

SUPPLEMENT DATED APRIL 16, 2014

SUPPLEMENTING PRELIMINARY OFFICIAL STATEMENT

DATED APRIL 2, 2014

CITY OF FATE, TEXAS,

(a municipal corporation of the State of Texas located in Rockwall County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014

(WILLIAMSBURG PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 1C)

*Offered in the aggregate principal amount of \$1,200,000**

This Supplement dated April 16, 2014, supplements the Preliminary Official Statement dated April 2, 2014, and is being disseminated by the City of Fate, Texas (the “Town”), with respect to its Special Assessment Revenue Bonds, Series 2014 (Williamsburg Public Improvement District No. 2 Phase 1C) (the “Bonds”) for the purpose of notifying prospective purchasers of the Bonds of the following revisions.

APPENDIX A -- Form of Indenture

Section 9.2 of the form of the Indenture of Trust dated as of April 1, 2014 to be entered into by and between the City of Fate, Texas (the “City”) and Union Bank, N.A., as trustee, in “APPENDIX A -- Form of Indenture” in the Preliminary Official Statement (the “Indenture”) is replaced with the following:

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to deliver any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund and Administrative Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 10.1(a) of the form of the Indenture is replaced with the following:

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of the Bonds of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond or

* Preliminary; subject to change.

reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

Section 11.1(iii) of the form of the Indenture is replaced with the following:

Section 11.1. Events of Default.

...

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice.

Section 11.2(a) of the form of the Indenture is replaced with the following:

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

Section 11.3(a) of the form of the Indenture is replaced with the following:

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such

written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

APPENDIX D -- Form of Disclosure Agreement

Section 3(a) of the form of the Continuing Disclosure Agreement of Issuer executed and delivered by the City and Union Bank, N.A., as dissemination agent, in “APPENDIX D -- Form of Disclosure Agreement” in the Preliminary Official Statement (the “Continuing Disclosure Agreement”) is replaced with the following:

SECTION 3. Provision of Annual Bond Disclosure Reports.

(a) The Issuer shall cause and hereby directs the Dissemination Agent to, not later than six months after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending September 30, 2014, provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, an Annual Bond Disclosure Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Bond Disclosure 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; *provided* that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the balance of the Annual Bond Disclosure Report, and later than the date required in this paragraph for the filing of the Annual Bond Disclosure Report if audited financial statements are not available by that date; provided further, however, that the annual financial information described in Sections 4 (b) through (j) must be submitted not later than six months after the end of the Issuer’s Fiscal Year. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d). All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 4 of the form of the Continuing Disclosure Agreement is replaced with the following:

SECTION 4. Content of Annual Bond Disclosure Reports. The Annual Bond Disclosure Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:

a. If prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If audited financial statements of the Issuer are not available by the date required by Section 3(a), the Issuer shall provide annual financial information described in Sections 4(b) through (j) not later than such date.

b. Tables setting forth the following information, as of the end of such Fiscal Year:

i. For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding.

ii. The amounts in the funds and accounts securing the Bonds and a description of the related investments.

c. Updates to the information in the Service and Assessment Plan (“SAP”) as most recently amended or supplemented, including any changes to the methodology for levying the Assessments in Phase 1A since the report of the most recent Fiscal Year.

d. If prepared and available and until such time as no property owner represents more than 20% of the Assessments, at which time this requirement will permanently terminate, listing of any Phase 1A property or property owner representing more than twenty percent (20%) of the Assessments, the amount of the levy of Assessments against such landowners, and the percentage of such Assessments relative to the entire levy of Assessments, all as of the previous October 1.

e. 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).

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

g. The amount of Assessments collected from the property owners during such Fiscal Year.

h. If prepared and available and delinquencies amount to more than 5% of aggregate amount of Assessments due in any year, a delinquency Assessment and Annual Installment aging report and a collection and foreclosure status report relating to such delinquencies.

i. The principal and interest paid on the Bonds during the most recent Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

j. A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer’s audited financial statements.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraph. The City has designated MuniCap, Inc. as the initial District Administrator. The District Administrator, and if no District Administrator is designated, City staff, shall prepare the reports described in Sections 4(d), (e), and (h).

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 Issuer, 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 Issuer shall clearly identify each such other document so included by reference.

Except as described above, the Preliminary Official Statement, dated April 2, 2014, remains unchanged.