



**NOTICE OF
CITY COUNCIL REGULAR MEETING
CELINA COUNCIL CHAMBERS 112 N. COLORADO ST., CELINA, TX 75009
Tuesday, October 9, 2018 AT 5:00 PM**

AGENDA

I. CALL TO ORDER AND ANNOUNCE A QUORUM PRESENT:

II. WORKSESSION/COMMITTEE REPORTS/STAFF REPORTS:

- A. New employee introductions. (Laumer, Griggs, Metdker)
- B. Discussion regarding temporary City Hall facilities (modular building). (Brawner)
- C. Discussion regarding Utility Rate Study results. (DeBuff)
- D. Discussion regarding any and/or all agenda items.

III. EXECUTIVE SESSION:

The Celina City Council will convene into Executive Session pursuant to Texas Government Code Section 551.072, to deliberate the purchase, exchange, sale, lease, or value of real property; acquisition of right-of-way, easements, or land; 551.071, Consultation with Attorney to seek or receive legal advice regarding pending or contemplated litigation, a settlement offer, or Consultation with Attorney, on a matter in which the duty of the attorney to the governmental body under the Texas

Disciplinary Rules of Professional conduct of the State Bar of Texas clearly conflicts with this chapter.

- A. Discussion regarding agreements with multiple property owners for easement and costs of upsized sewer line for Cambridge Crossing Public Improvement District project.
- B. Discussion regarding Development Agreement for Sanitary Sewer Easement with All Storage Celina, LLC.
- C. Discussion regarding sewer service or septic system at CAD Property ID # 2501445 and any related agreements regarding corporate limit status of property.
- D. Discussion regarding City of Celina v. Stephen Wayne Harris, et al.; Cause No. 006-01573-2018 pending in County Court at Law No. 6th of Collin County, Texas.
- E. Discussion regarding acquisition of private property for the construction of water transmission Line on Ash Street.

Reconvene Into Open Session

- F. (A) Consider and act to authorize the City Manager to execute a Reimbursement Agreement by and between the City of Celina and Tollway/Outer Loop, L.P. for a Public Sewer and Water Line Easement for Cambridge Crossing Public Improvement District.
- G. (A) Consider and act to authorize the City Manager to execute an Easement Agreement by and between the City of Celina and G Bar 7, LTD. for a Water Transmission Pipeline Easement for Cambridge Crossing Public Improvement District.
- H. (B) Consider and act to authorize the City Manager to execute a Development Agreement for Sanitary Sewer Easement by and between the City of Celina and All Storage Celina, LLC.
- I. Consider and act upon any other items discussed in executive session.

IV. PLEDGE OF ALLEGIANCE/INVOCATION:**V. PROCLAMATIONS/PRESENTATIONS/OATHS OF OFFICE:**

- A. American Planning Association Award of Excellence, National Planning Month. (Jackson)

VI. OPEN FORUM:

Open Forum is for information only. If you wish to speak, please sign the "Speaker List" with the City Secretary. Speakers are limited to three (3) minutes. The Council can take no action. No charges and/or complaints will be heard against any elected official or employee of the city.

Please note Anyone wishing to furnish the City Council with copies/handouts regarding their item of interest must provide 9 copies and present them to the City Secretary for distribution to the City Council.

VII. CONSENT AGENDA: Items are considered self-explanatory and will be enacted with one motion. No separate discussion of these items will occur unless so requested by at least one member of the City Council.**A. Minutes Approval:**

- 1. City Council - Regular Meeting - Sep 11, 2018 5:00 PM

- B. Consider and act to authorize the City Manager to execute a development agreement by and between the City of Celina and Celina 52 East, L.P. (Glen Crossing West) (Laumer)
- C. Consider and act upon a resolution of the City Council of the City of Celina, Texas, setting forth its support to the approval of the 2018 Bond Program proposed by Collin County. (DeBuff)
- D. Consider and act to authorize the City Manager to execute a contract Change Order with Felix Construction Company in the amount of \$99,731.28 for the construction of a Pressure Reducing Valve (PRV) and vault at the Downtown Pump station. (Brawner)
- E. Consider and act upon an ordinance of the City Council of the City of Celina amending Ordinance 2014-21 of the City of Celina to correct the legal description of "Pod A" as provided herein and providing an effective date. (TIRZ #2, Creeks of Legacy) (DeBuff)

- F. Consider and act upon an offer to purchase Lot 6b of Block 71 and Lot 3 of Block 59 (delinquent tax properties) from Laurann Sutton Pratt. (Toutounchian)
- G. Consider and act upon a resolution accepting a Preliminary Amended and Restated Project and Financing Plan for Tax Reinvestment Zone Number Six, City of Celina to change the boundaries of the Zone and update the projects to be undertaken within the Zone; setting a public hearing under section 311.011 of the Texas Tax Code on the amendment of the Final Project and Financing Plan for the Zone; authorizing and directing notice by the City Secretary of Celina, Texas regarding the public hearing; and resolving other matters incident and related thereto. (Glen Crossing PFP approval) (DeBuff)
- H. Consider and act upon a resolution of the City of Celina, Texas determining the costs of certain public improvements to be financed by the Glen Crossing Public Improvement District; approving a preliminary service plan and assessment plan, including proposed assessment rolls; directing the filing of the proposed assessment rolls with the City Secretary to make available for public inspection; noticing a public hearing for November 13, 2018 to consider an ordinance levying assessments on property located within the Glen Crossing Public Improvement District; directing city staff to publish and mail notice of said public hearing. (Glen Crossing PID CDR & SAP approval) (DeBuff)
- I. Consider and act upon a resolution of the City of Celina, Texas approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #1b Project) and approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #2 Project); and resolving other matters incident and related thereto. (Glen Crossing PID PLOM Approval) (DeBuff)
- J. Reject the bid received for the Decommission of the Lucy's Lift Station and approving the re-advertising of the request for bids for the project. (Brawner)
- K. Consider and act upon appointing Kelly Butler to the Celina Library Board. (Faulkner)
- L. Consider and act upon interlocal agreements by and between the City of Celina and Collin County for Animal Control Services and Animal Shelter Use. (Toutounchian)
- M. Consider and act upon a Master Services Agreement (MSA) contract by and between the City of Celina and Dunham Engineering for Engineering Services. (Brawner)
- N. Consider and act upon a Master Services Agreement (MSA) contract by and between the City of Celina and Halff and Associates for Engineering and Surveying Services. (Brawner)
- O. Consider and act upon a contract by and between the City of Celina and TRC Engineering for the reconstruction of S Kentucky Drive from W Walnut Street to W Elm Street and the reconstruction of W Elm Street from S Kentucky Drive to S Arizona Drive in the amount of \$66,750. (Brawner).

VIII. PUBLIC HEARING/ACTION:

- A. The Celina City Council will conduct a public hearing and consider testimony regarding the Comprehensive Zoning Ordinance, Chapter 14: Zoning, by adopting a new Article 14.03.032 DNTD, Dallas North Tollway Overlay District. (Dallas North Tollway Overlay District) (McAfee)
- B. The Celina City Council will conduct a public hearing and consider testimony to amend existing Article 14.04.002, Accessory Structures and Use Regulations. (Accessory Structures and Use Regulations) (McAfee)
- C. The City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning of an approximately 5.00 acre tract of land situated in the Freeman Wilkerson Survey, Abstract No. 1411, Denton County, Texas, from AG, Agricultural zoning district to PD, Planned Development Zoning District No. 94 (PD-94) with an underlying zoning designation of L1, Light Industrial zoning district. The tract is located on the north side of Parvin Road approximately 2,500 feet east of FM 1385. (Hawthorn Creek Planned Development) (McAfee)
- D. The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning of an approximately 0.965 acre tract of land situated in the C. Watson Survey, Abstract No. 945, Collin County, Texas, from AG, Agricultural zoning district to R-O, Retail Office zoning district. The tract is located on the west side of Custer Road approximately 2,500 feet north of Frontier Parkway. (Custer Road Medical Office Zoning) (McAfee)
- E. The City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning of an approximately 30.16 acre tract of land situated in the Collin County School Land Survey #14, Abstract No. 167, Collin County, Texas, amending Planned Development Zoning District No. 48 (PD-48) with an underlying zoning designation of MU-2, Mixed Use Regional zoning district. The property is generally located on the west side of Preston Road (SH 289) and south of Choate Parkway (CR 88). (Celina 79 Partners/Outer Loop PD Amendment) (McAfee)
- F. The City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning of an approximately 24.587 acre tract of land situated in the William Davenport Survey, Abstract No. 262, Collin County, Texas, amending Planned Development Zoning District No. 46 (PD-46) with an underlying zoning designation of MU-2, Mixed Use Regional zoning district. The tract is generally located on the east side of N. Legacy Drive (CR 6) approximately 750 feet north of Frontier Parkway (CR 5). (Creeks of Legacy PD Amendment) (McAfee)

IX. ACTION ITEM:

- A. The City Council will consider and act upon a request from Texas Star Bank to grant a meritorious exception from the Code of Ordinances, Section 3.07.018, Permitted Signs, for the construction of a new monument sign proposed to replace the current monument sign located at Texas Star Bank, 302 S. Preston Road, Celina, Texas. (Texas Star Bank Meritorious Exception) (McAfee)
- B. Consider and act to authorize and execute a contract amendment between the City of Celina and Lamar National Bank for installation and operation of an automated teller machine (ATM) at Celina Square Pavilion. (Jackson)
- C. Consider and act to authorize the City Manager to execute an Interlocal Agreement between City of Celina and Collin County for the expansion of the Frontier Bridge over the BNSF Railroad from four lanes to six lanes. (Brawner)

X. ADJOURNMENT:

City Council Chambers is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf, or hearing impaired, or readers of large print, are requested to contact the City Secretary's Office at 972-382-2682, or fax 972-382-3736 at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Chapter 551. "I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board at City Hall of the City of Celina, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time: _____ at ____ p.m. and remained so posted continuously for at least 72 hours prior to the scheduled time of said meeting."



Vicki Faulkner, TRMC

City Secretary, City of Celina, TX

Date Notice Removed



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: October 9, 2018
Re: Planning Excellence Award

Action Requested:

American Planning Association Award of Excellence, National Planning Month. (Jackson)

Background Information:

N/A

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

N/A

Staff Recommendation:

N/A



**NOTICE OF
CITY COUNCIL REGULAR MEETING
CELINA COUNCIL CHAMBERS 112 N. COLORADO ST., CELINA, TX 75009
Tuesday, September 11, 2018 AT 5:00 PM**

MINUTES

I. CALL TO ORDER AND ANNOUNCE A QUORUM PRESENT:

Attendee Name	Organization	Title	Status	Arrived
Bill Webber	City of Celina	Place 1	Present	
Wayne Nabors	City of Celina	Place 2	Present	
Andy Hopkins	City of Celina	Place 3	Present	
Carmen Roberts	City of Celina	Place 4	Present	
Mindy Koehne	City of Celina	Place 5	Present	
Chad Anderson	City of Celina	Place 6	Present	
Sean Terry	City of Celina	Mayor	Present	

Mayor Sean Terry called the meeting to order at 5:00 p.m.

II. WORKSESSION/COMMITTEE REPORTS/STAFF REPORTS:

A. Introduction of new employees. (Metdker)

Fire Chief Mark Metdker introduced new fire personnel Nick Baroski and Marti Nevil.

B. Discussion regarding Proposed Budget and Tax Rate. (Toutounchian)

Director of Finance Jay Toutounchian presented the proposed budget and tax rate.

C. Discussion Regarding establishing No Truck Route on Old Log Trail from CR 52 to FM 428. (Brawner)

Director of Engineering Kim Brawner presented options to the City Council for Old Log Trail regarding truck traffic and the life of the road.

D. Discussion regarding Architectural Standards. (Jackson)

Consultant Brooks Wilson presented proposed changes to Architectural Standards.

E. Discussion regarding Accessory Structures. (Jackson)

Consultant Brooks Wilson presented proposed changes to Accessory Structures standards.

F. Discussion regarding Collin County Bond Program update. (Howard)

Director of Governmental Affairs Corbett Howard presented statistics related to the Collin County Bond Program for transportation projects.

Minutes Acceptance: Minutes of Sep 11, 2018 5:00 PM (Minutes Approval)

- G. Discussion regarding any and/or all agenda items.

No other items were discussed.

III. **EXECUTIVE SESSION:**

The Celina City Council adjourned into Executive Session at 5:56 p.m. with City Attorney Lance Vanzant and City Manager Jason Laumer.

The Celina City Council will convene into Executive Session pursuant to Texas Government Code 551.071, Consultation with Attorney, on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Chapter.

- A. Discussion regarding potential contract with Galaxy.net.
- B. Discussion regarding Lumber Yard Project (W. Pecan Street).
- C. Discussion regarding a Cost Sharing Agreement with G-Bar 7 to upsize a sewer line.

Reconvene Into Open Session

The City Council reconvened into Open Session at 6:34 p.m.

- D. Consider and act upon any items discussed in executive session.

Councilman Hopkins moved to approve item C with terms as discussed in Executive Session. Councilman Nabors seconded. Motion carried. 6-yes;0-no. No other action took place.

IV. **PLEDGE OF ALLEGIANCE/INVOCATION:**

Mayor Terry led the pledges of allegiance. Corbett Howard gave the invocation.

V. **PROCLAMATIONS/PRESENTATIONS/OATHS OF OFFICE:**

- A. Constitution Week Proclamation

VI. **OPEN FORUM:**

No public comment was received.

VII. **CONSENT AGENDA:**

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Bill Webber, Place 1
SECONDER:	Chad Anderson, Place 6
AYES:	Webber, Nabors, Hopkins, Roberts, Koehne, Anderson

- A. Minutes Approval:

1. City Council - Special Meeting and Worksession - Aug 3, 2018 10:00 AM
2. City Council - Regular Meeting - Aug 14, 2018 5:00 PM
3. City Council - Public Hearing - Aug 21, 2018 5:00 PM

Minutes Acceptance: Minutes of Sep 11, 2018 5:00 PM (Minutes Approval)

4. City Council - Public Hearing - Aug 28, 2018 5:00 PM

- B. Consider and act upon a Master Services Agreement (MSA) contract by and between the City of Celina and Cobb Fendley for Professional Consulting Services. (Brawner)
- C. Consider and act upon a Master Services Agreement (MSA) contract by and between the City of Celina and EST Engineering for Professional Consulting Services. (Brawner)
- D. Consider and act upon a Master Services Agreement (MSA) contract by and between the City of Celina and Hayden and Assoicates for Engineering and Surveying Services. (Brawner)
- E. Consider and act to authorize the City Manager to execute a contract between the City of Celina and Gracon Construction, Inc. in the amount of \$11,806,900.00 for the Wastewater Treatment Plant Improvements. (Brawner)
- F. Consider and act upon appointment of Robin Patton to the Library Board. (Shaw)
- G. Consider and act upon approval of the proposed sale of surplus equipment and vehicles at public auction. (Fourmentin)
- H. **2018-33R** - Consider and act upon a Resolution of the City Council of the City of Celina, Texas approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex regarding the company's 2018 rate review mechanism filings; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attached exhibit establishing a benchmark for pensions and retiree medical benefits; approving an attached exhibit regarding amortization of regulatory liability; requiring the company to reimburse ACSC's reasonable ratemaking expenses; determining that this resolution was passed in accordance with the requirements of the Texas Open Meetings Act. (Atmos negotiated rate settlement) (DeBuff)
- I. Consider and act to authorize the City Manager to execute an amendment to a contract by and between the City of Celina and DC Ranch Homeowner's Association for installation of street lights in the DC Ranch subdivision. (Laumer)
- J. Consider and act upon Interlocal Dispatch and Jail Services Agreements with Collin County. (Griggs)
- K. Consider and act to authorize the City Manager to execute a contract by and between the City of Celina and Corbett Howard for Professional Services and Employment as Director of Governmental Affairs. (Laumer)

VIII. PUBLIC HEARING/ACTION:

- A. **2018 - 47** - The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning an approximately 71.86 acre tract of land situated in the John Ragsdale Survey, Abstract No. 734, Collin County, Texas, amending Planned Development No. 84 (PD-84), The Columns Zoning, Tracts 1 and 2. The tract is generally located north of future Punk Carter Parkway, south of CR-51, and east of Dallas North Tollway. (The Columns Zoning Amendment) (Jackson)

Mayor Terry recused himself from item A due to a conflict of interest and left the room. Mayor Pro Tem Anderson opened the hearing at 6:37 p.m. Thomas Fletcher with Kimley, Horn, Frisco, Texas, presented the proposed changes to the PD.

Jodi MacGarger, 1301 Gristmill Lane, Celina, Texas, said Light Farms neighbors were o.k. with the changes but are still worried about traffic cutting through the neighborhood.

The hearing was closed at 7:07 p.m. Mayor Terry returned to the dais.

RESULT:	APPROVED [5 TO 1]
MOVER:	Andy Hopkins, Place 3
SECONDER:	Carmen Roberts, Place 4
AYES:	Nabors, Hopkins, Roberts, Koehne, Anderson
NAYS:	Webber

- B. The Celina City Council will conduct a public hearing to consider proposed assessments to be levied against the assessable property within the Glen Crossing Public Improvement District pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended. The boundaries of the District include approximately 109.09 acres of land generally located in the area encompassed directly south of CR 55, north of CR 53, directly adjacent to the west of CR 1117, and east of Private Road 5281 and CR 52. (Glen Crossing Public Hearing) (DeBuff)

Mayor Terry called the meeting to order at 7:07 p.m. No public comment was received. The hearing was closed at 7:08 p.m.

- C. The Celina City Council will conduct a public hearing to consider testimony and take action regarding an Extraterritorial Jurisdiction Development Agreement by and between the City of Celina, Texas and Celina 52 East, LP. The property is an approximately 29.303 acre tract of land located within the extraterritorial jurisdiction of the City of Celina, Collin County, Texas and is generally located south of CR-55, west of CR-1117, north of CR-53 and east of CR-52. (Glen Crossing West Development Standards) (Jackson)

Mayor Terry opened the hearing at 7:08 p.m. No public comment was received. It was noted that no action would be taken on this item tonight. The hearing was closed at 7:11 p.m.

RESULT:	NO ACTION
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- D. The Celina City Council will conduct a public hearing to consider testimony and take action regarding an Extraterritorial Jurisdiction Development Agreement by and between the City of Celina, Texas and Celina 52 East, LP. The property is an approximately 29.515 acre tract of land located within the extraterritorial jurisdiction of the City of Celina, Collin County, Texas and is generally located approximately 1,000 feet south of Glendenning Parkway and east of future Celina Parkway (CR-6). (Greenway East Development Standards) (Jackson)

Mayor Terry opened the hearing at 7:11 p.m. No public comment was received. The hearing was closed at 7:13 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Wayne Nabors, Place 2
SECONDER:	Carmen Roberts, Place 4
AYES:	Webber, Nabors, Hopkins, Roberts, Koehne, Anderson

- E. **2018 - 48** - The City Council will conduct the second of two public hearings, consider and act on an ordinance of the City of Celina, Texas, adopting the annexation of certain territory contiguous to and adjoining the City of Celina, Texas, to wit: being an approximately 8.0 acre tract of land located in the T. McIntyre Survey, Abstract No. 903, Denton County, Texas, and being more particularly described by metes and bounds in Exhibit "A" and graphically depicted in Exhibit "B" attached hereto and incorporated herein, such tract is generally located on the east side of FM 1385 approximately 1,750 feet north of Crutchfield Road . (Celina West Marketplace Annexation) (Jackson)

Mayor Terry opened the hearing at 7:14 p.m. No public comment was received. the hearing was closed at 7:15 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Andy Hopkins, Place 3
SECONDER:	Mindy Koehne, Place 5
AYES:	Webber, Nabors, Hopkins, Roberts, Koehne, Anderson

- F. **2018 - 49** - The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning an approximately 8.00 acre tract of land situated in the T. McIntyre Land Survey, Abstract No. 903, Denton County, Texas, from AG, Agricultural zoning district to PD-93, Planned Development zoning district No. 93, with a base zoning designation of MU-2, Mixed-Use Regional. The tract is generally located on the east side of FM 1385 and approximately 1,750 feet north of Crutchfield Drive. (Celina West Marketplace PD-93) (Jackson)

Mayor Terry opened the hearing at 7:16 p.m. No public comment was received. The hearing was closed at 7:17 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Wayne Nabors, Place 2
SECONDER:	Carmen Roberts, Place 4
AYES:	Webber, Nabors, Hopkins, Roberts, Koehne, Anderson

- G. The Celina City Council will conduct a public hearing to consider testimony and receive public input regarding the proposed FY 2018-2019 budget. (Toutounchian)

Mayor Terry opened the hearing at 7:18 p.m. No public comment was received. The hearing was closed at 7:18 p.m.

