem property tax rates totaling \$1.00 per \$100 of assessed valuation composed of tax rates for maintenance and operations purposes and tax rates for debt service purposes as authorized by the District's voters. Proceeds from the District's maintenance and operations tax rate will supplement and/or replace developer advances for operating purposes over time.

The District's and the service area's voters have authorized the issuance of unlimited tax bonds to finance utility and road projects, and such bonds are expected to be issued in the future as the District's taxable assessed valuation grows as a result of land development and home construction within the District. Upon issuance of such bonds, future tax rates will be a combination of debt service tax rates and maintenance and operations tax rate totaling \$1.00 per \$100 of assessed valuation.

Based on current market conditions, projected development within the District, ad valorem tax revenues and the issuance of unlimited tax bonds to finance construction costs associated with the facilities necessary to service the District, it is our opinion that the project is financially feasible and will be able to provide continuous and adequate service to the requested area in docket 54147.

This letter is provided to satisfy the requirements of 16 TAC 24.11(e)(4)(C) and is to be used for no other purpose.

Please do not hesitate to contact us should you need additional information.

Sincerely,  
ROBERT W. BAIRD & CO. INCORPORATED

A handwritten signature in black ink, appearing to read "Ryan Nesmith". The signature is fluid and cursive, with the first name "Ryan" and last name "Nesmith" clearly distinguishable.

Ryan Nesmith  
Managing Director

# MEMORANDUM

**Date:** January 9, 2023  
**To:** Brian Motsenbocker – PMB Capital Investments  
**From:** Ryan Nesmith & Samantha Jones  
**Re:** Rolling V Ranch WCID 3 (Master District) – 2023 Contract Tax Bond Capacity

As financial advisor to Rolling V Ranch Water Control & Improvement District Nos. 1, 2 and 3 (the respectively, “WCID 1,” “WCID 2,” and “WCID 3” or collectively, the “Districts” ), we have prepared an analysis to determine the 2023 bonding capacity of WCID 3, in its capacity as the “Master District”, to issue unlimited tax contract revenue bonds.

Our analysis is based on the following assumptions:

- Value projections through September 1, 2023 for the Districts as follows:

	<b>2022 Certified Taxable AV</b>	<b>Est. Value as of 1/1/2023</b>	<b>Proj. Value as of 9/1/2023</b>
WCID 1	\$ 1,721,488	\$ 27,135,000	\$ 72,810,000
WCID 2	2,487,217	20,445,000	47,715,000
WCID 3	-	-	-
Service Area	\$ 4,208,705	\$ 47,580,000	\$ 120,525,000

- For purposes of feasibility, this analysis ignores the 2022 certified taxable value within WCID 3
- 90% tax collection rate:
  - Financial feasibility rules set by the Texas Commission on Environmental Quality (the “TCEQ”) state that a district may only show a maximum of 90% tax collections on its first bond application
- 1.00% interest earnings on surplus funds
- The bonds would be sold with:
  - 25-year level debt structures
  - An estimated interest rate of 5.75%
  - 18 months of capitalized interest will be set aside from the bond proceeds
- The bonds were sized by the following constraints:
  - A contract tax rate of \$0.85 per \$100 of assessed valuation
  - Adequate debt service coverage (ending debt service fund balance of no less than 25% of the following year’s debt service requirements
  - TCEQ financial feasibility rules for no-growth scenarios

## RESULTS

Assuming growth through a September 1, 2023 projected value of ~\$120,525,000, we determined that the Master District can submit a bond application in the principal amount of ~\$11,120,000 with a targeted submission date of **April/May 2023**. Such value will need to be supported by a certified estimate of value from the Wise County Appraisal District in order to comply with TCEQ requirements to ensure 100% reimbursement. The bonds are assumed to be sold in **November 2023** with funding in **December 2023**.

Based upon the assumptions above, the developer would receive ~\$9,225,000 in reimbursement from the proposed bonds (including an estimated 3 years of developer interest).

Please let us know if you would like to see any changes to the assumptions above and we will be happy to prepare additional scenarios for you. Additionally, please do not hesitate to contact us with any questions at 713-230-6141 (Ryan) or 713-230-6123 (Samantha).

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RVR3\_DUAL\_CCN\_REQUESTED\_AREA\_20230227\_TSMS.shp

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