

**PUBLIC FINANCE AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2017
(MERCER CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT)**

AMENDED AND RESTATED CONTINUING DISCLOSURE AGREEMENT

This Amended and Restated Continuing Disclosure Agreement dated as of _____, 2017 (this “Disclosure Agreement”) is executed and delivered by and between the City of Farmers Branch, Texas (the “City”), FMSbonds, Inc. (the “Placement Agent”), Public Finance Authority (the “Issuer”), and Municap, Inc. (the “Dissemination Agent”) with respect to the Public Finance Authority “Contract Revenue Bonds, Series 2017 (Mercer Crossing Public Improvement District Project)” (the “Bonds”). The Parties agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Trust Agreement dated as of [DOCUMENT DATE], 2017, relating to the Bonds (the “Trust Agreement”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the employee or designee of the City, identified in the District’s Service and Assessment Plan, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

“Annual Collection Costs” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Annual Installment” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Annual City Report” shall mean any Annual City Report provided by the City pursuant to, and as described in, Section 4 of this Disclosure Agreement.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the City or the Trustee.

“Developer” shall mean CADG Mercer Crossing Holdings, LLC, a Texas limited liability company, and its successors and assigns.

“Disclosure Agreement of the Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of _____, 2017 executed and delivered by the Developer, the Placement Agent, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the City Manager of the City or his or her designee, or such other officer or employee as the City, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Municap, Inc., or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Mercer Crossing Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Fiscal Year” shall mean the calendar year from October 1 through September 30.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Owner” shall mean the registered owner of any Bonds.

“Reimbursement Agreement” shall mean the Mercer Crossing Public Improvement District Reimbursement Agreement dated _____, 2017 between the Developer and the City.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall mean the Mercer Crossing Service and Assessment Plan and any amendments, supplements and annual updates adopted thereto.

“Trustee” shall mean Wilmington Trust, National Association or any successor trustee pursuant to the Trust Agreement.

SECTION 3. Provision of Annual City Reports.

(a) The City shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, not later than six months after the end of the City’s Fiscal Year, commencing with the Fiscal Year ended September 30, 2017, an Annual City Report provided to the Dissemination Agent not later than six months after the end of the City’s Fiscal Year, commencing with the Fiscal Year ended September 30, 2017. Information in the Annual City Report may be unaudited. In each case, the Annual City Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the City’s Fiscal Year changes, it shall give notice of such change to the MSRB not less than ten (10) business days after the occurrence of such change. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) The City shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual City Report on the date required in subsection (a);

(ii) file the Annual City Report containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the City has provided the Dissemination Agent with the completed Annual City Report and the Dissemination Agent has filed such Annual City Report with the MSRB, then the Dissemination Agent shall file a report with the City certifying that the Annual City Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Provision of Annual City Reports.

(a) The Annual City Report for the Bonds shall contain or incorporate by reference, and the City agrees to provide or cause to be provided to the Dissemination Agent within six months after the end of each Fiscal Year, the following:

(i) A summary of the number and type of building permits issued within the District.

(ii) Listing of any property or property owner representing more than twenty percent (20%) of the Assessments, the amount of the levy of Assessments against such property owners, and the percentage of such Assessments relative to the entire levy of Assessments, all as of the previous October 1.

(iii) The individual and aggregate taxable assessed valuation for parcels or lots within the District based on the most recent certified tax roll available to the City.

(iv) The current or delinquent status of the payment of the Assessment for each parcel or lot in the District as of February 15 of the calendar year immediately succeeding such Fiscal Year.

(v) The total amount of Annual Installments, delinquent Annual Installments, Foreclosure Proceeds and prepaid Assessments collected during the immediate preceding billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).

(vi) The total amount of Annual Installments assessed and collected during such Fiscal Year, together with the amount of Assessments prepaid during such Fiscal Year.

(vii) The amount of Assessments collected from property owners in the District during such Fiscal Year.

(viii) The amount of Assessments delinquent greater than six months, one year and two years, and, if delinquencies amount to more than five percent (5%) of

aggregate amount of Assessments due in any year, a list of property owners whose Assessments are delinquent.

(ix) The amount of delinquent Assessments by Fiscal Year: (1) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted); (2) which are currently subject to foreclosure proceeding which have not been concluded; (3) which have been reduced to judgment but not collected; (4) which have been reduced to judgment and collected; and (5) the result of any foreclosure sales of assessed property if the assessed property represents more than three percent (3%) of the total amount of Assessments.