IX. **ACTION ITEM:**

- A. Consider and act to appoint Corbett Howard to the board of the McKinney Urban Transit District as representative for the City of Celina. (Laumer)

RESULT: APPROVED [UNANIMOUS]
MOVER: Chad Anderson, Place 6
SECONDER: Andy Hopkins, Place 3
AYES: Webber, Nabors, Hopkins, Roberts, Koehne, Anderson

- B. **2018-34R** - Consider and act upon a resolution of the City of Celina, Texas ratifying and approving the Fiscal Year 2018-2019 budget for the Celina Economic Development Corporation. (Jackson)

RESULT: APPROVED [UNANIMOUS]
MOVER: Wayne Nabors, Place 2
SECONDER: Carmen Roberts, Place 4
AYES: Webber, Nabors, Hopkins, Roberts, Koehne, Anderson

- C. **2018-35R** - Consider and act upon a resolution of the City of Celina, Texas, ratifying and approving the Fiscal Year 2018-2019 budget for the Celina Community Development Corporation. (Toutouchian)

RESULT: APPROVED [UNANIMOUS]
MOVER: Wayne Nabors, Place 2
SECONDER: Carmen Roberts, Place 4
AYES: Webber, Nabors, Hopkins, Roberts, Koehne, Anderson

- D. **2018 - 50** - Consider and act upon an ordinance of the City of Celina, Texas, adopting and approving the budget for the Fiscal Year 2018-2019 beginning October 1, 2018, and ending September 30, 2019, and making appropriations for each department, project and account; providing for expenditures of funds; providing for filing of documents. (Roll Call) (Toutouchian)

Councilman Hopkins moved to adopt the ordinance by reading the entire caption. Mayor Terry took a roll call vote on approving the Fiscal Year 2018-2019 Budget.

RESULT: APPROVED [UNANIMOUS]
MOVER: Andy Hopkins, Place 3
SECONDER: Mindy Koehne, Place 5
AYES: Webber, Nabors, Hopkins, Roberts, Koehne, Anderson

- E. **2018 - 51** - Consider and act upon an ordinance of the City of Celina, Texas, fixing and levying municipal Ad Valorem taxes for the fiscal year beginning October 1, 2018, and ending September 30, 2019, and for each fiscal year thereafter until otherwise provided, at a rate of \$.645 per one hundred dollars (\$100.00) assessed valuation on all taxable property within the corporate limits of the city; this tax rate will raise more taxes for maintenance and operations than last year's tax rate; the tax rate will effectively be raised by 1.41% and will raise taxes for maintenance and operations on a \$100,000.00 home by approximately \$-14.81. (Roll Call Vote) (Toutouchian)

Councilman Hopkins moved to adopt the ordinance by reading the entire caption noting the increase in the tax rate. Mayor Terry took a roll call vote on approving the tax rate.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Andy Hopkins, Place 3
SECONDER:	Wayne Nabors, Place 2
AYES:	Webber, Nabors, Hopkins, Roberts, Koehne, Anderson

X. ADJOURNMENT:

There being no further comment Mayor Terry adjourned the meeting at 7:25 p.m.

Sean Terry, Mayor

Vicki Faulkner, TRMC
City Secretary, City of Celina, Texas

Date Minutes Approved

Minutes Acceptance: Minutes of Sep 11, 2018 5:00 PM (Minutes Approval)



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Paul DeBuff, Assistant to the City Manager
 CC: Jason Laumer, City Manager
 Date: October 9, 2018
 Re: Glen Crossing West Development Agreement

Action Requested:

Consider and act to authorize the City Manager to execute a development agreement by and between the City of Celina and Celina 52 East, L.P. (Glen Crossing West) (Laumer)

Background Information:

Included in this development agreement is an obligation for the developer to construct a 10 foot wide concrete hike/bike trail, for which the City will reimburse the developer at least \$400,000. Additionally, it includes a Concept Plan, Metes and Bounds, Development Standards and a Trail System Depiction to which the development must adhere.

The agreement sets the capital recovery fees as follows:

- Park fees: \$1,500 per residential dwelling unit
- Water fees: \$2,000 per residential dwelling unit
- Sewer fees: \$2,000 per residential dwelling unit
- Roadway fees: \$2,500 per residential dwelling unit
- Technology fees: \$500 per residential lot

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This agreement has been reviewed by the City Attorney.

Supporting Documents:

- Proposed agreement

Staff Recommendation:

Staff recommends approval.

DEVELOPMENT AGREEMENT

(Glen Crossing West)

This Development Agreement (this "Agreement") is entered into by and between **Celina 52 East, L.P.**, a Texas limited partnership, (the "Owner") and the **City of Celina** (the "City"), to be effective on the date on _____ ("Effective Date").

RECITALS

WHEREAS, certain terms used herein are defined in Article I; and

WHEREAS, the City is a home-rule municipality of the State of Texas located within Denton County and Collin County; and

WHEREAS, the Owner and the City (which are sometimes individually referred to as a "Party" and collectively as the "Parties") desire to enter into this Agreement; and

WHEREAS, Celina 52 East, LP owns an approximately 29.303 acre tract of land located wholly within the extraterritorial jurisdiction (the "ETJ") of the City and described by metes and bounds and depicted on **Exhibit A** (the "Property"); and

WHEREAS, W/J CR 55 LP, a Texas limited partnership, has entered into a contract with the Owner to purchase the Property; and

WHEREAS, upon W/J CR 55, LP's acquisition of fee simple title to the Property, W/J CR 55, LP shall automatically be substituted for Celina 52 East, L.P. as the "Owner," and shall automatically become an "Assignee" and a "Party," for all purposes under this Agreement without action required of any of the Parties; and

WHEREAS, land adjacent to the Property is located wholly within the City of Celina City limits, and is zoned as Planned Development by Ordinance No. 2015-13 ("Tract 1"); and

WHEREAS, the Owner intends to develop the Property as a master planned residential development consisting of single-family homes; and

WHEREAS, the Parties intend for this Agreement to establish certain restrictions and impose certain commitments in connection with the development of the Property; and

WHEREAS, the Parties intend that the Property will be developed in accordance with the concept plan attached hereto as **Exhibit B** (as amended in accordance with this Agreement, the "Concept Plan") and the development standards attached hereto as **Exhibit C** (the "Development Standards"); and

WHEREAS, the Owner intends to construct or fund the water, wastewater, roadway, and drainage public infrastructure necessary to serve the development of the Property (the "Public Infrastructure"); and

WHEREAS, the Public Infrastructure does not include any off-site or oversized public

infrastructure; and

WHEREAS, the City holds the certificates of convenience and necessity to provide retail water and wastewater service to the Property and the Parties intend for the City to provide water and wastewater service to the Property; and

WHEREAS, as the Property is within the City's extraterritorial jurisdiction, the Parties have the authority to enter into this Agreement pursuant to Section 212.171 *et seq* of the Texas Local Government Code; and

WHEREAS, the Parties intend that this Agreement is a development agreement as provided for by state law in Section 212.171 *et seq* of the Texas Local Government Code; and

WHEREAS, this Agreement shall constitute a "permit" under Chapter 245 of the Texas Local Government Code and as allowed pursuant to Section 212.172(g) of the Texas Local Government Code.

NOW, THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

ARTICLE I **GENERAL TERMS AND DEFINITIONS**

The recitals to this Agreement are incorporated herein for all purposes. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

City Council means the city council of the City.

City Regulation(s) means any ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, including the City's uniform engineering design standards, as they exist or may be amended.

Concept Plan means the concept plan as shown in Exhibit B, as amended in accordance with this Agreement.

Owner means Celina 52 East, L.P., a Texas limited partnership until W/J CR 55, LP, a Texas limited partnership, acquires fee simple title to the Property, after which W/J CR 55, LP shall be the Owner.

PID is defined in Section 2.4.

PID Act is defined in Section 2.4(a).

PID Project Costs is defined in Section 2.4(c).

Property means the real property described by metes and bounds and depicted on Exhibit A.

Public Improvements is defined in Section 2.4(a).

Public Infrastructure means water, wastewater, drainage, roadway, and other public infrastructure necessary to serve the full development of the Property.

ARTICLE II

PUBLIC INFRASTRUCTURE AND PID FINANCING

2.1 Public Infrastructure. Except as otherwise expressly provided for in this Agreement, all Public Infrastructure shall be designed, constructed, installed, and inspected in compliance with the City Regulations.

2.2 Trail System. The Owner shall construct a ten-foot wide concrete hike/bike trail with trees and park benches, as generally depicted and described on **Exhibit D**, with the public improvements required by the final plat for the Property or the final plat for phase 2 of Glen Crossing at Owner's option. The final design of the trail is subject to the mutual approval of the City and the Owner. The Owner's obligation to construct the trail is subject to the City (a) making tax increment financing district funds legally available to reimburse at least \$400,000 of the costs, subject to availability without changing the percent of City contribution to the TIRZ, of the trail design and construction; and (b) entering into a legally binding agreement with the Owner for such reimbursement. All costs for the trail in excess of the amount provided by 2.2(a) above shall be funded by the Owner.

2.3 Ownership and Maintenance of Public Infrastructure and Other Improvements.

(a) Upon inspection, approval, and acceptance of the water and wastewater Public Infrastructure, the City shall maintain and operate the water and wastewater Public Infrastructure and provide water and wastewater service to the Property.

(b) Upon inspection, approval, and acceptance of the roadway and storm water Public Infrastructure, the City shall maintain and own the roadways and storm water Public Infrastructure.

(c) If a homeowner's association is established, it shall maintain and operate the open spaces, trails, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, and any other common improvements or appurtenances. Such areas may be irrigated with any available water source, including, but not limited to, water from the retail water provider, ponds, or a water well. Said improvements shall not be maintained and operated by the City unless the Parties agree in writing to the terms and conditions of maintenance and operation by the City. However, the ten-foot width of the length of the trail described in 2.2 above will be dedicated to, and maintained by, the City commencing at the time that the trail system is connected to the planned master trail system of the City.

2.4 PID Financing.

(a) Following the receipt of a petition for creation of a public improvement district encompassing the Property (the "PID") that is in compliance with the Chapter 372 of the Texas Local Government Code (the "PID Act"), the City shall create the PID to fund all or a portion of the Public Infrastructure that will constitute a "public improvement under the PID Act, confer a special benefit upon the Property, and be described in the PID service and assessment plan (the "Public Improvements"). Concurrently with the Owner's submittal of the petition seeking creation of the

PID, the Owner shall deliver to the City a petition for dissolution of the PID, which shall be held in trust by the City and used by the City to dissolve the PID if W/J CR 55, LP does not acquire fee simple title to the Property within 180 days after the Effective Date.

(b) PID funding of the Public Improvements, as authorized by the PID Act and approved by the City, may include, to the maximum extent authorized by State law, annual payments by each owner to the City of PID assessments, and any other method approved by the Parties.

(c) The total estimated cost of the PID Improvements (the "PID Project Costs") will be as stated in the PID service and assessment plan, as amended.

(d) The City and the Owner will jointly determine the PID Project Costs and prepare a service and assessment plan for the PID. After the City approves the final PID Project Costs, prepares a proposed assessment roll based thereon, and files the PID service and assessment plan and proposed assessment roll with the Secretary for the City for public inspection, the City will levy special assessments against the Property. The City shall review and update the PID service and assessment plan consistent with the requirements of Section 372.013(b) of the PID Act. As needed for consistency with the updated Service and Assessment Plan and consistent with the requirements of Sections 372.019 and 372.020 of the PID Act, the City shall make supplemental assessments, reassessments or new assessments such that assessments reflect the updated PID Project Costs. As needed to implement the Service and Assessment Plan, the City and the Owner will enter into a PID reimbursement agreement that provides for the Owner's construction of certain PID Projects and the City's reimbursement to the Owner of certain PID Project Costs.

ARTICLE III **DEVELOPMENT REGULATIONS**

3.1 Full Compliance with City Standards.

(a) Development of the Property shall be subject to the City Regulations, except to the extent that the Concept Plan, attached as **Exhibit B** and the Development Standards, attached as **Exhibit C**, vary from those terms, then the Concept plan and the Development Standards shall control, and future amendments to the City Regulations shall not apply to the Property, unless Owner elects to apply the future amendments.

(b) The Parties agree the Concept Plan was created by the Owner for illustrating the boundary, lot mix, and general layout of the project. Changes to the Concept Plan are not required if such change does not substantially alter the layout of the project or change the land uses or density shown on the Concept Plan attached as **Exhibit B**, and such changes may be made by plat so long as the plat generally conforms to the Concept Plan. All other amendments to the Concept Plan require City Council approval. If the Concept Plan is amended, the new Concept Plan shall be attached to the official copy of this Agreement on file with the City Secretary.

3.2 Development Standard Revisions. The City Manager of the City may administratively approve the following "minor revisions" to the Development Standards: (a) an increase in the height of any structure by five percent (5%) or less; (b) a setback reduction of ten percent (10%) or less; (c) an increase in lot coverage of five percent (5%) or less; and (d) a reduction in off-street parking of five percent (5%) or less. The City Council may permit exceptions to strict compliance with the Development Standards when the Owner demonstrates, to the

reasonable satisfaction of the City Council, that the requested exception: (a) is not contrary to the public interest; (b) does not cause injury to adjacent property; and (c) does not materially adversely affect the quality of the development.

3.3 Platting. The Owner may submit a plat for all or any portion of the Property. Any plat shall be in general conformance with the Concept Plan.

3.4 Vested Rights. This Agreement shall constitute a "permit" under Chapter 245 of the Texas Local Government Code that is deemed filed with the City on the Effective Date. The Owner does not, by entering into this Agreement, waive any rights or obligations arising under Chapter 245 of the Texas Local Government Code.

3.5 Conflicts. In the event of any conflict between this Agreement and any City Regulation, this Agreement, including any exhibit or attachment, shall control.

ARTICLE IV **DEVELOPMENT PROCESS AND CHARGES**

4.1 Except as otherwise provided in this Article IV, the Developer shall be subject to those lawfully adopted fees and charges due and payable to the City in connection with the development of the Property, including, but not limited to, outdoor warning device fees, storm water fees, permit fees and inspection fees.

4.2 A fee may be charged to fund the City's reasonable costs of hiring a third party to review engineering plans in connection with the design and construction of water, sewer, drainage, and roadway improvements.

4.3 Other than what is required by the Development Standards and Section 2.2 above, no parkland dedication or construction of park improvements shall be required, and no fee related to maintenance of park improvements shall be required.

4.4 Notwithstanding anything to the contrary in this section or any ordinance or other regulation applicable to the Property, no capital recovery fees including, but not limited to, pro rata fees, impact fees for water, sewer, and roadways, park fees, park maintenance fees, and other capital recovery fees, shall be charged against the Property other than the following: (a) park fees in the amount of \$1,500 per residential dwelling unit; (b) water capital recovery fees in the amount of \$2,000 per residential dwelling unit; (c) sewer/wastewater capital recovery fees in the amount of \$2,000 per residential dwelling unit; (d) roadway capital recovery fees in the amount of \$2,500 per residential dwelling unit; (e) technology capital recovery fees for conduit, fiber optic, and similar improvements in the amount of \$500 per residential lot, to be collected at the time of building permit issuance.

ARTICLE V TERM

The term of this Agreement shall start on the Effective Date and expire on the later of expiration of the TIRZ or, if PID bonds are issued, payment in full of any PID bonds. Notwithstanding the foregoing, if and W/J CR 55, LP or its designee does not acquire fee simple title to the Property within 180 days after the Effective Date, this Agreement shall become null and void and shall be of no further force or effect.

ARTICLE VI **ANNEXATION AND POST-ANNEXATION MATTERS**

6.1 Annexation. Following W/J CR 55, LP's acquisition of the Property, and within ten (10) days of being requested to do so by the City which shall not be longer than one (1) year after the Effective Date, W/J CR 55, LP agrees to (a) submit a voluntary annexation petition for the Property, or (b) if requested by the City, sign a petition for annexation presented to W/J CR 55 by the City that may contain up to 29.3 additional acres (together all acreage the "Petition Property"). W/J CR 55, LP agrees to execute and supply any and all instruments and/or other documentation necessary for the City to annex the Petition Property, into the City's corporate limits. The annexation service plan for the Property shall be consistent with the terms of this Agreement. If the City is unable to complete the annexation of the Petition Property for any reason, including but not limited to procedural error or legal challenge, W/J CR 55, LP shall execute another voluntary annexation petition for the Petition Property, within ten (10) days of being requested to do so. Prior to annexation of the Petition Property, the City shall have considered this Agreement, shall have submitted to W/J CR 55, LP, and W/J CR 55, LP shall review and approve, an annexation service plan which service plan shall be considered a binding, and mutually agreed upon, contractual obligation between the City and W/J CR 55, LP.

6.2 Zoning of Property. While the Parties expressly acknowledge that the Property will be voluntarily annexed in accordance with Section 6.1 of this Agreement, the Parties agree that the Concept Plan, the Development Standards, and the provisions of this Agreement memorialize the plan for development of the Property as provided for in Section 212.172 of the Texas Local Government Code. The City shall consider zoning the Property consistent with the Development Standards, Concept Plan, and applicable provisions of this Agreement contemporaneously with annexation of the Property. Through this Agreement, the Owner expressly consents and agrees to the zoning of the Property consistent with and as contemplated by this Section. This Agreement shall control over any zoning of the Property that is inconsistent with this Agreement.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

7.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than 30 days after written notice of the alleged failure has been given). Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured and within such 30-day period gives written notice to the non-defaulting Party of the details of why the cure will take longer than 30 days with a statement of how many days are needed to cure.

7.2 Remedies. If a Party is in default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, or actions for specific performance, mandamus, or injunctive relief. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT OR LIMIT THE TERM OF THIS AGREEMENT.

ARTICLE VIII

ASSIGNMENT AND ENCUMBRANCE

8.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto. With the exception of the automatic assignment to W/J CR 55, LP referenced in the Recitals, the obligations, requirements, or covenants to develop the Property in this Agreement shall be able to be assigned to any affiliate or related entity of the Owner, or any lien holder on the Property, without the prior written consent of the City. The obligations, requirements or covenants to the development of the Property shall not be assigned by the Owner to a non-affiliate or non-related entity of the Owner, other than W/J CR 55, LP upon its acquisition of fee simple title to the Property, without the prior written consent of the City Manager, which consent shall not be unreasonably withheld if the assignee demonstrates financial ability to perform. An assignee shall be considered a "Party" for the purposes of this Agreement. Each assignment shall be in writing executed by the Owner and the assignee and shall obligate the assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned, and shall contain a representation by the assignee acknowledged by a notary public that the assignee has the financial ability to timely perform the assigned obligations. A copy of each fully executed assignment to an assignee shall be provided to all Parties within 15 days after execution. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to assignees, including a copy of each executed assignment and, upon written request from any Party or assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property.

8.2 Encumbrance by City. The City shall not collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement, except for the fees and charges to be collected under Article IV, without the Owner's prior written consent, which consent shall not be unreasonably withheld.

8.3 Assignees as Parties. An assignee authorized in accordance with this Agreement and for which notice of assignment has been provided in accordance with this Agreement shall be considered a "Party" for the purposes of this Agreement. With the exception of the End-Buyer (as defined in Section 9.1 below) of a lot within the Property, any person or entity upon becoming an owner of land or upon obtaining an ownership interest in any part of the Property shall be deemed to be a "Owner" and have all of the obligations of the Owner as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

8.4 No Third-Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

8.5 Notice of Assignment. In addition to the other requirements in this Agreement, the following requirements shall apply in the event that the Owner sells, assigns, transfers, or otherwise conveys the Property or any part thereof and/or any of its rights or benefits under this Agreement to any party other than W/J CR 55, LP:

(a) within 30 days after the effective date of any such sale, assignment, transfer, or other conveyance, the Owner must provide written notice of same to the City;

(b) the notice must describe the extent to which any rights or benefits under this Agreement have been sold, assigned, transferred, or otherwise conveyed;

(c) the notice must state the name, mailing address, and telephone contact information of the person(s) acquiring any rights or benefits as a result of any such sale, assignment, transfer, or other conveyance; and

(d) the notice must be signed by a duly authorized person representing the Owner.

ARTICLE IX **RECORDATION AND ESTOPPEL CERTIFICATES**

9.1 **Binding Obligations.** This Agreement and all amendments hereto (including amendments to the Concept Plan as allowed in this Agreement) and assignments hereof shall be recorded in the deed records of Collin County. This Agreement binds and constitutes a covenant running with the Property. Upon the Effective Date, this Agreement shall be binding upon the Parties and their successors and assigns permitted by this Agreement and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-buyer/homebuyer of a fully developed and improved lot ("an End-Buyer") and shall not negate the End-Buyer's obligation to comply with the City's Regulations, including but not limited to zoning ordinances, as they currently exist or may be amended.

9.2 **Estoppel Certificates.** From time to time upon written request of the Owner, if needed to facilitate a sale of all or a portion of the Property or a loan secured by all or a portion of the Property, the City will execute to its reasonable knowledge and belief, a written estoppel certificate in a form and substance satisfactory to the City identifying any obligations of the Owner under this Agreement that are in default. The Owner shall pay the City \$1,000 at the time of the Owner's requests for an estoppel certificate for each request in excess of one per calendar year.

ARTICLE X **ADDITIONAL PROVISIONS**

10.1 **Recitals.** The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council of the City; and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

10.2 Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: City Manager City of Celina 142 North Ohio Celina, TX 75009
With a copy to:	Attn: Julie Fort Messer, Rockefeller & Fort, PLLC 6371 Preston Road, Suite 200 Frisco, Texas 75034
To the Owner:	Celina 52 East LP Attn: Jay Hawes / Rylan Yowell 10210 N. Central Expressway, Suite 300 Dallas, TX 75231
To W/J CR 55, LP:	W/J CR 55, LP Attn: Frank Murphy 600 N. Pearl Street Suite 650, L.B. 149 Dallas, TX 75201
With a copy to:	Shupe Ventura, PLLC Attn: Misty Ventura 9406 Biscayne Blvd. Dallas, TX 75218

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

10.3 Interpretation. The Parties acknowledge that each has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

10.4 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

10.5 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action by the City Council of the City in accordance with all

applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. The Owner represents and warrants that this Agreement has been approved by appropriate action of the Owner, and that the individual executing this Agreement on behalf of the Owner has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

10.6 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties.

10.7 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

10.8 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Collin County. Exclusive venue for any action to enforce or construe this Agreement shall be in the Collin County District Court.

10.9 Non-Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

10.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

10.11 Further Documents. The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Agreement. This provision shall not be construed as limiting or otherwise hindering the legislative discretion of the City Council seated at the time that this Agreement is executed or any future City Council.

10.12 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description and Depiction of the Property
Exhibit B	Concept Plan

Exhibit C Development Standards
 Exhibit D Depiction and Description of Trail System

10.13 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its respective governmental powers, immunities, or rights except as provided in this section. The Parties acknowledge that the City waives its sovereign immunity as to suit solely for the purpose of adjudicating a claim under this Agreement. This is an agreement for the provision of goods or services to the City under Section 271.151 et seq. of the Texas Local Government Code.

10.14 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.

10.15 Amendments. This Agreement cannot be modified, amended, or otherwise varied, except in writing signed by the City and Owner expressly amending the terms of this Agreement.

10.16 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

[signatures on following pages]

EXECUTED by the City and Owner on to be effective on the Effective Date.

CITY OF CELINA

By: _____
Sean Terry, Mayor

ATTEST:

Vicki Faulkner, City Secretary

APPROVED AS TO FORM

Julie Fort, Attorney for City

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of _____, 2018 by Sean Terry, the Mayor of the City of Celina, Texas on behalf of said City.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

OWNERS:

Celina 52 East, L.P.,
a Texas limited partnership

By: Celina 52 East GP LLC,
a Texas limited liability company,
its General Partner

By: PRA GP No. 2, Inc.,
a Texas corporation
its Manager

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 2018 by _____,
the _____ of Celina 52 East, L.P., a Texas limited partnership on behalf of said limited
partnership.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

W/J CR 55, L.P.,
a Texas limited partnership

By: W/J Celina GP LLC,
a Texas limited liability company,
its General Partner

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 2018 by _____,
the _____ of W/J CR 55, L.P., a Texas limited partnership on behalf of said limited
partnership.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires:

EXHIBIT "A"

Legal Description

Legal description of the land:

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE COLLIN COUNTY SCHOOL LAND #14 SURVEY, ABSTRACT NUMBER 167, COLLIN COUNTY, TEXAS AND BEING A PORTION OF THE TRACTS OF LAND DESCRIBED IN DEED TO CELINA 52 EAST, LP RECORDED IN INSTRUMENT NUMBER 20180131000124610 AND INSTRUMENT NUMBER 20180131000124590 OF THE COUNTY RECORDS, COLLIN COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2 INCH IRON ROD FOUND AT THE SOUTHWEST CORNER OF SAID CELINA 52 TRACT RECORDED IN INSTRUMENT NUMBER 20180131000124590;

THENCE N 89°41'23" E, 353.39 FEET TO A 1/2 INCH IRON ROD FOUND;

THENCE S 89°45'48" E, 357.44 FEET TO THE CENTERLINE OF A CREEK FOR THE POINT OF BEGINNING;

THENCE WITH SAID CREEK THE FOLLOWING BEARINGS AND DISTANCES:

N 06°28'44" E, 119.62 FEET;
 N 01°07'33" W, 111.87 FEET;
 N 10°09'35" W, 88.74 FEET;
 N 02°01'22" W, 150.65 FEET;
 N 11°37'21" W, 71.30 FEET;
 N 03°31'47" E, 107.43 FEET;
 N 03°43'17" E, 101.49 FEET;
 N 07°40'26" E, 122.42 FEET;
 N 01°27'35" W, 244.55 FEET;
 N 11°58'04" E, 145.67 FEET;
 N 07°49'54" W, 35.13 FEET;
 N 02°58'33" E, 78.26 FEET;
 N 28°15'03" E, 37.04 FEET;
 N 08°09'12" E, 54.54 FEET;
 N 00°16'06" E, 217.96 FEET;
 N 10°40'38" W, 62.47 FEET TO THE NORTH LINE OF SAID CELINA TRACT 52 RECORDED IN INSTRUMENT NUMBER 20180131000124610;

THENCE N 89°57'10" W, DEPARTING SAID CREEK AT 18.52 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "PELTON" SET IN ALL A DISTANCE OF 693.52 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID CELINA TRACT 52 RECORDED IN INSTRUMENT NUMBER 20180131000124610;

THENCE S 00°45'37" E, 1018.06 FEET TO A 1/2 INCH IRON ROD FOUND;

THENCE S 00°30'37" E, 73.00 FEET TO A 1/2 INCH IRON ROD FOUND;

THENCE S 00°47'37" E, 500.20 FEET FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS S 15°49' W, 0.3 FEET;

THENCE S 00°05'23" W, 142.00 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID CELINA 52 TRACT RECORDED IN INSTRUMENT 20180131000124590;

THENCE N 89°46'37" W, 216.40 FEET FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS N 65°09' W, 0.3 FEET;

THENCE N 89°09'23" W, 96.60 FEET TO A 5/8 INCH IRON ROD FOUND WITH CAP STAMPED "PELTON";

THENCE N 89°41'23" W, 300.00 FEET FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS S 30°58' W, 0.4 FEET;

THENCE N 89°45'48" W, AT 120.00 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "PELTON" SET IN ALL A DISTANCE OF 144.89 FEET TO THE POINT OF BEGINNING AND CONTAINING 1,276,560 SQUARE FEET OR 29.306 ACRES OF LAND, MORE OR LESS.



Exhibit B
Concept Plan

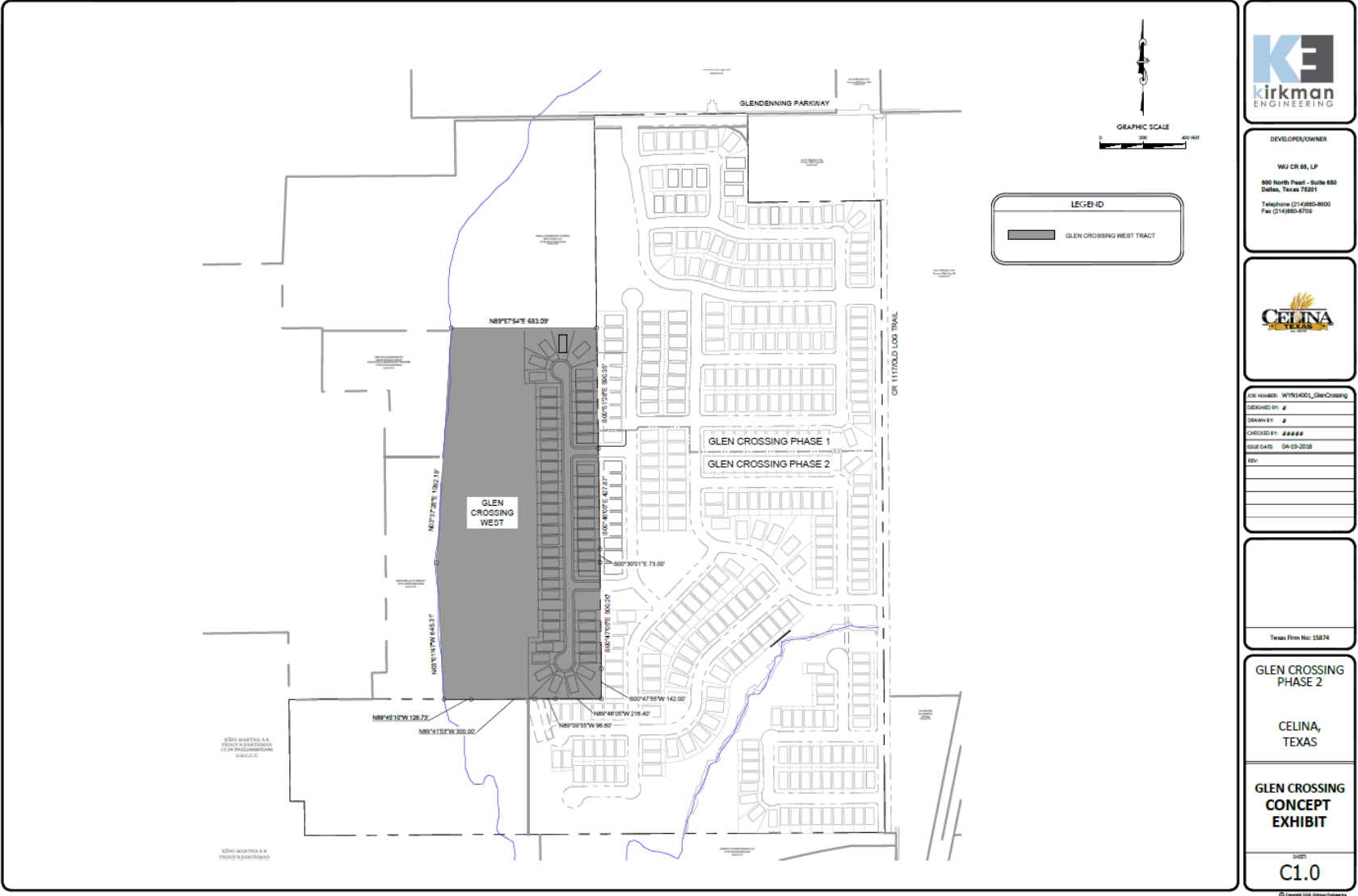


Exhibit C
Planned Development Residential Standards
Glen Crossing West

DEFINITIONS

Any capitalized terms not defined below are per the definition as provided in the City of Celina Cody of Ordinance Chapter 14.

Common Area: Any portion of the PD District that does not constitute a residential lot or street right-of-way and is owned by the Homeowners Association.

Covered Front Porch: An area of at least 50 square feet covered by the main roof or an architectural extension of the Main Structure.

Homeowner Association: An association governed by by-laws, deed restrictions, and architectural guidelines of the community. All lot owners will have mandatory membership in the homeowner association, which, among other things, will require financial obligations in the form of annual membership dues.

PD District Concept Plan (Exhibit B): The graphic plan for PD District that establishes and delineates the location of the respective Lot Types and is attached as Exhibit B, as amended in accordance with the terms of this Agreement.

Main Structure: The primary residence to be constructed on any Lot.

Open Space: Publicly accessible parks, greens, sports fields, natural flood plain, and tot lots, shall constitute Open Space.

Parkway: The area of right-of-way between the curb and the sidewalk in front of residential lots.

PD District: The land and/or lots contained within the legal boundaries identified in Exhibit A.

Shall: A term requiring compliance.

Should: A term encouraging compliance.

DEVELOPMENT REQUIREMENTS

GENERAL

The purpose of the proposed PD is to provide greater flexibility for single family detached development than is available under the approved PD #23 and the City of Celina Ordinances, Chapter 14. This zoning request to a PD (Planned Development District) in in accordance with Sec. 14.03.031.

Single-Family

The base zoning for the proposed PD shall be "SF-R" (Single-Family Residential) district as it

exists or may be amended under Chapter 14 of the Celina Code of Ordinances. The following regulations shall also apply:

PERMISSABLE USES

The following uses shall be allowed:

1. Agricultural Use – Agricultural uses whose products are grown primarily for home consumption, such as domestic gardening, berry or bush crops, tree crops, flower gardening, orchards, and aviaries.
2. Residential Uses: Single-family detached dwellings
3. Community Facility Uses
 - A. Public and private parks;
 - B. Recreational and open space including but not limited to playgrounds, parkways, greenbelts, ponds and lakes, botanical gardens, pedestrian paths, bicycle paths, trails, equestrian bridle trails, nature centers, bird and wildlife sanctuaries;
 - C. Amenity centers
 - D. Landscaped Entry Features
4. Temporary structure for storage of building materials and equipment used for initial residential construction, when on the same or adjoining lot, for a period not to exceed the duration of the construction. This shall include temporary trailers for construction and sales activity. Building material storage will be allowed adjacent to temporary trailers or in a lot designated for storage.
5. Manufactured and/or modular homes are prohibited in this PD district.
6. Accessory dwellings are prohibited in this PD district.

RESIDENTIAL DESIGN GUIDELINES

I. Lot Type:

1. Purpose: This lot type is designed to allow single family detached dwellings on lots of not less than six thousand (6,000) square feet, with front-entry garages, together with the allowed incidental and accessory uses.
1. Height Regulations: No building shall exceed forty feet (40') or two and one-half (2-1/2) stories in height to the highest point of its roof. Accessory structures shall not exceed twenty-five feet (25').
2. Area Regulations: The following minimum standards shall be required as measured from property lines:

Lot Size:	Six thousand (6,000) square feet.
Lot Coverage:	The maximum shall not exceed sixty percent (60%).
Minimum Floor Area:	The minimum square footage of a dwelling unit, exclusive of garages, breezeways and porches, shall be seventeen hundred (1,700) square feet.
Front Yard:	Twenty feet (20') minimum. Key lots shall have 2 front yards. Covered Front Porches may extend over the front building setback line up to five feet (5'), but the garage door must remain at or behind the front setback line in all instances.
Front Yard on Collector Streets:	Twenty five feet (25') minimum.

Rear Yard:	Ten feet (10') minimum.
Side Yard:	Five feet (5') minimum.
Side Yard Adjacent to Street:	Fifteen (15') minimum.
Lot Width:	Fifty feet typical (50'); forty feet (40') minimum (@ right-of-way) on cul-de-sac lots.
Lot Depth:	One hundred twenty feet (120') minimum.
Lot Depth (cul-de-sac lot):	Eighty-five (85') minimum.
Garage Orientation & Setback	Garages may face the street or be J-swing type. For garage doors facing the front of the street, garage setback shall be flush or setback from front of building. J-swing type garages may protrude up to five feet (5') into the front setback to ensure additional variations of homes.

II. Development and Design Standards

A. **Landscape Standards:** All development within this PD District shall comply with the following landscape standards:

1. Tree Requirements:

- i. Trees are required to be planted by the homebuilder in the front yard of all lots per the following schedule: two, 4" caliper tree, measured at 12 inches above ground and four shrubs, minimum of 5 gallon when planted.
- ii. Tree species shall comply with the City of Celina Zoning Ordinance Chapter 14.05 Appendix E.

B. **Screening Standards:** All development within this PD District shall comply with the following minimum screening requirements:

1. Lots Adjacent to thoroughfares: 6' masonry wall
2. Lots Adjacent to minor arterials or collectors: 6' masonry wall
3. Lot Adjacent to open space or park land: 6' masonry wall or 6' wrought iron fence
4. 15' landscape buffer for all lots backing or siding to thoroughfares and collectors

C. **Amenities:** This PD District shall contain the following amenity features:

1. Private, Off-Street Hike/Bike Trail to connect to future public trail

MISCELLANEOUS

HOMEOWNERS ASSOCIATION

A Homeowner Association will be established as each residential parcel of land is developed.

OPEN SPACE

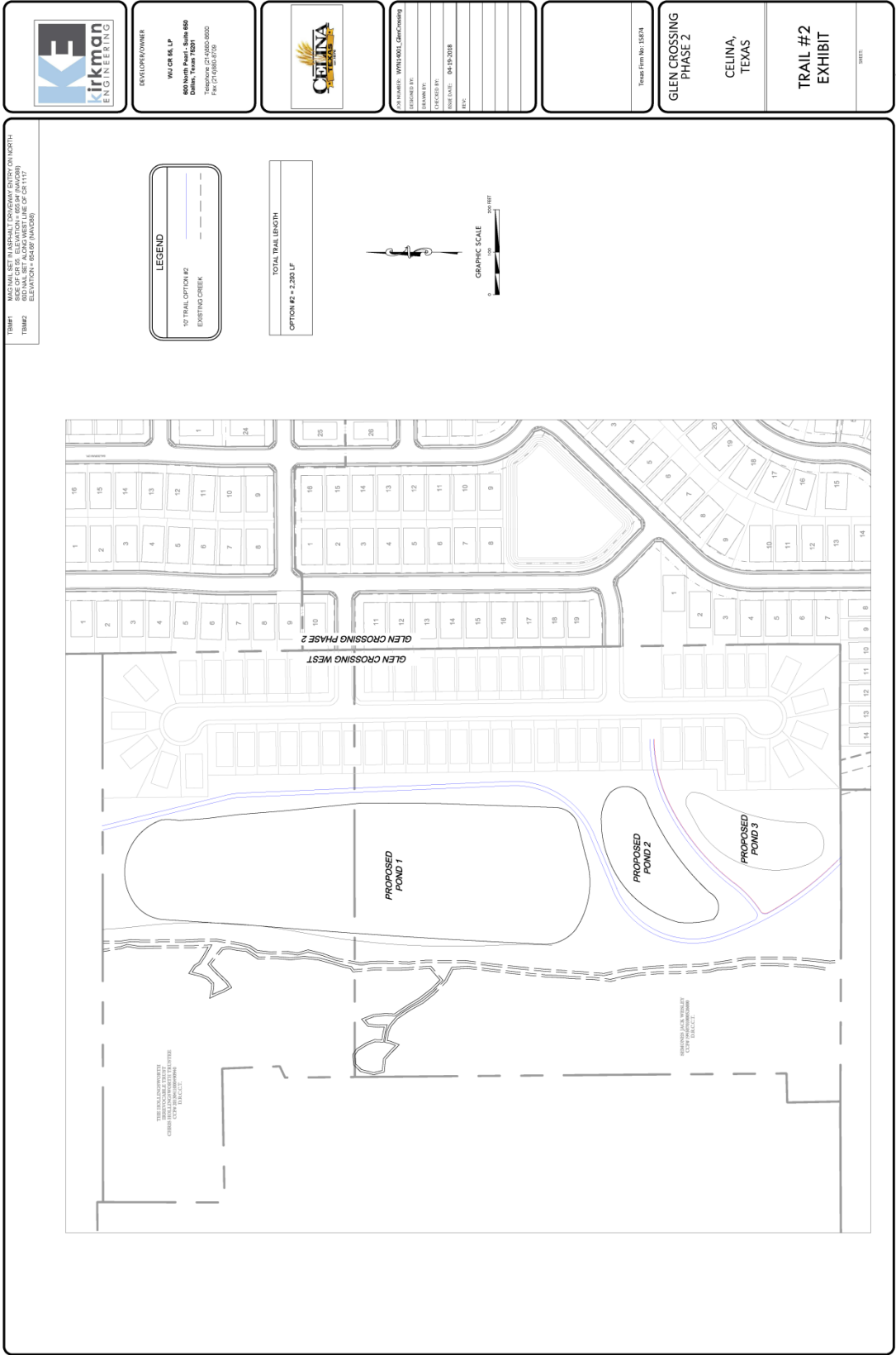
The PD will contain at least ten acres of open space. Private open space shall be maintained by the Homeowner Association.

LIST OF EXHIBITS:

- **Exhibit A – Metes and Bounds**
- **Exhibit B – Concept Plan**
- **Exhibit C – Development Regulations**
- **Exhibit D - Depiction and Description of Trail System**

Exhibit D

Depiction and Description of Trail System





ENGINEERS OPINION OF PROBABLE COS

DATE: 19-Sep-18

PREPARED FOR: Wynne Jackson

PREPARED BY: Billy Moon, E.I.T.

PROJECT NAME: Glen Crossing

CITY: Celina, TX

JOB NUMBER: WYN14001_GBAR7

FILE NAME: GBAR7OPC

OPTION #2

TRAIL LENGTH - 2,477 LF, 10 FT WIDE

HARD COST - WATER

DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
2" IRRIGATION LINE	LF	4,954	\$6.00	\$29,724.00
2" METER BOX	EA	1	\$1,350.00	\$1,350.00
ACCESS FEE	LS	1	\$1,100.00	\$1,100.00
METER FEE	LS	1	\$500.00	\$500.00
IMPACT FEE	EA	1	\$5,000.00	\$5,000.00
CONNECT TO EXISTING WATER LINE	EA	1	\$985.00	\$985.00
TRENCH SAFETY	AC	4,954	\$0.10	\$495.40
TOTAL HARD COST-EROSION CONTROL				\$38,154.40

HARD COST - EROSION CONTROL

DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
SILT FENCE	LF	2,477	\$1.40	\$3,467.80
DRAINAGE EROSION CONTROL	LS	1	\$20,000.00	\$20,000.00
CURLEX (BANKS OF PONDS)	LF	4,282	\$1.50	\$6,423.00
SEEDING (SLOPES OF BANKS)	AC	53	\$300.00	\$15,900.00
TOTAL HARD COST-EROSION CONTROL				\$45,790.80

HARD COST - TRAIL, BENCHES, LANDSCAPE, AND IRRIGATION

DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
10' HIKE/BIKE TRAIL (CONCRETE)	SF	24,770	\$6.00	\$148,620.00
Sides	EA	50	\$700.00	\$34,678.00
PIER STRUCTURE	EA	1	\$50,000.00	\$50,000.00
SURFACE PAVILION	EA	0	\$0.00	\$0.00
PARK BENCHES	EA	6	\$3,000.00	\$18,000.00
TOTAL HARD COST-PARKS AND OPEN SPACE				\$251,298.00

NOTE: PIER STRUCTURE IS AN ALLOCATION AND NOT BASED UPON A DESIGN.