(x) Any changes to the methodology for levying the Assessments since the report of the most recent Fiscal Year.

(xi) For the Reimbursement Agreement, the Unpaid Balance of the Reimbursement Amount (as defined in the Reimbursement Agreement).

(xii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Assessments in the District.

(xiii) Until certificates of occupancy have been issued for parcels or lots representing, in the aggregate, 95% of the total residential lots within the District, the number of certificates of occupancy issued for homes in the District during such Fiscal Year and the aggregate number of certificates of occupancy issued for homes within the District since Fiscal Year ended September 30, 2017.

(xiv) Until certificates of occupancy have been issued for, in the aggregate, 95% of the total square footage of commercial, retail, and office development ("Commercial Development") within the District, (i) the number of certificates of occupancy issued for Commercial Development in the District during such Fiscal Year and the total square footage represented by such certificates of occupancy; and (ii) the aggregate number of certificates of occupancy issued for Commercial Development within the District and the total square footage represented by such certificates of occupancy since Fiscal Year ended September 30, 2017.

(xv) A description of any amendment to this Disclosure Agreement.

(b) Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the City, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Failure to File.

(a) The City shall notify the MSRB, in a timely manner, of any failure by the City to provide the Annual City Report as required under this Disclosure Agreement. See Exhibit A hereto for a form

for submitting “Notice To MSRB of Failure To File.” Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the City desires to make, the written authorization of the City for the Dissemination Agent to disseminate such information as provided herein, and the date the City desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence the failure to file).

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of a failure to file, notify the Disclosure Representative of such failure. The Dissemination Agent shall not be required to file a notice of the occurrence of such failure to file with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the City and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the City as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the City or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

SECTION 6. Termination of Reporting Obligations. The obligations of the City and the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the Maturity Date of the Reimbursement Agreement (as such term is defined therein), (ii) the final payment of all Assessments securing the Reimbursement Agreement or (iii) the delivery by the Disclosure Representative to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the Maturity Date of the Reimbursement Agreement, the City shall give notice of such termination in the same manner as for a notice of failure to file under Section 5.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the City shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Municap, Inc.

SECTION 8. Amendment; Waiver; Applicability of the Rule. Notwithstanding any other provisions of this Disclosure Agreement, this Disclosure Agreement may be amended at the request of the City and upon consent of the City and the Dissemination Agent (and such parties shall not unreasonably withhold consent to any amendment so requested by the City), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next related Annual City Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the City. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

(b) The Parties hereto acknowledge that the City is entering into this Disclosure Agreement for the benefit of the Placement Agent, the Issuer, and the owners of the Bonds and in connection with the requirements of the Placement Agent pursuant to Section (b)(5)(i) of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual City Report, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual City Report in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual City Report.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Trust Agreement), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the City, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the City shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of the Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the City.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the City agrees to hold harmless

the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from the Assessments collected from the property owners in the District of the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the City to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a business relationship with the City or any person with whom the City contracts apart from the relationship created by this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT OR THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. No Personal Liability. No covenant, stipulation, obligation or agreement of the City or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the City or Dissemination Agent in other than that person's official capacity.

SECTION 13. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any

application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 14. Sovereign Immunity. The Dissemination Agent agrees that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the City's sovereign or governmental immunities regarding liability or suit.

SECTION 15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the City under federal and state securities laws.

SECTION 16. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The City shall pay or reimburse the Dissemination Agent, but only with funds to be provided from Assessments collected from the property owners in the District of the District, for its fees and expenses for the Dissemination Agent's services rendered in accordance with this Disclosure Agreement.

SECTION 17. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 18. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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CITY OF FARMERS BRANCH, TEXAS

By: _____
Mayor

MUNICAP, INC.,
as Dissemination Agent

By: _____
Authorized Officer

FMSBONDS, INC.,
as Placement Agent

By: _____
Authorized Officer

PUBLIC FINANCE AUTHORITY,
as Issuer

By: _____
Authorized Signatory

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
ANNUAL CITY REPORT**

Name of Issuer: Public Finance Authority
Name of Bond Issue: Contract Revenue Bonds, Series 2017
(Mercer Crossing Public Improvement District Project)
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Farmers Branch, Texas, has not provided an Annual City Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated _____, 2017, by the City in connection with the above-captioned Bonds issued by the Public Finance Authority. The City anticipates that the Annual City Report will be filed by _____.

Dated: _____

Municap, Inc.,
on behalf of the City of Farmers Branch, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Farmers Branch, Texas