TOTAL HARD COST

\$336,243.20

SUMMARY

SUMMARY				
HARD COSTS ONSITE TOTAL				\$336,243.20
SOFT COSTS ONSITE TOTAL (18% - INCLUDES CITY FEES, TAX INSPECTION, ETC.)				\$60,523.78
SUBTOTAL				\$396,766.98
10% CONTINGENCY ONSITE				\$33,624.32
TOTAL				\$430,391.30



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: October 9, 2018
Re: Collin Co. Bond Election Support Resolution

Action Requested:

Consider and act upon a resolution of the City Council of the City of Celina, Texas, setting forth its support to the approval of the 2018 Bond Program proposed by Collin County. (DeBuff)

Background Information:

This resolution sets forth the support of the City of Celina for the proposed bond election for transportation improvements to be called by Collin County for November 6, 2018. The proposition is estimated to be over \$600 million, and is expected to include funding for local roadways, including for limited access roads (LARs).

It is expected that the passage of the bond program will not result in a tax increase for property owners.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This resolution has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Resolution

Staff Recommendation:

Staff recommends approval.

RESOLUTION 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS
SETTING FORTH ITS SUPPORT TO THE PROPOSED BOND PROGRAM ELECTION
FOR TRANSPORTATION IMPROVEMENTS TO BE CALLED BY THE COLLIN
COUNTY COMMISSIONER'S COURT FOR NOVEMBER 6, 2018; AND PROVIDING
AN EFFECTIVE DATE.**

WHEREAS, a more robust transportation network is critical for the future of Collin County, which includes improvements to community arterial roadways of regional significance and limited-access highways; and,

WHEREAS, the Celina City Council is aware of the planning effort put in place by the Collin County Planning Board and the Commissioner's Court, whose purpose is to review the capital needs of the County; and,

WHEREAS, the Collin County Planning Board is recommending a bond program for critical transportation projects in anticipation of the projected population growth in Collin County, with the goal to fund construction of limited access roadways, principal arterial connections, and partnerships with cities on critical thoroughfares on the County Thoroughfare Plan; and,

WHEREAS, the Collin County Commissioner's Court has weighed the matter, heard from local elected officials, and discussed specifics of a proposed bond election at publicly posted meetings; and,

WHEREAS, over the past 11 years, Celina taxpayers have benefited greatly from essential transportation projects sponsored by Collin County; and,

WHEREAS, a proposition estimated to be in excess of \$600 million may be considered, and it is expected that the passage of the 2018 Collin County Bond Program will not result in a tax increase for property owners.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CELINA, COLLIN COUNTY, TEXAS, THAT:

Section 1: The Celina City Council hereby encourages and supports the Collin County Commissioner's Court to order a 2018 Collin County Bond Election for essential Transportation Improvements for November 6, 2018. Proposed propositions relating to transportation will benefit residents of both the City of Celina and Collin County and ensure that our quality of life will be maintained during this period of rapid growth and development.

Section 2: This Resolution shall take effect from and after its passage.

Attachment: Resolution-Bond-Transportation-10-1-18 (Collin Co. Bond Election Support Resolution)

PASSED AND APPROVED by the City Council of the City of Celina, Texas this _____ day of _____, 2018.

APPROVED:

Sean Terry, Mayor

APPROVED:

Vicki Faulkner, City Secretary

Attachment: Resolution-Bond-Transportation-10-1-1-18 (Collin Co. Bond Election Support Resolution)



Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Catherine Oduro, Engineer
 Date: October 9, 2018
 Re:

Action Requested:

Consider and act to authorize the City Manager to execute a contract Change Order with Felix Construction Company in the amount of \$99,731.28 for the construction of a Pressure Reducing Valve (PRV) and vault at the Downtown Pump station. (Brawner)

Background Information:

The original contract was approved on 12/12/2017 with a notice to proceed issued on 01/24/2018. The project was to expand the pumping capacities at both the Celina Road and Downtown Pump Stations due to planned developments.

The recently completed water modeling converted portion of the original Low pressure plane to high pressure plane and the installation of the PRV and vault is to allow controlled increase in pressures to limit any adverse impacts of the new system pressure on the existing infrastructure.

Board Review/Citizen Input:

N/A

Financial Considerations:

The original contract amount was \$5,193,349 which included a \$100,000.00 Work Change Directives allowance out of which \$40,568.79 is available to be used towards this project. The remaining \$59,162.49 will be financed by savings from the Biding and Special Services. Below is the breakdown of the total available funds.

Total Cost	\$ 99,731.28
Funding	
Balance from Special Services	\$ 49,790.06
Balance from Bid Services	\$ 26,676.00
Balance from Work Change Directive Allowance	\$ 40,568.79
Total	\$117,034.85

Total available funds from existing project budget for change order is \$117,034.85.

Legal Review:

The City Attorney will review and approve the contract as presented.

Supporting Documents:**Staff Recommendation:**

Approval



3010 Gaylord Parkway
Suite 190
Frisco, TX 75034

TEL 972.377.7480
FAX 972.377.8380

www.GarverUSA.com

7.D.a

Contract Modification Request

Request No. and Description:	10A – PRV Vault at DTPS
Owner:	City of Celina, TX
Project:	Celina Booster Pump Station Improvements
Contractor:	Felix Construction Company
Engineer:	Garver (Project Number 17088075)
Specification(s):	N/A
Drawing(s):	DT-C302 59A
Requested By:	City of Celina

The following modification(s) to the Contract are hereby requested:

Install new pressure reducing valve and vault per the attached drawing.

Reason(s):

The pressure reducing valve is added as extra work to complete CIP project E identified on the current project site. The new pressure reducing valve will allow controlled increase in pressures to limit any adverse impacts of the new system pressure on the existing infrastructure.

Attachment(s):

Cost proposal from Contractor

Proposed Cost:

Deduction/Addition: \$99,731.28

PROPOSED TIME:

Deduction/Addition: 165 Days

Contractor's Signature and Date:

Garver Engineer's Signature and Date:

Owner Engineer's Signature and Date:

Owner's Signature and Date:

Attachment: CMR-10A - PRV Vault at DTPS-unsigned (Construction Change Order - Pump Station Improvements Phase 1)



PCM-007A PRV Vault

Project Name:

Celina Pump Station Improvements

Company: City of Celina

Owners Representative: Jan Cole

Address: 142 N. Ohio St.

Celina, TX 75009

Phone: (972) 837-6601

E-mail: jcole@celina-tx.gov**Project Number (FCC):**

17088075

Description of Work:

Install new pressure reducing vault per the attached drawing.

Assumptions:

Release of retainage on the original contract is not to be delayed by the addition of this work.

Exclusions:

Any item not specifically described on the single page drawing or shown below is not included in the proposal.

A. Labor

Category	Hours	Rate	Total
Principal	-	\$ -	\$ -
Project Manager	58.0	\$ 72.00	\$ 4,176.00
Project Engineer	-	\$ -	\$ -
Admin	-	\$ -	\$ -
General Superintendent	-	\$ -	\$ -
Project Superintendent	-	\$ -	\$ -
Foreman	116.0	\$ 48.75	\$ 5,655.00
Craftsman	116.0	\$ 34.50	\$ 4,002.00
Apprentice / Laborer	116.0	\$ 28.50	\$ 3,306.00
Labor Subtotal			\$ 17,139.00
Markup Factor @	15%		\$ 2,570.85
LABOR TOTAL			\$ 19,709.85

B. Felix Equip

Unit	Hours	Rate	Total
Pick-up	-	\$ -	\$ -
Pick-up w/ Tools	108.0	\$ 25.43	\$ 2,746.44
Flatbed Truck	-	\$ -	\$ -
Back Hoe	96.0	\$ 51.36	\$ 4,930.56
Boom Truck	-	\$ -	\$ -
Loader (CAT 950)	-	\$ -	\$ -
Dump Truck (with driver)	-	\$ -	\$ -
Excavator (CAT 325)	-	\$ -	\$ -
Water Truck	-	\$ -	\$ -
Compactor CAT	48.0	\$ 37.75	\$ 1,812.00
Ext Reach Forklift	-	\$ -	\$ -
Grading Tractor (Case 480)	-	\$ -	\$ -
Water Wagon	-	\$ -	\$ -
Jumping Jack	48.0	\$ 9.00	\$ 432.00
Misc Tools / Supplies	-	\$ -	\$ -
Job Trailer	-	\$ -	\$ -
Misc Other	-	\$ -	\$ -
Felix Equipment Subtotal			\$ 9,921.00
Markup Factor @	15%		\$ 1,488.15
FELIX EQUIPMENT TOTAL			\$ 11,409.15

C. Rental Equip

Unit	Unit	Rate	Total
Crane to set vault	1 LS	\$ 2,900.00	\$ 2,900.00
			\$ -
			\$ -
Rental Subtotal			\$ 2,900.00
Markup Factor @	15%		\$ 435.00
RENTAL EQUIPMENT TOTAL			\$ 3,335.00

D. Materials

Item	Quant	Cost	Total
New Vault Purchase (with internal pipe)	1 LS	\$ 28,748.00	\$ 28,748.00
New Pipe Purchase	1 LS	\$ 18,003.77	\$ 18,003.77
Vault Installation Materials (Base)	1 LS	\$ 473.33	\$ 473.33
Pipe Bedding, Backfill, & Spoil Haul	1 LS	\$ 819.46	\$ 819.46
Thrust Blocks	1 LS	\$ 603.00	\$ 603.00
Material Subtotal			\$ 48,647.56
Markup Factor @	15%		\$ 7,297.13
MATERIAL TOTAL			\$ 55,944.69

E. Subcontractors

Discipline	Quant	Cost	Total
Concrete Drive Replacement (54SF)	1 LS	\$ 1,000.00	\$ 1,000.00
Painting of Pipe in Vault	1 LS	\$ 1,800.00	\$ 1,800.00
Start Up of PRV	1 LS	\$ 1,400.00	\$ 1,400.00
Subcontractor Subtotal			\$ 4,200.00
Markup Factor @	15%		\$ 630.00
SUBCONTRACTOR TOTAL			\$ 4,830.00

F. Other Direct

Item	Quant	Cost	Total
Remobilization	1 LS	\$ 1,590.08	\$ 1,590.08
		\$ -	\$ -
Other Subtotal			\$ 1,590.08
Markup Factor @	15%		\$ 238.51
OTHER DIRECT COST TOTAL			\$ 1,828.59

G. FCC Electrical

Discipline	Quant	Cost	Total
		\$ -	\$ -

H. Pass Through

Item	Quant	Cost	Total
		\$ -	\$ -
Pass Through Subtotal			\$ -

Subtotal: A+B+C+D+E+F+G+H**\$ 97,057.28**

Bond Renewal	1 LS	\$ 2,674.00
Tax Rate (%)	0.00%	\$ -
Credit Card Fee (%)	0.00%	\$ -

SUB TOTAL**\$ 99,731.28****CONTINGENCY ******\$ -****GRAND TOTAL****\$ 99,731.28**

Additional days of contract time needed

+

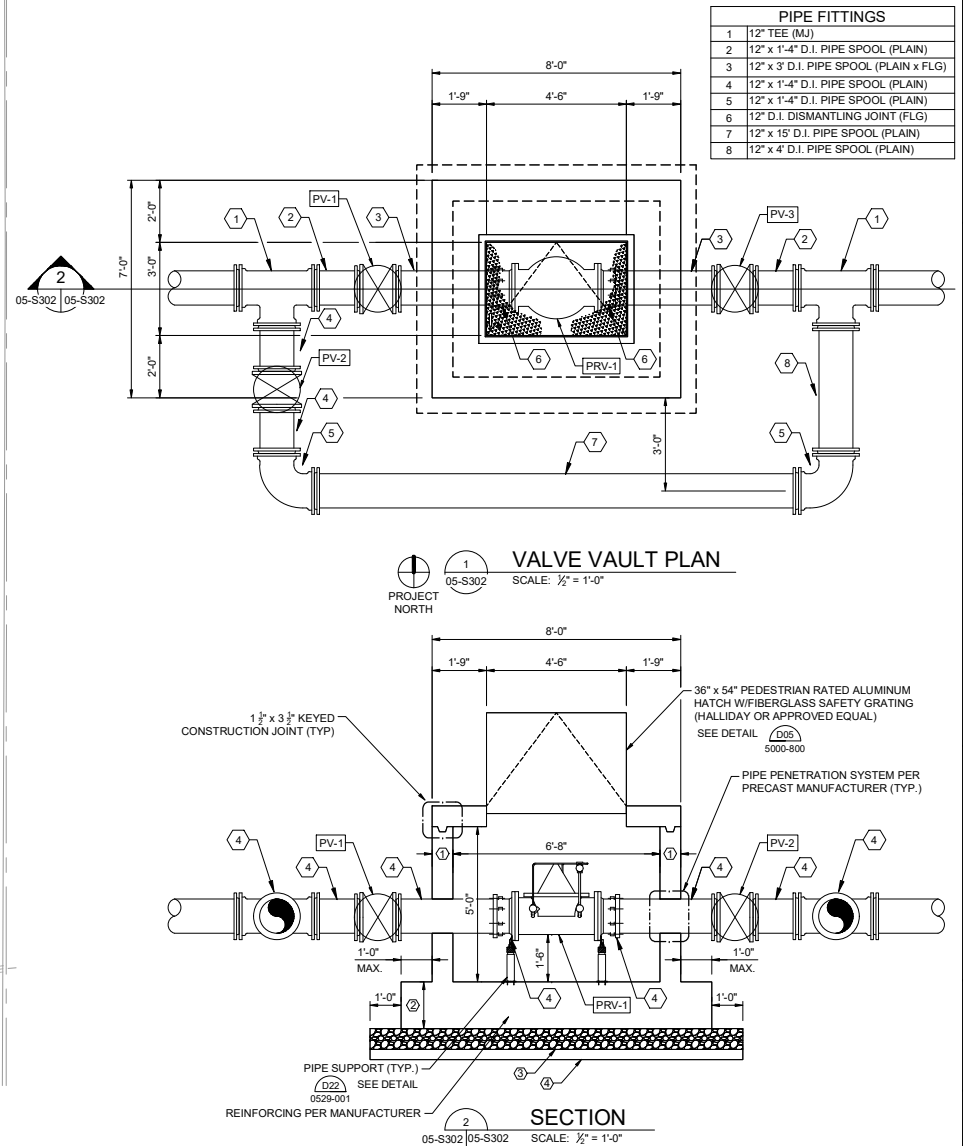
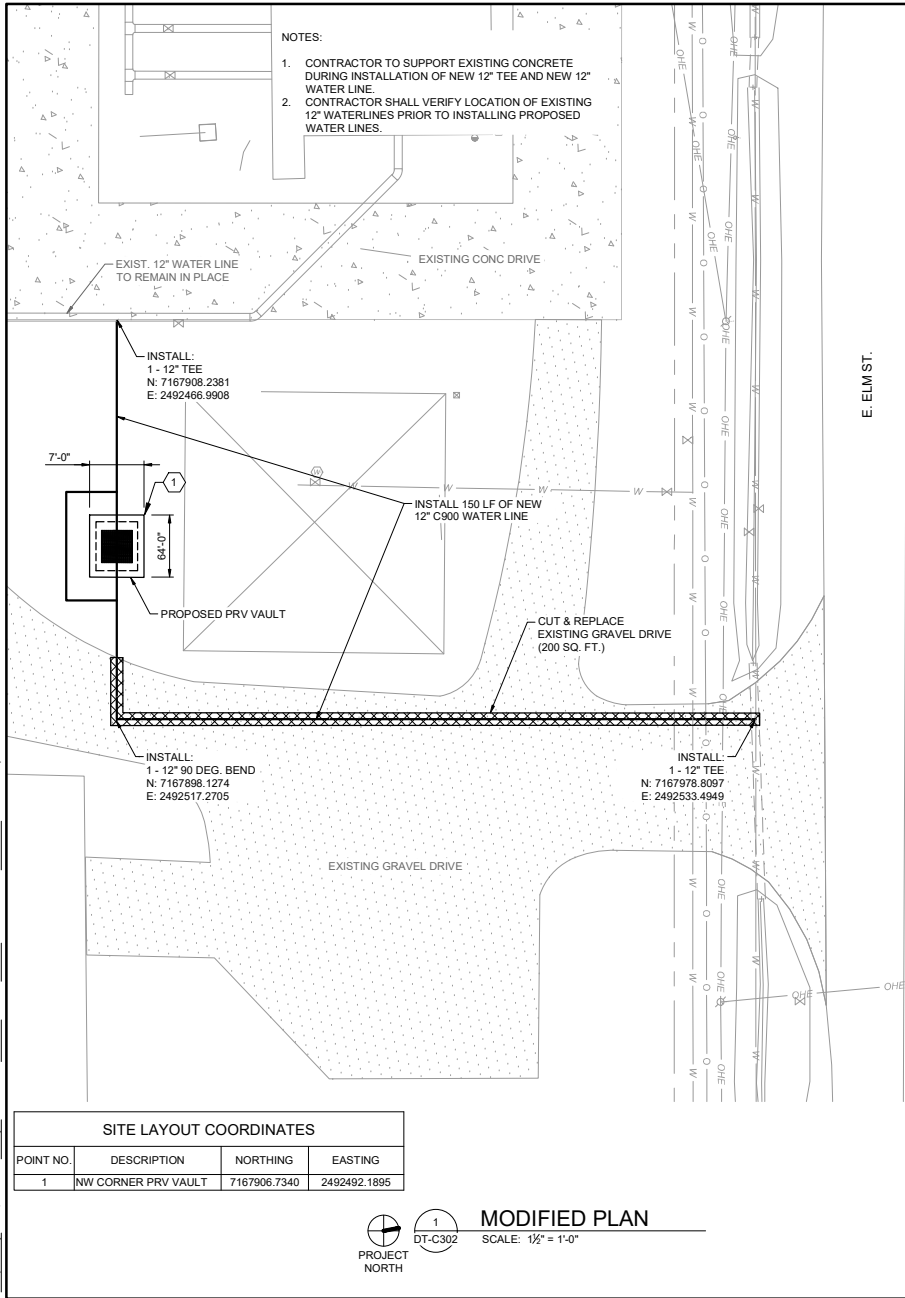
165

 Donald Eason / Project Manager
DATE :

August 30, 2018

The additional time represents the time required to procure materials and perform the work based on an approval to proceed being received by August 31, 2018.

Attachment: CMR-10A - PRV Vault at DTSP-unsigned (Construction Change Order - Pump Station Improvements Phase 1)



KEYNOTES: DENOTED BY SYMBOL (X)

- WALL THICKNESS PER PRECAST MANUFACTURER.
- FOOTING THICKNESS PER PRECAST MANUFACTURER.
- AGGREGATE BASE 12" MINIMUM THICKNESS COMPACTED TO 95% ASTM D1557.
- 4" THICK CONCRETE MUD SLAB.

PRV VAULT DESIGN NOTES:

SEISMIC DESIGN PARAMETERS - IBC 2015
RESPONSE MODIFICATION FACTOR, R.....4.0
BASIC SEISMIC FORCE RESISTING SYSTEM - ORDINARY REINFORCED CONCRETE SHEAR WALLS
SEISMIC RESPONSE COEFFICIENT, CS.....0.01



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REGISTERED PROFESSIONAL ENGINEER
F-57

REV.	DATE	DESCRIPTION	BY

CITY OF CELINA
CELINA, TEXAS

DOWNTOWN F
VAULT CMR

JOB NO.: 170
DATE: JUNE
DESIGNED BY:
DRAWN BY:

BASE IS ONE IN ORIGINAL SIZE
IF NOT ONE IN SCALES ACCORD
DRAWING N
DT-C:
SHEET
NUMBER **0**

Attachment: CMR-10A - PRV Vault at DTPS-unsigned (Construction Change Order - Pump Station



This Bill of Material is intended to assist with the preparation of your bid and is not guaranteed in any way.
All material will be invoiced at unit price basis on the specific quantities and description as listed.

MANAGEMENT AND SALES CONTACTS

GREG VELZ		GENERAL MANAGER		(407) 448-0896	
AARON MANNING	KY, TN, OH	(859) 321-2804			
ALAN HIBBARD	GA	(678) 614-1820	LARRY LINDSEY	TX, OK, NV	(936) 591-7558
BEN LITTLE	DC, MD, VA	(804) 833-1100	SEAN MULLANE	AZ, CA, NM, NV	(480) 540-9885
BILL COOK	NC, SC	(804) 833-1100	VANCE FINCH	KS, MO	(785) 418-4648

PROJECT DETAILS	SUMMARY OF PROJECT		
PROJECT: DOWNTOWN CELINA PRV VAULT LOCATION: CELINA TX BID DATE: BID TIME: PLANS FROM: ENGINEER: DOMESTIC REQD: AVIS OR BUY USA: QUOTE VERSION# : CHANGES THROUGH: ESTIMATOR: PRICING BY: Our vision is to be the preferred and most trusted resource for utility infrastructure product solutions. FORTILINE WATERWORKS	Product Group	Price Totals	Weight Totals
	Ductile Iron Pipe		2,784 Lbs.
	Ductile Iron Fabricated Pipe		Lbs.
	Ductile Iron Fittings		2,607 Lbs.
	Ductile Iron Restraints		2,443 Lbs.
	Restrained Ductile Iron Pipe		Lbs.
	Restrained Ductile Iron Fittings		Lbs.
	Grooved Fittings and Couplings		Lbs.
	PVC Pressure Pipe		
	Sch80 PVC Pipe and Fittings		
	Sch40 PVC Pipe and Fittings		
	CPVC Pipe and Fittings		
	SDR35 PVC Pipe and Fittings		
	SDR26 PVC Pipe and Fittings		
	Valves, Hydrants and Taps		
	Concrete Pipe, Structures, Castings		
	HDPE Pipe and Fittings		
	DWV PVC Pipe and Fittings		
	Cast Iron Soil Pipe and Fittings		
	Couplings, Expansion Joints, FCA's		
	Drainage Pipe and Fittings		
	Wall Sleeves and Link Seals		
	304 Stainless Pipe and Fittings		
	316 Stainless Pipe and Fittings		
	Copper Pipe and Fittings		
	Brass Fittings and Valves		
	Black Steel/Iron Pipe and Fittings		
	Galvanized Pipe and Fittings		
	Hangers and Supports		
	Flanged Bolts and Accessories		
	Miscellaneous Materials		
TOTAL SELL PRICE FOR JOB			
TOTAL WEIGHT FOR JOB			7,834 Lbs.

10	Add #	Qty	UOM	Size	Connection	Description #1	Description #2	Description #3	Description #4	IMP/USA	Unit Sell	Extended Sell	Unit Weight	Total Weight
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DOWNTOWN CELINA PRV VAULT - IMPORT**TIE-IN TO EX. 12" (2 TYPICAL**

2	EA	12"	MJ	TEE	LESS ACCESSORIES	C153-IMP	BIT-COAT-C/L	IMPORT	\$	214.09	\$	428.18	160
2	EA	12"	MJ	SLEEVE, LONG	LESS ACCESSORIES	C153-IMP	BIT-COAT	IMPORT	\$	117.27	\$	234.55	77
10	EA	12"		WEDGE ACTION RES	W/ ACCESSORIES	FOR PVC	316SS BOLTS	IMPORT	\$	131.20	\$	1,312.05	37

INSTALL YARD PIPING FROM TIE-IN TO TEE ON BOTH SIDES OF VAULT

160	FT	12"	X 20'0"	BE	PVC PIPE	C900-DIPS	DR 18	BLUE	\$	17.94	\$	2,871.11	
1	EA	12"	MJ	90 BEND	LESS ACCESSORIES	C153-IMP	BIT-COAT-C/L	IMPORT	\$	153.75	\$	153.75	108
2	EA	12"	MJ	SLEEVE, LONG	LESS ACCESSORIES	C153-IMP	BIT-COAT	IMPORT	\$	117.27	\$	234.55	77
6	EA	12"		WEDGE ACTION RES	W/ ACCESSORIES	FOR PVC	316SS BOLTS	IMPORT	\$	131.20	\$	787.23	37
1	RL			TRACER WIRE 12 GA 500'					\$	0.27	\$	0.27	
1	RL	6"	X 1000'	DET. ID TAPE	WATER	BLUE			\$	225.00	\$	225.00	

INSTALL PRV VAULT PIPING INCLUDES BY-PASS PIPING

2	EA	12"	MJ	TEE	LESS ACCESSORIES	C153-IMP	BIT-COAT-C/L	IMPORT	\$	214.09	\$	428.18	160
2	EA	12"	MJ	90 BEND	LESS ACCESSORIES	C153-IMP	BIT-COAT-C/L	IMPORT	\$	153.75	\$	307.50	108
3	EA	12"	MJ	GATE VALVE	2" OP NUT	LESS ACCESSORIES	WEST	BUY AMERICA	\$	1,386.27	\$	4,158.82	
3	EA			562S ADJ VALVE BOX W/ LID		WATER		IMPORT	\$	48.75	\$	146.25	
2	EA	12"		WEDGE ACTION RES	W/ ACCESSORIES	FOR PVC	316SS BOLTS	IMPORT	\$	131.20	\$	262.41	37
14	EA	12"		WEDGE ACTION RES	W/ ACCESSORIES	FOR DIP	316SS BOLTS	IMPORT	\$	120.23	\$	1,683.18	39
40	FT	12"	TYTON	DUCTILE IRON PIPE		CL350	BIT-COAT-C/L	US-DOMESTIC	\$	30.06	\$	1,202.22	34.8
6	RL	2"	X 100'	POLYWRAP TAPE ROI BLACK					\$	6.25	\$	37.50	
200	FT	20"	X 300'	8 MIL POLYWRAP	BLACK	3"-8" PIPE			\$	0.40	\$	80.00	

INTERNAL VAULT PIPING

2	EA	12"		RESTRAINED FLG COI RFCA W/ 316SS BOLTS EPOXY COAT		316SS BOLTS			\$	1,499.41	\$	1,458.82	
1	EA	12"		90-01 CLA VAL PRV VALVE					\$	11,550.00	\$	11,550.00	
2	EA	12"		FLG B&G - 1/8 FF GSK SBR	SS316	STD BOLT	IMPORT		\$	93.75	\$	187.50	
2	EA	12"		ADJ PIPE SUPPORT FLG TYPE					\$	558.82	\$	1,117.65	

PRECAST VAULT AND LID - BY OTHERS**TOTAL FOR QUOTATION - IMPORT**

Subtotal \$ 28,866.71 Weight

DOWNTOWN CELINA PRV VAULT - DOMESTIC**TIE-IN TO EX. 12" (2 TYPICAL**

2	EA	12"	MJ	TEE	LESS ACCESSORIES	C153-DOM	BIT-COAT-C/L	AI5-DOMESTIC	\$	509.66	\$	1,019.32	160
2	EA	12"	MJ	SLEEVE, LONG	LESS ACCESSORIES	C153-DOM	BIT-COAT	AI5-DOMESTIC	\$	248.18	\$	496.36	77
10	EA	12"		WEDGE ACTION RES	W/ ACCESSORIES	FOR PVC	316SS BOLTS	AI5-DOMESTIC	\$	142.01	\$	1,420.11	37.5

INSTALL YARD PIPING FROM TIE-IN TO TEE ON BOTH SIDES OF VAULT

160	FT	12"	X 20'0"	BE	PVC PIPE	C900-DIPS	DR 18	BLUE	\$	17.94	\$	2,871.11	
1	EA	12"	MJ	90 BEND	LESS ACCESSORIES	C153-DOM	BIT-COAT-C/L	AI5-DOMESTIC	\$	396.65	\$	396.65	129
2	EA	12"	MJ	SLEEVE, LONG	LESS ACCESSORIES	C153-DOM	BIT-COAT	AI5-DOMESTIC	\$	248.18	\$	496.36	77
6	EA	12"		WEDGE ACTION RES	W/ ACCESSORIES	FOR PVC	316SS BOLTS	AI5-DOMESTIC	\$	142.01	\$	852.07	37.5
1	RL			TRACER WIRE 12 GA 500'					\$	0.27	\$	0.27	
1	RL	6"	X 1000'	DET. ID TAPE	WATER	BLUE			\$	225.00	\$	225.00	

INSTALL PRV VAULT PIPING INCLUDES BY-PASS PIPING

2	EA	12"	MJ	TEE	LESS ACCESSORIES	C153-DOM	BIT-COAT-C/L	AI5-DOMESTIC	\$	509.66	\$	1,019.32	160
2	EA	12"	MJ	90 BEND	LESS ACCESSORIES	C153-DOM	BIT-COAT-C/L	AI5-DOMESTIC	\$	396.65	\$	793.30	129
3	EA	12"	MJ	GATE VALVE	2" OP NUT	LESS ACCESSORIES	WEST	BUY AMERICA	\$	1,386.27	\$	4,158.82	
3	EA			562S ADJ VALVE BOX W/ LID		WATER		DOMESTIC	\$	141.25	\$	423.75	
2	EA	12"		WEDGE ACTION RES	W/ ACCESSORIES	FOR PVC	316SS BOLTS	AI5-DOMESTIC	\$	142.01	\$	284.02	37.5
14	EA	12"		WEDGE ACTION RES	W/ ACCESSORIES	FOR DIP	316SS BOLTS	AI5-DOMESTIC	\$	132.86	\$	1,860.09	39.7
40	FT	12"	TYTON	DUCTILE IRON PIPE		CL350	BIT-COAT-C/L	AI5-DOMESTIC	\$	30.06	\$	1,202.22	34.8
6	RL	2"	X 100'	POLYWRAP TAPE ROI BLACK					\$	7.50	\$	45.00	
200	FT	20"	X 300'	8 MIL POLYWRAP	BLACK	3"-8" PIPE			\$	0.40	\$	80.00	

580	INTERNAL VAULT PIPING												
590	2 EA	12"	RESTRAINED FLG COIRFCA W/ 316SS BOLTS EPOXY COAT				DOT AMERICA	\$	1,162.35	\$	2,324.71		
600	1 EA	12"	90-01 CLA VAL PRV VALVE					\$	12,994.36	\$	12,994.36		
610	2 EA	12"	FLG B&G - 1/8 FF GSK SRR		SS304	STD BOLT	DOMESTIC	\$	451.25	\$	902.50		
620	2 EA	12"	ADJ PIPE SUPPORT FLG TYPE					\$	558.82	\$	1,117.65		
630	PRECAST VAULT AND LID - BY OTHERS												
640													
650	TOTAL FOR QUOTATION - DOMESTIC									Subtotal	\$	34,982.99	Weight

Fortiline, Inc. Treatment Plant Group - TERMS AND CONDITIONS

Definitions:

- (a) All notations of "Fortiline, Inc." AKA, "Fortiline," AKA "Fortiline Waterworks" shall reference Fortiline, Inc. of 7025 Northwinds Dr. NW, Concord, NC 28027
- (b) All notations of "Buyer" references any and all parties with the intent to engage in any transaction at any point in time with Fortiline, Inc.
 - i. In addition to the aforementioned, "Buyer" references any and all parties with the intent to use this list of materials, pricing, verbiage for any use.
- (c) All notations of "Owner" references the end user pertaining to this list of material.
 - i. "Owner" also includes any and all of the Owners representative(s) e.g. Engineer, Architect dependent upon the contractual documents for the relating project.
- (d) All notations of "Engineer" references the designer, creator, originator for the pertaining project under which this list of materials has been provided.
- (e) All notations of "Material" references an individual instance of that particular item as it is exactly depicted on this list of material only.

1. All quotations and sales by Fortiline, Inc. to the Buyer are expressly conditioned upon the Buyer's acceptance of these Terms and Conditions in their entirety, along with Fortiline, Inc. Payment Terms, Fortiline, Inc. Credit Approval Terms and Conditions of Sale.
If the Buyer does not accept all of these Terms and Conditions, Fortiline reserves the right to decline the sale of any and all material and refuse any and all returns if applicable.
2. The purpose of the above material is intended to provide estimated unit prices for each item only as it is depicted.
Fortiline, Inc. and its employees assume no responsibility for the viability of this list of material.
It is the sole liability of the Buyer, Owner and Engineer to determine the proper use, installation method, protection, storage, life cycle, of each and every material item listed.
An alteration, addition or deletion to any item will result in this list of material being void in its entirety and Fortiline, Inc. reserves the right to refusal of sale.
If an alteration, addition, or deletion to this list of material is requested by the Buyer, Owner or Engineer, Fortiline, Inc. reserves the right to alter any and all pricing or quantities.
3. We have provide this list of material based on one or all of the following: Bid Documents Provided by the Buyer, Bill of Material provided by the Buyer, and /or Fortiline, Inc. has solicited a Procurement Website for Bidding Documents notated on each quotation.
It is the responsibility entirely of the Buyer to provide accurate bidding documentation.
It is the responsibility entirely of the Buyer to verify the accuracy of the quantities, lengths, weights, totals and correct correlation between the plans/specifications for the project in reference and each material item listed.
Fortiline has provided this list of material as estimated quantities based on the plans and specifications but in no way is a guaranteed scope.
4. This list of material in no way includes any item, service, warranty, replacement part, spare part, startup and or training that is not explicitly listed.
Fortiline, Inc. does not offer any warranty for any material listed.
All warranties are that of the corresponding manufacturer of the material itself. Copies of these warranties can be provided upon request.
5. Fortiline, Inc. has provided this list of materials for the convenience of the Buyer and does not constitute in any way a contractual agreement of sale.
6. All references to "By Others" in this list of material include any and all replacement parts, accessories, warranties, startup and or training for that item.
These material line items in reference to "By Others" are for the Buyers convenience only and are not intended in any way to depict the accuracy of the item.
7. All references to "Will Advise", "Price to Follow", "Pending" in the list of material in no way holds Fortiline, Inc. responsible for providing a price for any and all of these items.
These material line items in reference to "Will Advise", "Price to Follow", "Pending" are for the Buyers convenience only and are not intended in any way to depict the accuracy of the item.
8. All material items listed are shown as is and include no additional gaskets, accessories, restraints, replacement parts, spare parts, startup, or training unless otherwise explicitly detailed in that particular line item only.
Any reference of gaskets, accessories, restraints, spare parts, replacements parts, start up and or training are for that item only and do not apply to any other material item.
9. All Ductile Iron and PVC Pipe must be ordered no later than 30 days from the date on this quotation.
All Stainless Steel Pipe and Copper Pipe must be ordered no later than 7 days from the date on this quotation.
All HDPE Pipe and Poly Tubing must be ordered no later than 10 days from the date on this quotation.
All deliveries of said pipe once ordered and approved must be taken in the possession of the Buyer and/or Owner no later than 60 days from the date on this quotation.
If pipe is not ordered and/or received by the Buyer/Owner by these dates, Fortiline, Inc. reserves the right to reprice any and all relating pipe material on this quotation.
10. All precast structures are quoted as is and do not include any buoyancy calculations, coatings of any kind, engineering certification, hatches, manways, ring and covers, or any penetration seals unless otherwise specifically stated
11. All Ductile Iron Pipe of any type, make, model is listed for the intention of being sold and used as an entire complete manufactured piece. If the Buyer, Owner, Engineer intends for any



Celina Booster Pump Station Improvements



ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Jun 4, '17	M	T	W	T	F	S	Jun 11, '17	M	T	W	T	F	S	Jun 18, '17
1	Notice of Award	1 day	Tue 12/12/17	Tue 12/12/17																	
2	Notice to Proceed	0 days	Mon 1/22/18	Mon 1/22/18																	
3	Submittals	149 days	Wed 12/13/17	Fri 7/6/18																	
133	Downtown Construction Activities	161 days	Thu 1/25/18	Wed 9/5/18																	
169	Celina Rd. Construction Activities	302 days	Fri 6/23/17	Fri 8/17/18																	
190	PRV Vault Construction Activities	113 days	Fri 8/24/18	Tue 1/29/19																	
191	Approval to Proceed	1 day	Fri 8/24/18	Fri 8/24/18																	
192	Vault Submittal	10 days	Mon 8/27/18	Fri 9/7/18	191																
193	Remobilize Site	3 days	Wed 12/26/18	Fri 12/28/18	194																
194	Vault Delivery	80 days	Mon 9/10/18	Fri 12/28/18	192																
195	Excavation & Seal Slab at Vault	2 days	Mon 12/31/18	Tue 1/1/19	194																
196	Set New PRV Vault	1 day	Wed 1/2/19	Wed 1/2/19	195																
197	Install Pipe to & from Vault	5 days	Thu 1/3/19	Wed 1/9/19	196																
198	Disinfection and Testing of New Pipe	3 days	Thu 1/10/19	Mon 1/14/19	197																
199	Perform Pipe Tie Ins	4 days	Tue 1/15/19	Fri 1/18/19	198																
200	Restore Site	5 days	Mon 1/21/19	Fri 1/25/19	199																
201	Demobilize	2 days	Mon 1/28/19	Tue 1/29/19	200																



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: October 9, 2018
Re: Ordinance updating TIRZ II legal description (Creeks of Legacy)

Action Requested:

Consider and act upon an ordinance of the City Council of the City of Celina amending Ordinance 2014-21 of the City of Celina to correct the legal description of "Pod A" as provided herein and providing an effective date. (TIRZ #2, Creeks of Legacy) (DeBuff)

Background Information:

This ordinance corrects an error in the previous TIRZ #2 (Creeks of Legacy) legal description.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This resolution has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Ordinance

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA AMENDING ORDINANCE 2014-21 OF THE CITY OF CELINA TO CORRECT THE LEGAL DESCRIPTION OF “POD A” AS PROVIDED HEREIN AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on June 15, 2004, the City Council of the City of Celina, Texas passed and approved Ordinance No. 2014-21; and

WHEREAS, from and after the effective date of this Ordinance, the legal description of “POD A” provided in Exhibit A of Ordinance No. 2014-21 shall be replaced with the legal description provided in Exhibit A attached hereto.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS:

Section 1. The legal description of “POD A” as provided in Ordinance No. 2014-21 shall be corrected and replaced in its entirety with the legal description provided in Exhibit A attached hereto.

Section 2. Except as provided in this Ordinance, all terms and provisions of Ordinance 2014-21 shall remain in full force and effect.

Section 3. Effective Date.

This Ordinance shall take effect and become effective upon passage and execution hereof.

ADOPTED, PASSED, AND APPROVED on this the 9th day of October, 2018.

ATTEST:

CITY OF CELINA

Vicki Faulkner, City Secretary

Chad Anderson, Mayor Pro-Tem

APPROVED AS TO FORM

Lance Vanzant, Attorney for the City

Exhibit A**LEGAL DESCRIPTION
POD A**

BEING A 49.871 ACRE TRACT OF LAND SITUATED IN THE WILLIAM DAVENPORT SURVEY, ABSTRACT NUMBER 262 AND THE F. D. GRAY SURVEY, ABSTRACT NUMBER 361, COLLIN COUNTY, TEXAS. AND BEING A PORTION OF THAT CALLED 113.73 ACRE TRACT OF LAND DESCRIBED IN DEED TO FRONTIER TOLLWAY PARTNERS, LP AS RECORDED IN DOCUMENT NUMBER 20070618000828920 OF SAID O.P.R.C.C.T., ALSO BEING A PORTION OF THAT CALLED 125.52 ACRE TRACT OF LAND DESCRIBED IN DEED TO CELINA INVESTMENT PARTNERS, LTD AS RECORDED IN DOCUMENT NUMBER 2005-0062329 OF SAID O.P.R.C.C.T. SAID 49.871 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBE BY METES AND BOUNDS AS FOLLOWS;

COMMENCING at a 2 inch iron pipe found for the southwest corner of said 125.52 acre tract, also lying in the approximate intersection of County Line Road Number 6 (Legacy Dr) and County Road NO. 5 (Frontier Parkway) both roads being a variable width Right-of-Way;

THENCE N 00°30'48"E [Record N 01°23'48"E], along the west line of said 125.52 acre tract and the approximate centerline of said County Line Road Number 6 a distance of 1492.66 feet, to a point for corner;

THENCE S 89°39'26"E, leaving said west line over and across said 125.52 acre tract a distance of 98.92 feet, to a point for the beginning of a curve to the left with a delta angle of 10°35'52", having a radius of 753.00 feet, a chord bearing of N 80°52'08"E, and a chord length of 139.08 feet;

Along said curve to the left an arc length of 139.28 feet, to a point for corner. Same being the beginning of a compound curve to the left, with a delta angle of 02°43'34", having a radius of 3778.00 feet, a chord bearing of N 74°15'44"E, and a chord length of 179.73 feet;

Along said compound curve to the left an arc length of 179.75 feet, to a point for corner, also being the beginning of a reverse curve to the right with a delta angle of 00°59'53", having a radius of 809.00 feet, a chord bearing of N 78°21'04"E, and a chord length of 14.09 feet;

Along said reverse curve to the right an arc length of 14.09 feet, to a 5/8 inch capped iron rod set and stamped "PELOTON", for the **POINT OF BEGINNING** of the herein described tract.

THENCE N 00°48'18"W a distance of 200.34 feet, to a 5/8 inch capped iron rod set and stamped "PELOTON", for corner;

THENCE N 12°13'02"W a distance of 222.95 feet, to a 5/8 inch capped iron rod set and

stamped "PELTON", for corner;

THENCE N 00°30'48"E a distance of 192.77 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE N 89°11'42"E a distance of 343.68 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE N00°48'18"W a distance of 149.44 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE N 89°11'42"E, a distance of 484.51 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE S 00°48'18"E, a distance of 149.44 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE N 89°11'42"E, a distance of 597.56 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE S 00°48'18"E, a distance of 70.86 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE N 89°11'44"E, a distance of 204.23 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE S 00°48'18"E, a distance of 78.58 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner, and being the beginning of a curve to the left with a delta angle of 26°19'31", having a radius of 498.13 feet, a chord bearing of S 13°58'03"E, and a chord length of 226.86 feet;
Along said curve to the left an arc length of 228.87 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE S 27°07'49"E, passing at a distance of 254.91 feet, the common east west line of said Frontier Tollway and Celina Investment Partners tracts, continuing in all a total distance of 267.48 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner, also being the beginning of a curve to the right ; with a delta angle of 25°04'37", having a radius of 1804.71 feet, a chord bearing of S 14°35'30"E, and a chord length of 783.59 feet;
Along said curve to the right an arc length of 789.88 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner;

THENCE S 01°53'04"E, a distance of 121.09 feet, to a 5/8 inch capped iron rod set and stamped "PELTON", for corner, and being the beginning of a curve to the right with a delta angle of 10°15'27", having a radius of 298.88 feet, a chord bearing of S 02°53'08"W, and a chord length of 53.44 feet;

Along said curve to the right an arc length of 53.51 feet, to a 5/8 inch capped iron rod set and stamped "PELOTON", for the southeast corner hereof;

THENCE S 88°07'15"W, a distance of 413.96 feet, to a 5/8 inch capped iron rod set and stamped "PELOTON", for corner;

THENCE S 58°23'38"W, a distance of 415.11 feet, to a 5/8 inch capped iron rod set and stamped "PELOTON", for corner;

THENCE N 77°09'49"W, a distance of 276.96 feet, to a 5/8 inch capped iron rod set and stamped "PELOTON", for the most southerly southwest corner hereof;

THENCE N 12°50'12"E, a distance of 94.53 feet, to a 5/8 inch capped iron rod set and stamped "PELOTON", for corner, and being the beginning of a curve to the left with a delta angle of 114°44'39", having a radius of 809.00 feet, a chord bearing of N 43°46'40"W, and a chord length of 1362.66 feet;

Along said curve to the left an arc length of 1620.15 feet, to the **POINT OF BEGINNING** and containing 49.871 Acres of land more or less.



Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Vicki Faulkner, City Secretary
CC: Jason Laumer, City Manager
Date: October 9, 2018
Re: Delinquent Tax Property Offer

Action Requested:

Consider and act upon an offer to purchase Lot 6b of Block 71 and Lot 3 of Block 59 (delinquent tax properties) from Laurann Sutton Pratt. (Toutounchian)

Background Information:

These properties went to Sheriff's sale on April 3, 2007. There were no bidders. There are a total of \$3,869.51 in judgment fees (all taxing entities), including a demolition lien due to the City of Celina. The most recent appraisal value is \$15,000.00 for Block 59 and \$600.00 for Block 71. An offer of \$15,000.00 has been received.

Board Review/Citizen Input:

N/A

Alternatives:

Accept or deny offer.

Financial Considerations:

The city would receive its \$4,537.61 covering the initial judgment of \$585.79 and the demolition lien of \$997.00.

Legal Review:

The offer comes through the city's delinquent tax attorney Abernathy, Roeder, Boyd, Hullet (formerly Gay, McCall, Isaacks & Roberts).

Supporting Documents:

Letter, deed without warranty, and distribution of proceeds summary

Staff Recommendation:



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Paul DeBuff, Assistant to the City Manager
 CC: Jason Laumer, City Manager
 Date: October 9, 2018
 Re: Glen Crossing: Resolution approving PFP for expanded TIRZ #6

Action Requested:

Consider and act upon a resolution accepting a Preliminary Amended and Restated Project and Financing Plan for Tax Reinvestment Zone Number Six, City of Celina to change the boundaries of the Zone and update the projects to be undertaken within the Zone; setting a public hearing under section 311.011 of the Texas Tax Code on the amendment of the Final Project and Financing Plan for the Zone; authorizing and directing notice by the City Secretary of Celina, Texas regarding the public hearing; and resolving other matters incident and related thereto. (Glen Crossing PFP approval) (DeBuff)

Background Information:

On June 14, 2016, the City created TIRZ #6, consisting of approximately 41.499 acres, with a Project and Finance Plan being approved in July of 2016.

This resolution accepts a Preliminary Amended and Restated Project and Financing Plan (PFP) for TIRZ #6 (Glen Crossing), which expands the boundaries of the TIRZ, to include an additional 67.591 acres. Additionally, it sets a public hearing for the TIRZ PFP for November 13, 2018.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This resolution has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Resolution
- Project and Financing Plan, TIRZ #6

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

RESOLUTION NO. _____

A RESOLUTION ACCEPTING A PRELIMINARY AMENDED AND RESTATED PROJECT AND FINANCING PLAN FOR TAX REINVESTMENT ZONE NUMBER SIX, CITY OF CELINA TO CHANGE THE BOUNDARIES OF THE ZONE AND UPDATE THE PROJECTS TO BE UNDERTAKEN WITHIN THE ZONE; SETTING A PUBLIC HEARING UNDER SECTION 311.011 OF THE TEXAS TAX CODE ON THE AMENDMENT OF THE FINAL PROJECT AND FINANCING PLAN FOR THE ZONE; AUTHORIZING AND DIRECTING NOTICE BY THE CITY SECRETARY OF CELINA, TEXAS REGARDING THE PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

WHEREAS, the City of Celina, Texas (the “**City**”), is authorized under Chapter 311 of the Texas Tax Code, as amended (the “**Act**”), to create a tax increment reinvestment zone within its city limits;

WHEREAS, on June 14, 2016, the City Council of the City (the “**City Council**”) approved Ordinance No. 2016-43 creating Reinvestment Zone Number Six, City of Celina (the “**Zone**”) consisting of approximately 41.499 acres with the boundaries being described in the metes and bounds attached as **Exhibit A** (the “**Original Zone Property**”); and

WHEREAS, on July 12, 2016, the City Council approved Ordinance No. 2016-48 approving the “*Reinvestment Zone Number Six, City of Celina, Final Project and Financing Plan*” (the “**Project and Finance Plan**”) dated July 12, 2016 as the project and financing plan for the Zone; and

WHEREAS, on July 12, 2016, the City Council approved Ordinance No. 2016-49 approving the “*TIRZ Reimbursement Agreement – Glen Crossing*” (the “**TIRZ Agreement**”), dated July 12, 2016, by and between the City, the Board of Directors of the Zone (the “**TIRZ Board**”), and W/J CR55 LP (the “**Developer**”); and

WHEREAS, the City and the Developer agree that expansion of the boundaries within the Zone to include an additional 67.591 acres that currently lie within the Glen Crossing Public Improvement District (the “**Additional Zone Property**”) and to increase the estimated costs of projects to be undertaken in the Zone is desirable to carry out the purposes of that certain Amended Development Agreement between the Developer and the City approved on June 14, 2016 (the “**Development Agreement**”); and

WHEREAS, the City Council has been presented with a preliminary “*Amended and Restated Reinvestment Zone Number Six, City of Celina, Project and Financing Plan*” (the “**Preliminary Amended Project and Finance Plan**”) amending the original Project and Finance Plan to increase (i) the geographic area of the Zone to include the Additional Zone Property, and (ii) the total estimated project costs; and

WHEREAS, Section 311.011(e) of the Act authorizes the amendment of the original Project and Finance Plan that will become effective upon the approval by ordinance of such amendment by the City Council after a public hearing that satisfies Sections 311.003(c) and (d) of the Act at which (i) any interested persons may speak for or against the proposed amendments to enlarge the Zone to include the Additional Zone Property and to increase the total estimated project costs, and (ii) the owner of Additional Zone Property to protest the inclusion of such property in the proposed enlarged Zone; and

WHEREAS, the City Council has determined to hold a public hearing on November 13, 2018 on the amendment of the original Project and Finance Plan of the Zone to increase (i) the geographic area of the Zone to include the Additional Zone Property, and (ii) the total estimated project costs.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL:

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. The City Council does hereby accept the Preliminary Amended Project and Finance Plan, a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Preliminary Amended Project and Finance Plan.

SECTION 3. The City Council hereby authorizes, and calls, a public hearing (the Assessment Hearing as defined above) to be held on **November 13, 2018**, at or after 5:00 p.m. in the Celina City Council Chambers, 112 N. Colorado Street, Celina, Texas 75009, for the purpose of hearing any interested person speak for or against the expansion of the boundaries of the Zone to include the Additional Zone Property and to increase the total estimated project costs to be undertaken within the Zone. At such time and place the City Council will hear testimony regarding the expansion of the boundaries of the Zone, the proposed estimated project cost increase, and will provide a reasonable opportunity for the owner of the Additional Zone Property to protest the inclusion of their property within the Zone. Upon closing the public hearing, the City Council may consider the adoption of an ordinance approving a final “Amended and Restated Reinvestment Zone Number Six, City of Celina, Project and Financing Plan” amending the original Project and Finance Plan to increase (i) the geographic area of the Zone to include the Additional Zone Property, and (ii) the total estimated project costs.

SECTION 4. Attached hereto as **Exhibit B** is a form of the Notice of Public Hearing, the form and substance of which is hereby adopted and approved.

SECTION 5. The City Secretary is hereby authorized and directed to cause said notice to be published in substantially the form attached hereto in a newspaper of general circulation in the City on or before **November 2, 2018**.

SECTION 6. This resolution shall be in full force and effect from and after its passage and it is accordingly so resolved.

PASSED AND APPROVED ON THIS 9TH DAY OF OCTOBER, 2018.

Sean Terry, Mayor

ATTEST:

Vicki Faulkner, City Secretary

EXHIBIT A
Preliminary Amended Project and Finance Plan

Attachment: LEGAL-#74248-v4-Celina_Glen_Crossing_TIRZ_2018_-_Resolution_Calling_Publ... (Glen Crossing: Resolution approving PFP for

EXHIBIT B
CITY OF CELINA CITY COUNCIL
NOTICE OF PUBLIC HEARING
ON CREATION OF REINVESTMENT ZONE

The City Council of the City of Celina, Texas will hold a public hearing on **Tuesday, November 13, 2018 at or after 5:00 p.m.** in the Celina City Council Chambers at 112 N. Colorado Street, Celina, Texas 75009 for the purposes of hearing any interested person speak for or against the expansion of the boundaries of the Zone to include approximately 67.591 acres that currently lie within the Glen Crossing Public Improvement District (the "Additional Zone Property") and to increase the total estimated project costs to be undertaken within the Zone. At such time and place the City Council will hear testimony regarding the proposed expansion of the boundaries of the Zone, the proposed estimated project cost increase, and will provide a reasonable opportunity for the owner of the Additional Zone Property to protest the inclusion of their property within the Zone. Upon closing the public hearing, the City Council may consider the adoption of an ordinance approving a final "Amended and Restated Reinvestment Zone Number Six, City of Celina, Project and Financing Plan" amending the original Project and Finance Plan to increase (i) the geographic area of the Zone to include the Additional Zone Property, and (ii) the total estimated project costs. A copy of the preliminary Amended and Restated Reinvestment Zone Number Six, City of Celina, Project and Financing Plan is available at Celina City Hall located at 142 N. Ohio Street, Celina, Texas 75009 and available for public inspection during regular business hours.

*PRELIMINARY AMENDED AND RESTATED
REINVESTMENT ZONE NUMBER SIX,
CITY OF CELINA
PROJECT AND FINANCING PLAN*
(the "Preliminary Amended Plan")

October 9, 2018

Attachment: Glen Crossing - Preliminary Amended TIRZ Plan (w Exhibits)(reduced file) (Glen Crossing: Resolution approving PFP for

1. INTRODUCTION.

1.1 Authority and Purpose. The City of Celina, a Texas home-rule municipality (the "City"), has the authority under Chapter 311, Texas Tax Code, as amended (the "Act") to designate a contiguous or noncontiguous geographic area within the corporate limits of the City as a tax increment reinvestment zone to promote development or redevelopment of the area if the governing body of the City (the "City Council") determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the zone is feasible, and that creation of the zone is in the best interest of the City and the property in the zone. The purpose of the zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

1.2 Eligibility Requirements. An area is eligible under the Act to be designated as a tax increment reinvestment zone if it is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City. The City cannot, however, designate a zone if more than 30% of the property in the proposed zone, excluding property that is publicly owned, is "used for residential purposes" (defined by the Act as follows: "... property is used for residential purposes if it is occupied by a house having fewer than five living units ...") or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds 50% of the total appraised value of taxable real property in the City and in industrial districts created by the City.

1.3 The Zone. By City Council action on June 14, 2016, the City created a tax increment reinvestment zone to be known as "Reinvestment Zone Number Six, City of Celina" (the "Zone") that includes approximately 41.499 acres of the 119.138 acres described in that certain Amended Development Agreement approved by the City on June 14, 2016 (the "Original Zone Property" and the "Development Agreement"). On October 9, 2018, the City Council accepted a "Preliminary Amended and Restated Reinvestment Zone No. Six, City of Celina, Project and Financing Plan," dated October 9, 2018 (the "Preliminary Amended Plan") that expanded the boundaries of the Zone to include an additional approximately 77.324 acres (the "Additional Zone Property") so that property within the Zone totals approximately 118.823 acres (as expanded, the "Property") of the 119.138 acres described in the Development Agreement. The Original Zone Property and the Additional Zone Property meet the eligibility requirements of the Act. At the time the Zone was created the Original Zone Property was, and the Additional Zone Property is, undeveloped and due to its size, location, and physical characteristics, development will not occur solely through private investment in the foreseeable future. At the time the Zone was created the Original Zone Property substantially impaired and arrested, and the Additional Zone Property substantially impairs and arrests, the sound growth of the City because it is predominately open and undeveloped due to factors such as the lack of public infrastructure and the need for economic incentives to attract development to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone, increased sales and use tax for the City and the State of Texas, and increased job opportunities for residents of the City, Collin County, and the region. If the public works, public improvements, programs, and other projects are financed

within the Additional Zone Property as contemplated by this Preliminary Amended Project and Finance Plan, the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City, Collin County, and to all of north Texas a master-planned development.

1.4 Original Preliminary Plan; Hearing. Before the City adopted the ordinance designating the Zone, the City Council prepared a preliminary reinvestment zone financing plan in accordance with the Act and held a public hearing on the creation of the proposed zone and its benefits to the City and to the Property, at which public hearing interested persons spoke for and against the creation of the proposed zone, the boundaries of the proposed zone, or the concept of tax increment financing, and at which hearing the owner of the Property (the "Owner") was given a reasonable opportunity to protest the inclusion of the Property in the proposed zone. The requirement of the Act for a preliminary reinvestment zone financing plan was satisfied by the preliminary plan dated June 14, 2016 (the "Original Preliminary Plan"), the purpose of which is to describe, in general terms, the public works, public improvements, programs, and other projects that will be undertaken and financed by the Zone. A description of how such public works, improvements, programs, and projects will be undertaken and financed are set forth in the Original Final Plan (defined below) and the TIRZ Agreement (defined below) as approved by the Board (hereinafter defined) and by the City Council.

1.5 Creation of the Zone. Upon the closing of the above-referenced public hearing, the City Council adopted an ordinance in accordance with the Act creating the Zone after the City Council found that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future, that the Zone is feasible, and that creation of the Zone is in the best interest of the City and the Property. The ordinance creating the Zone appointed a Board of Directors for the Zone consisting of five members (the "Board").

1.6 Original Final Plan. After the creation of the Zone, the Board during its July 12, 2016, meeting, reviewed the Preliminary Plan and approved and recommended to the City Council a *Final Tax Increment Reinvestment Zone Project and Financing Plan for Reinvestment Zone Number Six, City of Celina* (the "Original Final Plan") and a TIRZ Agreement pursuant to which the City will contribute a portion of its ad valorem tax increment attributable to new development in the Zone (the "Tax Increment") into a tax increment fund created by the City and segregated from all other funds of the City (the "TIRZ Fund") to reduce PID Assessments (defined below) as further described in Section 13 and as may be set forth in a "TIRZ Agreement" between the City and the Owner or developer. The TIRZ Agreement is authorized by Section 311.010(h) of the Act. On July 12, 2016, the City Council, taking into consideration the recommendations of the Board, approved the Original Final Plan by Ordinance No. 2016-48 and the TIRZ Agreement by Ordinance 2016-49.

1.7 Preliminary Amended Plan; Hearing. On October 9, 2018, the City Council accepted this Preliminary Amended Plan that (a) expands the boundaries of the Zone to include the Additional Zone Property; and (b) increases the total estimated costs of the Public Improvements (defined below) to be financed for the benefit of the Zone. As required by Section 311.011(e) of the Act, the City Council called a public hearing for November 13, 2018 for the purpose of hearing any interested person speak for or against the expansion of the boundaries of

the Zone to include the Additional Zone Property and the increased total estimated costs of the Public Improvements to be undertaken within the Zone. At such public hearing, the City Council will hear testimony regarding the expansion of the boundaries of the Zone, the proposed estimated increase of the costs of the Public Improvements, and will provide an opportunity for the owner of the Additional Zone Property to protest the inclusion of their property within the Zone. The description of how such public works, improvements, programs, and projects will be undertaken and financed will be set forth in a final Amended Project and Finance Plan (the "Final Plan"), which will require approval by the Board (hereinafter defined) and by the City Council.

2. DESCRIPTIONS AND MAPS.

2.1 Existing Uses and Conditions. The Property is currently located in Collin County and in the City's corporate limits. At the time of the Zone creation, the Property was undeveloped, and there was no public infrastructure to support development. Development of the Original Zone Property required, and development of the Additional Zone Property will require, extensive public infrastructure that will not be provided solely through private investment in the foreseeable future. A map of the Property is shown on Exhibit A and in the Development Agreement.

2.2 Phase 1 Final Plat and Phase II Proposed Uses. The proposed uses of the Property are consistent with the zoning regulations of Planned Development District No. 23 (the "PD"). The final plat, as amended, for the development of the Original Zone Property as Phase 1 of the Glen Crossing Development is attached Exhibit B-1. The construction plat, which may be subject to change, for the development of the Additional Zone Property as Phase 2 of the Glen Crossing Development is attached as Exhibit B-2.

2.3 Metes and Bounds Description. Metes and bounds descriptions of the Original Zone Property is provided on Exhibit C-1. Metes and bounds descriptions of the Additional Zone Property is provided on Exhibit C-2.

3. PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS. The only changes to the City's ordinances, plans, codes rules and regulations are those changes established by the Development Agreement and relate to financing Public Improvements (defined below) benefitting the Zone.

4. RELOCATION OF DISPLACED PERSONS. No persons will be displaced or relocated due to the creation of the Zone or implementation of the Final Plan.

5. ESTIMATED NON-PROJECT COSTS. Non-project costs are private funds that will be spent to develop in the Zone but will not be financed by the Zone. The list of non-project costs include lot development costs and home construction costs. The total non-project costs are estimated to be approximately \$135,552,500.

6. PROPOSED PUBLIC IMPROVEMENTS.

6.1 Categories of Public Improvements. The categories of public works and public improvements (the "Public Improvements") that are proposed to be financed by the Zone are those costs allowed by the Act, including: water, sewer, road, drainage, parks and open space improvements. All Public Improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City.

6.2 Locations of Public Improvements. The estimated locations of some of the proposed Public Improvements are described in the Development Agreement and shown on Exhibit D. These locations are provided for informational purposes only and may be revised from time to time without amending the Final Plan.

7. ESTIMATED PROJECT COSTS. The total project costs for the Zone (the "Project Costs") include the Administrative Costs (defined below) and the costs associated with credits to offset the payments of public improvement district assessments on the Property ("PID Assessments") for Public Improvements, as further described in Section 13, and were originally estimated to be \$3,463,574, plus Administrative Costs, as set forth on Exhibit E. The total Project Costs, including the Administrative Costs (defined below) and the costs associated with credits to offset the PID Assessments for Public Improvements, as further described in Section 13, are revised to include an additional \$1,984,201, plus Administrative Costs, as set forth on Exhibit E-1. The Project Costs for administration of the Zone shall be all costs allowed by the Act, including, but not limited to, costs of curing or enforcing agreements involving the Property, and the actual, direct and imputed costs paid or incurred by or on behalf of the City to administer the Zone (the "Administrative Costs"). The Administrative Costs include the costs of professional services, including those for planning, engineering, and legal services paid by or on behalf of the City. The Administrative Costs also include organizational costs, the cost of publicizing the creation of the Zone, and the cost of implementing the project plan for the Zone paid by or on behalf of the City. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid.

8. ESTIMATED TIME WHEN COSTS ARE TO BE INCURRED. The Administrative Costs will be incurred annually. It is estimated that the remainder of the Project Costs will be incurred during the time intervals set forth on Exhibit F.

9. ECONOMIC FEASIBILITY. For purposes of the Original Final Plan, economic feasibility has been evaluated over the term of the Zone, in part based on the "Feasibility Study" prepared by Hilltop Securities, Inc., a copy of which is attached as Exhibit G-1. This evaluation focuses only on "direct" financial benefits (i.e., tax revenues from new development of the Zone, including the Additional Zone Property) and does not take into consideration any "multiplier effect" that may result from new development that occurs outside the Zone. As illustrated in Exhibit G-1, during the term of the Zone, new development that occurs in the Zone (which would not have occurred but for the Zone) will generate approximately \$89,657,907 in total new real property tax revenue. The taxing unit that will participate in and benefit from new development within the Zone, the City, will retain approximately \$12,558,300 in net additional tax revenues in the City's general fund. The remaining additional tax revenues will be deposited in the TIRZ Fund to pay Project Costs.

An updated Feasibility Study prepared by Hilltop Securities, Inc. is attached as Exhibit G-2 taking into account the Additional Zone Property and shows that during the term of the Zone, new development that occurs in the Zone (which would not have occurred but for the Zone) will generate approximately \$21,915,471 in total new real property tax revenue as of the date of the Amended Final Plan. The taxing unit that will participate in and benefit from new development within the Zone, the City, will retain approximately \$12,167,470 in net additional tax revenues in the City's general fund. The remaining additional tax revenues will be deposited in the TIRZ Fund to pay Project Costs.

Based on the foregoing, the feasibility of the Zone has been demonstrated. A portion of the new tax revenue generated for all taxing units by new development within the Zone will be retained by those taxing units. The remainder of the new tax revenue generated by new development within the Zone will be available to pay actual Project Costs until the term of the Zone expires or until the Zone is otherwise terminated as allowed by law or as hereinafter provided. Upon expiration or termination of the Zone, 100% of all tax revenue generated within the Zone will be retained by the respective taxing units. During the term of the Zone, the City will deposit into the TIRZ Fund each year an amount calculated as a tax equivalent rate per \$100 of captured appraised value in the Zone that equals 44.48 percent of the City's tax rate levied and collected. After a public hearing, the City may increase or decrease the TIRZ Fund participation rate.

10. ESTIMATED BONDED INDEBTEDNESS. No bonded indebtedness issued by the City pursuant to the Act is contemplated.

11. TOTAL APPRAISED VALUE. The total appraised value of taxable real property for the Original Zone Property was \$6,929.00 as of January 1, 2016; and, the total appraised value of taxable real property for the Additional Zone Property was \$3,866,200. The appraised value of the Original Zone Property at the time of creation was based on an agricultural exemption. It is estimated that upon expiration of the term of the Zone, the total appraised value of taxable real property in the Zone will be \$135,552,500 in 2018 Dollars.

12. ESTIMATED CAPTURED APPRAISED VALUE TAXABLE BY THE CITY. The amount of the City's tax increment for a year is the amount of property taxes levied and collected by the City for that year on the captured appraised value of the Property less the tax increment base of the Property. The tax increment base of the Property is the total taxable value of the Property for the year in which the Zone was designated. The tax increment base of the Property is estimated to be \$44.69 which is the amount of tax the City collected on the Property for calendar year 2016, the year of creation.

13. METHOD OF FINANCING. Each Owner has paid and will in the future pay, through PID Assessments or otherwise, certain Project Costs. The Final Plan and the TIRZ Agreement shall obligate the City to reduce PID Assessments on a parcel by parcel basis. Funds deposited into the TIRZ Fund shall always first be applied to pay the Administrative Costs. After the Administrative Costs have been paid, funds in the TIRZ Fund shall next be used to offset PID Assessments. The TIRZ Agreement will provide for an offset or credit against PID assessments levied against the Property (on a parcel-by-parcel basis as described in the PID service and assessment plan) in an annual amount equal to the cash balance of the TIF Fund attributable to each parcel during each calendar year after Administrative Costs are paid (individually, an

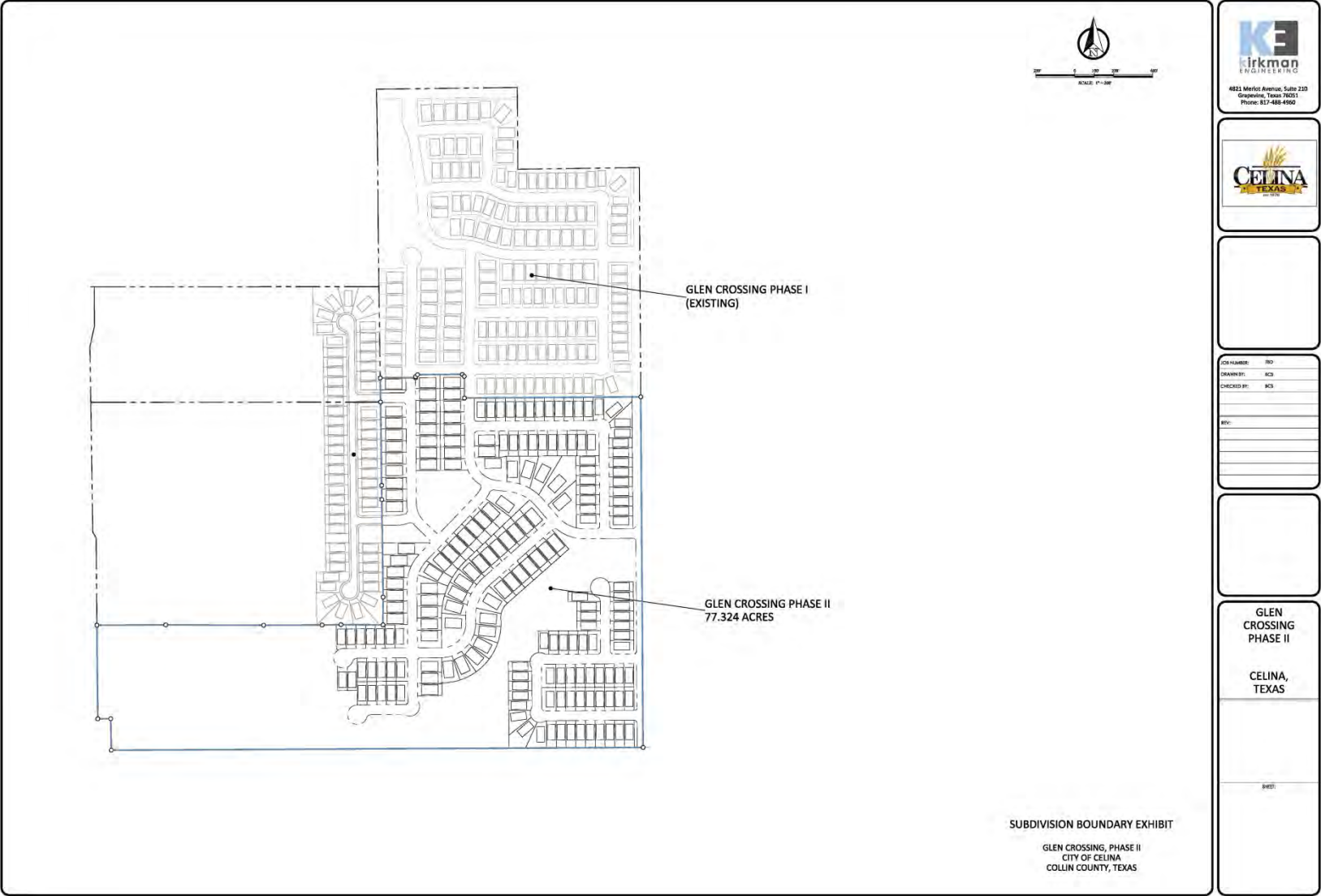
"Annual Credit Amount"). The City will prepare each year an updated PID assessment roll confirming the amount of the annual installment owed on PID assessments and the reduced assessment amount burdening the Property after the City applies against the annual installment the Annual Credit Amount. Such Annual Credit Amount shall not be reduced by the City without the City making a corresponding reduction in the PID assessments (i.e., each PID assessment shall be permanently reduced by the same amount the Annual Credit Amount is reduced). The TIRZ Agreement provides for TIRZ Fund revenue equal to the Annual Credit Amount to be paid to reduce Project Costs. All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City unless otherwise approved by its governing body, and the TIRZ Fund shall only be used to pay Administrative Costs and offset PID Assessments, unless otherwise approved by the Owner. The City's approval of the Final Plan obligates the City to deposit into the TIRZ Fund each year for the duration of the Zone an amount equal to 44.48 percent of the City's tax rate levied and collected based upon the final pricing of the PID bonds consistent with the methodology included in the Feasibility Study.

14. DURATION OF THE ZONE; TERMINATION. The stated term of the Zone shall commence on June 14, 2016, and shall continue until December 31, 2045, or until the City terminates the TIRZ in accordance with the Act unless otherwise terminated in accordance with this section. The City expects to collect the TIRZ Fund revenue for the last year of the Zone in calendar year 2046 and apply such collections to PID Assessments in calendar year 2047. The City shall have the right to terminate the Zone prior to the expiration of its stated term if an economic refunding of the PID bonds results in the Annual Credit Amount being reduced to zero. The provisions of this section shall be included in the ordinance that creates the Zone and in the TIRZ Agreement. Nothing in this section is intended to prevent the City from extending or shortening the term of the Zone in accordance with the Act.

15. LIST OF EXHIBITS. Unless otherwise stated, all references to "Exhibits" contained in this Final Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Final Plan for all purposes.

Exhibit A	Map of the Property within the Zone
Exhibit B-1	Final Plat of Original Zone Property
Exhibit B-2	Construction Plat of Additional Zone Property
Exhibit C-1	Metes and Bounds Description of Original Zone Property
Exhibit C-2	Metes and Bounds Description of Additional Zone Property
Exhibit D	Public Improvements
Exhibit E	Original Estimated Project Costs
Exhibit E-1	Amended Estimated Project Costs
Exhibit F	Estimated Time When Costs are to be Incurred
Exhibit G-1	Feasibility Study for Original Final Plan
Exhibit G-2	Updated Feasibility Study for Amended Final Plan

Exhibit A – Map of the Property within the Zone



*Exhibit A includes approximately 10 acres as a part of Phase 2 of the Glen Crossing development that will be used for a detention pond and that are excluded from the Glen Crossing Public Improvement District.

Exhibit A

Exhibit B-1
Final Plat for Phase 1 of the Glen Crossing Development – Original Zone Property



Attachment: Glen Crossing - Preliminary Amended TIRZ Plan (w Exhibits)(reduced file) (Glen Crossing)

Exhibit B-2
Construction Plat for Phase 2 of the Glen Crossing Development – Additional Zone Property*

Attachment: Glen Crossing - Preliminary Amended TIRZ Plan (w Exhibits)(reduced file) (Glen Crossing)

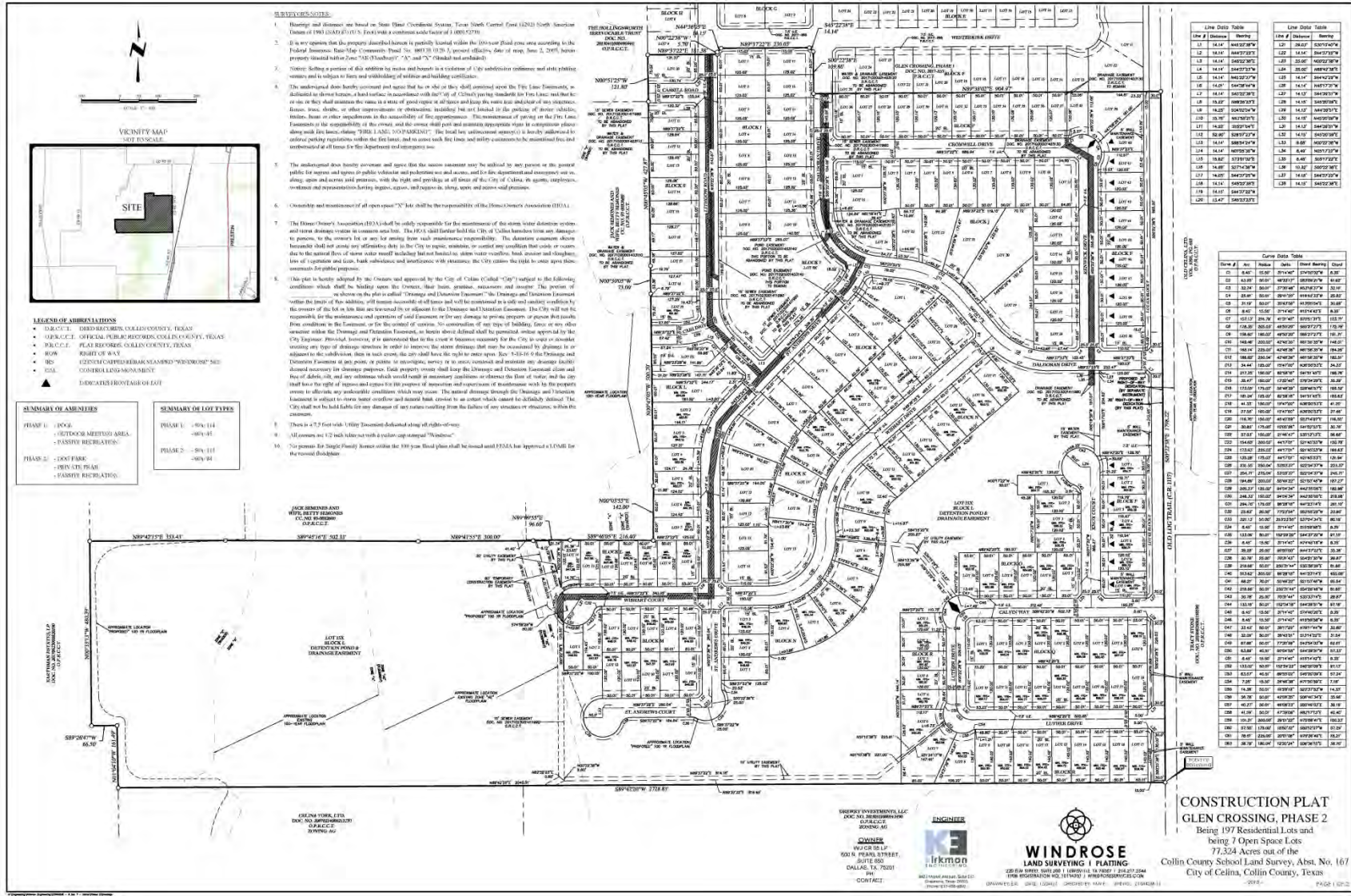


Exhibit C-1
Metes and Bounds Description of Original Zone Property

41.499 Acre Tract Description

BEING a 41.499 acre tract of land situated in the Collin County School Land Survey, Abstract Number 167, Collin County, Texas, being a portion of that tract of land described by deed to G BAR 7 LTD. as recorded in Volume 5850, Page 990, of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.), and being more particularly described as follows:

BEGINNING at a ½ inch iron rod found within a gravel road posted and under apparent public use as County Road 1117 for the most easterly northeast corner of the herein described tract, same being an inner ell corner of a tract of land described by deed to Old Celina, Ltd. as recorded in Volume 5398, Page 693, O.P.R.C.C.T.;

THENCE South 00 degrees 22 minutes 38 seconds East, with the most southerly west line of said Old Celina Ltd. tract and within said County Road 1117, a distance of 1178.05 feet to a point for corner;

THENCE North 90 degrees 00 minutes 00 seconds West, a distance of 887.24 feet to a point for corner;

THENCE North 00 degrees 00 minutes 00 seconds East, a distance of 140.02 feet to a point for corner;

THENCE North 90 degrees 00 minutes 00 seconds West, a distance of 300.05 feet to a point for corner;

THENCE South 00 degrees 33 minutes 39 seconds West, a distance of 15.66 feet to a point for corner;

THENCE North 90 degrees 00 minutes 00 seconds West, a distance of 150.02 feet to a point for corner, said point being in the east line of a tract of land described by deed to Chris Hollingsworth, Trustee of the Hollingsworth Irrevocable Trust, as recorded under Instrument Number 20130411000490940, O.P.R.C.C.T.;

THENCE North 00 degrees 51 minutes 28 seconds West, with the east line of said Hollingsworth tract, a distance of 442.61 feet to a point for the northeast corner thereof, same being the southeast corner of a tract of land described by deed to United Realtors, LLC, as recorded under Instrument Number 20120314000298850, O.P.R.C.C.T.;



P.O. Box 54 ~ Lewisville, Texas 75067
Office: (972) 221-9439 ~ Fax: (972) 221-4675



Exhibit C-2
Metes and Bounds Description of Additional Zone Property
(77.324 acres)

STATE OF TEXAS § COUNTY OF COLLIN §

WHEREAS W/J CR 55 LP is the owner of all that certain lot, tract or parcel of land situated in the Collin County School Land Survey, Abstract Number 167, City of Celina, Collin County, Texas, and being a part of that certain tract of land described by deed to W/J CR 55 LP, recorded under Document Number 20160620000775040 of the Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows (Bearings and distances are based on State Plane Coordinate System, Texas North Central Zone 4202 North American Datum of 1983 (NAD 83) (U.S. Foot) with a combined scale factor of 1.000152710):

BEGINNING at a 1/2 inch rebar with a cap stamped "Windrose" set for the Northeast corner of a tract land described to Drewry Investments, LLC by deed recorded in Document No. 20150511000543490 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.) and lying on the West right-of-way line of Old Log Trail (County Road 1117) (variable width right-of-way);

THENCE South 89 Degrees 42 Minutes 20 Seconds West, departing the West right-of-way line of said Old Log Trail, with the North line of said Drewry Investments, LLC tract, and with the North line of a tract of land described to Celina Tork, Ltd. by deed recorded in Document No. 20070214000213230 O.P.R.C.C.T., for a total distance of 2728.83 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for the Northwest corner of said Celina Tork, Ltd. tract, and lying on the southernmost East line of a tract of land described to Earthman Estates, LP by deed recorded in Document No. 20170623000820190, O.P.R.C.C.T.;

THENCE North 01 Degrees 04 Minutes 10 Seconds West, with the southernmost East line of said Earthman Estates, LP tract, a distance of 161.49 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for the easternmost Northeast corner of said Earthman Estates, LP tract;

THENCE South 89 Degrees 26 Minutes 47 Seconds West, with the easternmost North line of said Earthman Estates, LP tract, a distance of 66.50 feet to a 1/2 inch rebar with a cap stamped "Windrose" at an interior "ell" corner of said Earthman Estates, LP tract;

THENCE North 00 Degrees 33 Minutes 13 Seconds West, with the northernmost East line of said Earthman Estates, LP tract, a distance of 480.39 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for the Southwest corner of a tract of land described to Jack Semones and wife, Betty Semones by deed recorded in County Clerk's File No. 93-0052600, O.P.R.C.C.T.;

THENCE North 89 Degrees 42 Minutes 15 Seconds East, departing the northernmost East line of said Earthman Estates, LP tract, with the South line of said Semones tract, a distance of 353.43 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;

THENCE South 89 Degrees 45 Minutes 16 Seconds East, continuing with a South line of said Semones tract, a distance of 502.33 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;

THENCE North 89 Degrees 41 Minutes 55 Seconds East, continuing with a South line of said Semones tract, a distance of 300.00 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;

THENCE North 89 Degrees 09 Minutes 55 Seconds East, continuing with a South line of said Semones tract, a distance of 96.60 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;

THENCE South 89 Degrees 46 Minutes 05 Seconds East, continuing with the easternmost South line of said Semones tract, a distance of 216.40 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for the Southeast corner of said Semones tract;

THENCE North 00 Degrees 05 Minutes 55 Seconds East, with the southernmost East line of said Semones tract, a distance of 142.00 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;

THENCE North 00 Degrees 47 Minutes 05 Seconds West, continuing with an East line of said Semones tract, a distance of 500.20 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;

THENCE North 00 Degrees 30 Minutes 05 Seconds West, continuing with an East line of said Semones tract, a distance of 73.00 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;

THENCE North 00 Degrees 45 Minutes 05 Seconds West, continuing with the East line of said Semones tract, a distance of 427.87 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for the Northeast corner of said

Exhibit C-2
Metes and Bounds Description of Additional Zone Property
(77.324 acres)

Semones tract, same being the Southeast corner of a tract of land described to The Hollingsworth Irrevocable Trust by deed recorded in Document No. 20130411000490940, O.P.R.C.C.T.;

THENCE North 00 Degrees 51 Minutes 25 Seconds West, with the East line of said The Hollingsworth Irrevocable Trust, a distance of 121.80 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for the Southwest corner of Lot 9, Block H of Glen Crossing Phase 1, an addition to the City of Celina, Collin County, Texas, according to the Plat thereof recorded in Document No. 2017-855 of the Plat Records of Collin County, Texas (P.R.C.C.T.);

THENCE in an easterly direction, with the South lines of said Glen Crossing, Phase 1, the following courses and distances:

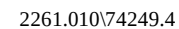
1. North 89 Degrees 37 Minutes 22 Seconds East, a distance of 181.38 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;
2. North 00 Degrees 22 Minutes 38 Seconds West, a distance of 5.70 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;
3. North 44 Degrees 36 Minutes 05 Seconds East, a distance of 14.15 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;
4. North 89 Degrees 37 Minutes 22 Seconds East, a distance of 230.05 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;
5. South 45 Degrees 22 Minutes 38 Seconds East, a distance of 14.14 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;
6. South 00 Degrees 22 Minutes 38 Seconds East, a distance of 109.86 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for corner;
7. North 89 Degrees 38 Minutes 02 Seconds East, a distance of 904.97 feet to a 1/2 inch rebar with a cap stamped "Windrose" set for the Southeast corner of said Glen Crossing, Phase 1, and lying on the West right-of-way line of said Old Log Trail;

THENCE South 00 Degrees 22 Minutes 38 Seconds East, with the West right-of-way line of said Old Log Trail, a distance of 1798.22 feet to the **POINT OF BEGINNING** and containing 3,368,229 square feet or 77.324 acres of land, more or less.

Exhibit D - Page 1



Exhibit D - Page 2



2261.010\74249.4



Exhibit E-1
Original Estimated Project Costs

City of Celina, Texas
Tax Increment Reinvestment Zone No. 6 (Glen Crossing Project)
EXHIBIT E - ESTIMATED PROJECT COSTS

Categories of Projects Costs	
Roadway Improvements	
Water Distribution System Improvements	
Sanitary Sewer Improvements	
Storm Drainage Improvements	
Parks and Open Space Improvements	
Other Soft and Miscellaneous Costs	
Total Project Costs	<u>\$ 3,463,574</u>
Administration Expenses (29 years at \$30,000)	<u>\$ 870,000</u>
TOTAL TIRZ #6 Costs	<u>\$ 4,333,574</u>

Estimated costs may increase or decrease. TIF Fund revenue will pay actual Project Costs either directly or through the reduction of PID Assessments.

Exhibit E-2
Amended Estimated Project Costs

CITY OF CELINA
Reinvestment Zone No. 6 (Glen Crossing Project)
Exhibit E-1 - Amended Estimated Project Costs

Original Estimated Project Costs for Original Zone Property

Roadway Improvements	
Water Distribution System Improvements	
Sanitary Sewer Improvements	
Storm Drainage Improvements	
Parks and Open Space Improvements	
Other Soft Costs & Contingency	
Total	\$ 3,463,574
Administration Expenses (29 years at \$30,000)	\$ 870,000
Total TIRZ No. 6 Costs for Original Zone Property	\$ 4,333,574

Additional Estimated Zone Project Costs for Additional Zone Property

Open Space / Trail Improvements	
Other Soft Costs & Contingency	
Total	\$ 1,984,201
Additional Administration Expenses (27 years at \$10,000)	\$ 270,000
Total TIRZ No. 6 Costs for Additional Zone Property	\$ 2,254,201

TOTAL Estimated Project Costs	\$ 6,587,775
--------------------------------------	---------------------

Attachment: Glen Crossing - Preliminary Amended TIRZ Plan (w Exhibits)(reduced file) (Glen Crossing: Resolution approving PFP for

Exhibit F – Estimated Time When Costs Are to be Incurred

CITY OF CELINA

Reinvestment Zone No. 6 (Glen Crossing Project)

	<u>Calendar Year</u> <u>2016</u>	<u>Calendar Year</u> <u>2017</u>	<u>Calendar Year</u> <u>2018</u>	<u>Calendar Year</u> <u>2019</u>	<u>Calendar Years</u> <u>2020 - 2045</u>
Project Costs	\$ 1,482,648	\$ 1,980,926	\$ 330,700	\$ 1,653,501	\$ 0
Estimated Administrative Expenses *	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 40,000</u>	<u>\$ 1,010,000</u>
	\$ 1,512,648	\$ 2,010,926	\$ 360,700	\$ 1,693,501	\$ 1,010,000
 TOTAL COSTS					 \$ 6,587,775

*Administration Costs will be incurred annually and are anticipated to be approximately \$30,000 per year.

Exhibit G-1 – Feasibility Study for Original Final Plan

City of Celina, Texas

Tax Increment Reinvestment Zone No. 6 (Glen Crossing Project)

EXHIBIT G - FEASIBILITY STUDY

A	B	C	D	E	F	G	H	I	J
Tax Year	Fiscal Year	Estimated Taxable Value ⁽¹⁾	Projected Collin County Incremental Real Property Tax Revenue ⁽²⁾	Projected Collin County Community College District Incremental Real Property Tax Revenue ⁽³⁾	Projected Celina ISD Incremental Real Property Tax Revenue ⁽⁴⁾	Projected City of Celina Incremental Real Property Tax Revenue ⁽⁵⁾	Total Projected Incremental Real Property Tax Revenue	City of Celina Participation in TIRZ #6 as percentage of Property Tax Rate ⁽⁶⁾	Projected Property Tax Revenue to be Retained by the City
2016	2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	2018	-	-	-	-	-	-	-	-
2018	2019	15,114,906	34,009	12,388	247,884	97,491	391,772	43,363	54,128
2019	2020	58,162,362	130,865	47,670	953,863	375,147	1,507,545	166,861	208,286
2020	2021	88,224,403	198,505	72,309	1,446,880	569,047	2,286,741	253,106	315,941
2021	2022	103,390,595	232,629	84,739	1,695,606	666,869	2,679,843	296,616	370,253
2022	2023	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2023	2024	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2024	2025	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2025	2026	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2026	2027	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2027	2028	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2028	2029	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2029	2030	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2030	2031	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2031	2032	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2032	2033	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2033	2034	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2034	2035	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2035	2036	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2036	2037	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2037	2038	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2038	2039	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2039	2040	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2040	2041	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2041	2042	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2042	2043	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2043	2044	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2044	2045	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
2045	2046	133,091,055	299,455	109,081	2,182,693	858,437	3,449,667	381,823	476,614
			\$ 7,782,925	\$ 2,835,060	\$ 56,728,872	\$ 22,311,050	\$ 89,657,907	\$ 9,923,706	\$ 12,387,345

(1) Derived from build out and pricing information as provided by the developer.

(2) Calculated at the 2015 Tax Rate of \$0.2250 per \$100.

(3) Calculated at the 2015 Tax Rate of \$0.0820 per \$100.

(4) Calculated at the 2015 Tax Rate of \$1.6400 per \$100.

(5) Calculated at the 2015 Tax Rate of \$0.6450 per \$100.

(6) Calculated at 44.48% of the City's 2015 Tax Rate of \$0.6450.

Exhibit G-2 – Updated Feasibility Study for Amended Final Plan*

Glen Crossing Public Improvement District
City of Celina, Texas
TAX INCREMENT REINVESTMENT ZONE CASH FLOW

Preliminary subject to change

A	B	C	D	E	F	G	H	I	J	K
Tax Year	Fiscal Year	PHASE 1 Estimated Taxable Value ⁽¹⁾	City TIRZ Tax Rate Participation	Projected PHASE 1 TIRZ Cash Flow ⁽²⁾	PHASE 2 Estimated Taxable Value ⁽¹⁾	City TIRZ Tax Rate Participation	Projected PHASE 2 TIRZ Cash Flow ⁽²⁾	TOTAL Projected City Taxes Produced at TR of 0.645	TOTAL Projected TIRZ Cash Flow Contribution	TOTAL Projected Tax Revenue Retained by City
2016	2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
2017	2018	-	-	-	-	-	-		-	-
2018	2019	15,114,906	0.2869	43,364	-	-	-	97,491	43,364	54,127
2019	2020	43,154,151	0.2869	123,808	-	0.2869	-	278,344	123,808	154,537
2020	2021	58,050,000	0.2869	166,543	15,500,500	0.2869	44,470	474,401	211,013	263,387
2021	2022	58,050,000	0.2869	166,543	29,978,124	0.2869	86,006	567,781	252,549	315,232
2022	2023	58,050,000	0.2869	166,543	60,192,297	0.2869	172,689	762,663	339,232	423,430
2023	2024	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2024	2025	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2025	2026	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2026	2027	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2027	2028	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2028	2029	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2029	2030	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2030	2031	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2031	2032	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2032	2033	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2033	2034	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2034	2035	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2035	2036	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2036	2037	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2037	2038	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2038	2039	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2039	2040	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2040	2041	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2041	2042	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2042	2043	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2043	2044	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2044	2045	58,050,000	0.2869	166,543	77,502,500	0.2869	222,352	874,314	388,895	485,419
2045	2046	-	-	-	77,502,500	0.2869	222,352	499,891	222,352	277,540
2046	2047	-	-	-	-	-	-	-	-	-
				\$ 4,330,750			\$ 5,417,252	\$ 21,915,471	\$ 9,748,002	\$ 12,167,470

(1) Excluding Paper Lots Value.

(2) Preliminary, subject to change.

Preliminary Financial Plan is subject to change based on variances to initial development plan and financial market conditions.

1C
Pa.



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Paul DeBuff, Assistant to the City Manager
 CC: Jason Laumer, City Manager
 Date: October 9, 2018
 Re: Glen Crossing Costs Determining Resolution

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas determining the costs of certain public improvements to be financed by the Glen Crossing Public Improvement District; approving a preliminary service plan and assessment plan, including proposed assessment rolls; directing the filing of the proposed assessment rolls with the City Secretary to make available for public inspection; noticing a public hearing for November 13, 2018 to consider an ordinance levying assessments on property located within the Glen Crossing Public Improvement District; directing city staff to publish and mail notice of said public hearing. (Glen Crossing PID CDR & SAP approval) (DeBuff)

Background Information:

On April 12, 2016, the City created Glen Crossing (originally named "G Bar 7") Public Improvement District, approving the issuance of up to \$15 million in bond proceeds. On July 12, 2016, the City approved the related PID Service and Assessment Plan, (SAP), which included Phase #1 Assessment Roll, and levied assessments against Phase #1 properties.

This Resolution updates that SAP to include Phase #2 Improvements and related assessments. It also calls for a Public Hearing on November 13, 2018.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This resolution has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Resolution
- Draft Service and Assessment Plan

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS

RESOLUTION NO. 2018-__R

A RESOLUTION OF THE CITY OF CELINA, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED WITHIN PHASE #2 OF THE GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY UPDATED SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED PHASE #2 ASSESSMENT ROLL; DIRECTING THE FILING OF THE PROPOSED PHASE #2 ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; NOTICING A PUBLIC HEARING FOR NOVEMBER 13, 2018 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN PHASE #2 OF THE GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act") authorizes the City of Celina, Texas (the "City") to create a public improvement district within the City; and

WHEREAS, pursuant to a resolution adopted by the City Council (the "City Council") of the City on April 12, 2016 (the "Authorization Resolution"), the City has created the "G Bar 7 Public Improvement District" (the "District"); and

WHEREAS, the City authorized the creation of the District and the issuance of up to \$15,000,000 in bonds for the District to finance certain public improvements authorized by the PID Act for the benefit of the property within the District (the "Authorized Improvements"); and

WHEREAS, pursuant to a resolution adopted by the City Council on June 14, 2016, the City Council changed the name of the District to "Glen Crossing Public Improvement District"; and

WHEREAS, pursuant to a resolution adopted by the City Council on July 12, 2016, the City Council approved a Glen Crossing Public Improvement District Service and Assessment Plan, including the Phase #1 Assessment Roll (the "Original SAP") for the District, levying special assessments against property within Phase #1 of the District and establishing a lien on such property, and providing for payment of the Phase #1 Assessments (as defined in the Original SAP); and

WHEREAS, the City Council and the City staff have been presented a preliminary updated service and assessment plan updating the Original SAP, including the Proposed Phase Glen Crossing PID Phase #2 Resolution Determining Cost of Authorized Improvements

73486406.2

Attachment: Celina - Glen Crossing PID 2018 - Resolution Determination Costs (Glen Crossing Costs Determining Resolution)

#2 Assessment Roll (as defined herein) attached thereto (collectively, the "Preliminary Updated SAP"), dated October 9, 2018, to include Phase #2 Improvements (as defined in the Preliminary Updated SAP) and assessments to be levied on property within Phase #2 of the District that benefit from the Phase #2 Improvements. A copy of Preliminary Updated SAP is (i) attached hereto as **Exhibit A**, (ii) is incorporated herein for all purposes, (iii) identifies the area constituting Phase #2 of the District, (iv) identifies costs of the Phase #2 Improvements within the District, and (v) sets forth the proposed the assessment roll for the assessed property in Phase #2 of the District (the "Proposed Phase #2 Assessment Roll"); and

WHEREAS, the Preliminary Updated SAP sets forth the estimated total costs of certain Authorized Improvements to be financed by the District at this time and the Proposed Phase #2 Assessment Roll states the assessments proposed to be levied against each parcel of land in Phase #2 of the District as determined by the method of assessment chosen by the City and set forth in the Preliminary Updated SAP; and

WHEREAS, the Preliminary Updated SAP also updates the costs related to the Phase #1 Improvements (as defined in the Preliminary Updated SAP) and the anticipated issuance of an additional series of Phase #1 Bonds (as defined in the Preliminary Updated SAP) to be secured by a portion of the Phase #1 Assessments previously levied on benefitted property within Phase #1 of the District; and

WHEREAS, the Preliminary Updated SAP also updates the Phase #1 Assessment Roll in anticipation of the issuance of an additional series of Phase #1 Bonds (the "Proposed Updated Phase #1 Assessment Roll"); and

WHEREAS, the PID Act requires that the Proposed Updated Phase #1 Assessment Roll and the Proposed Phase #2 Assessment Roll be filed with the City Secretary of the City (the "City Secretary") and be subject to public inspection; and

WHEREAS, the PID Act requires that a public hearing (the "Assessment Hearing") be called to consider proposed assessments against the benefitted property within Phase #2 of the District and requires the City Council to hear and pass on any objections to the proposed assessments at, or on the adjournment of, the Assessment Hearing; and

WHEREAS, the PID Act requires that notice of the Assessment Hearing be mailed to property owners liable for assessment and published in a newspaper of general circulation in the City before the tenth (10th) day before the date of the Assessment Hearing.

Glen Crossing PID Phase #2 Resolution Determining Cost of Authorized Improvements
73486406.2

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS AS FOLLOWS:

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. The City Council does hereby accept the Preliminary Updated SAP for the District, including the Proposed Phase #2 Assessment Roll and the Proposed Updated Phase #1 Assessment Roll, in a form substantially similar to the attached **Exhibit A**, which final form shall be approved by the City Manager and the City's land use attorney, and which is incorporated herein for all purposes. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Preliminary Updated SAP.

SECTION 3. The City Council hereby determines that the total costs of the Phase #2 Improvements to be financed by the District are as set forth in Table III-C of the Preliminary Updated SAP.

SECTION 4. The City Council's final determination and approval of the costs of the Phase #2 Improvements, or any portion thereof, shall be subject to and contingent upon City Council approval of a final updated Service and Assessment Plan which will include a final Phase #2 Assessment Roll, after the properly noticed and held Assessment Hearing.

SECTION 5. The Proposed Updated Phase #1 Assessment Roll states the revised assessments and the projected annual installments levied against each parcel of land in Phase #1 of the District that benefits from the Phase #1 Improvements, based upon the anticipated issuance of a second series of Phase #1 Bonds.

SECTION 6. The Proposed Phase #2 Assessment Roll states the assessments and the projected annual installments proposed to be levied against each parcel of land in Phase #2 of the District that benefits from the Phase #2 Improvements as determined by the method of assessment chosen by the City in the Authorization Resolution and as more fully described in the Preliminary Updated SAP.

SECTION 7. The City Council hereby authorizes and directs the filing of the Proposed Phase #2 Assessment Roll and the Proposed Updated Phase #1 Assessment Roll with the City Secretary and directs the City Secretary to make the same available for public inspection.

SECTION 8. The City Council hereby authorizes, and calls, a public hearing (the Assessment Hearing, as defined above) to be held on **November 13, 2018, at or after 5:00 p.m.** in the Celina City Council Chambers, 112 N. Colorado Street, Celina, Texas 75009, at which, the City Council shall, among other actions, hear and pass on any objections to the proposed assessments, and, upon the adjournment of the Assessment Hearing, the City Council will consider an ordinance levying the assessments as special assessments on property located within Phase #2 of the District that benefits from the Phase #2 Improvements and which ordinance shall specify the method of payment of the assessments.

SECTION 9. The City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing to be held on **November 13, 2018**, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in the *Celina Record*, a newspaper of general circulation in the City, on or before **November 2, 2018**, as required by Section 372.016(b) of the PID Act.

SECTION 10. When the Proposed Phase #2 Assessment Roll is filed with the City Secretary, the City Council hereby authorizes and directs the City Secretary, on or before **November 2, 2018**, to mail to owners of property liable for the proposed assessments notice of the Assessment Hearing to be held on **November 13, 2018**, as required by Section 372.016(c) of the PID Act.

SECTION 11. City staff is authorized and directed to take such other actions as are required (including, but not limited to, notice of the public hearing as required by the Texas Open Meetings Act) to place the public hearing on the agenda for the **November 13, 2018** meeting of the City Council.

SECTION 12. This Resolution shall become effective from and after its date of passage in accordance with law.

ADOPTED, PASSED, AND APPROVED on this the 9th day of October, 2018.

Mayor

ATTEST:

City Secretary

(City Seal)

Attachment: Celina - Glen Crossing PID 2018 - Resolution Determination Costs (Glen Crossing Costs Determining Resolution)

EXHIBIT A

PRELIMINARY UPDATED SERVICE AND ASSESSMENT PLAN

Attachment: Celina - Glen Crossing PID 2018 - Resolution Determination Costs (Glen Crossing Costs Determining Resolution)

EXHIBIT B
CITY OF CELINA, TEXAS
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of Celina, Texas on November 13, 2018 at 5:00 p.m. at 112 N. Colorado Street, Celina, Texas 75009. The public hearing will be held to consider proposed assessments to be levied against the assessable property within Phase #2 of the Glen Crossing Public Improvement District (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The proposed Authorized Improvements to be undertaken at this time include road improvements, water distribution system improvements, sanitary sewer system improvements, storm drainage system improvements, park and open space improvements, and costs related to the establishment, administration and operation of the District.

The total costs of the Authorized Improvements for Phase #2 (the "Phase #2 Improvements"), including administrative costs and the costs of issuing the bonds, is \$8,932,619.

The boundaries of the District include approximately 109.090 acres of land generally located in the area encompassed directly south of CR 55, north of CR 53, directly adjacent to the west of CR 1117, and east of Private Road 5281 and CR 52, and as more particularly described by a metes and bounds description available at Celina City Hall located at 142 N. Ohio Street, Celina, Texas 75009 and available for public inspection.

All written or oral objections on the proposed assessment within the District will be considered at the public hearing.

A copy of the Phase #2 Assessment Roll, which includes the assessments proposed to be levied against each parcel in Phase #2 within the District that benefits from the Phase #2 Improvements, is available for public inspection at the office of the City Secretary, 142 N. Ohio Drive, Celina, Texas 75009.

DRAFT

GLEN CROSSING
PUBLIC IMPROVEMENT DISTRICT
PRELIMINARY SERVICE AND ASSESSMENT PLAN

JULY 12, 2016
UPDATED FOR PHASE #2 ON
OCTOBER __, 2018

GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT
PRELIMINARY SERVICE AND ASSESSMENT PLAN

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List of Appendices

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Appendix C	Diagrams of the Authorized Improvements
Appendix D	Lot Types and Equivalent Units
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Appendix F	Phase #2 Proposed Assessment Roll

Section I PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On April 12, 2016 (the “Creation Date”) the City Council (the "City Council") of the City of Celina, Texas (the "City") passed and approved Resolution No. 2016-24R approving and authorizing the creation of the "G Bar 7 Public Improvement District" to finance the costs of certain public improvements for the benefit of property in such public improvement district (the “Authorized Improvements”), all of which is located within the City of Celina. On June 14, 2016 the City passed and approved Resolution No. 2016- 31R changing the name of the "G Bar 7 Public Improvement District" to the "Glen Crossing Public Improvement District" (the “PID”).

The property in the PID is proposed to be developed in approximately two phases, and the PID will finance public improvements for each phase as each phase is developed. Assessments will be imposed on the property in each phase for the public improvements to be provided for that phase.

Chapter 372 of the Texas Local Government Code, the "Public Improvement District Assessment Act" (as amended, the “PID Act”), governs the creation and operation of public improvement districts within the State of Texas. This Glen Crossing Public Improvement District Preliminary Service and Assessment Plan (the "Service and Assessment Plan") has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan “must cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements.” The service plan is described in Section IV of this Service and Assessment Plan.

Section 372.014 of the PID Act requires that “an assessment plan must be included in the annual service plan.” The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires that “the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district.” The method of assessing the Authorized Improvement Costs and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires that “after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter.” The Assessment Roll for the PID is included in this Service and Assessment Plan. The Assessments as shown on the Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. Definitions

Capitalized terms used herein shall have the meanings ascribed to them as follows:

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services and property taxes (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, County permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses.

Actual Costs may include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and codes with respect to the Bonds, (viii) the Trustee’s reasonable fees and expenses relating to the Bonds, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“Administrator” means the employee or designee of the City, identified in any indenture of trust

relating to a series of Bonds or identified in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessments, as shown on the Assessment Rolls attached hereto as Appendix E and Appendix F, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Administrative Expenses, (iii) the prepayment reserve described in Section V(F) of this Service and Assessment Plan, and (iv) the delinquency reserve described in Section V(G) of this Service and Assessment Plan.

“Annual Service Plan Update” has the meaning set forth in the second paragraph of Section IV of this Service and Assessment Plan.

“Assessed Property” means any property that benefits from the Authorized Improvements within the PID on which Assessments have been imposed as shown in the Assessment Roll, as the Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within the PID other than Non-Benefited Property.

“Assessment” means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years and amounts collected to pay Administrative Expenses and interest on all Assessments.

“Assessment Ordinance” means an Assessment Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

“Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments.

“Assessment Roll” or **“Assessment Rolls”** means collectively or separately, as applicable, the Phase #1 Assessment Roll included in this SAP as Appendix E, the Phase #2 Assessment Roll included in this SAP as Appendix F, or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this SAP and in the PID Act.

“Authorized Improvements” mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, acquired, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

“Authorized Improvement Costs” mean the actual or budgeted costs, as applicable, of all or any portion of the Authorized Improvements, as shown in Appendix B.

“Bonds” mean any bonds issued by the City, including the Phase #1 Bonds and the Phase #2 Bonds, in one or more series and secured in whole or in part by the Assessment Revenues.

“Budgeted Cost(s)” means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

“Certification for Payment” means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements, which may be in segments or sections.

“City” means the City of Celina, Texas.

“City Council” means the duly elected governing body of the City.

“City Improvements” means the additional public improvements to be constructed as part of the agreement between the City and the Developer under the Development Agreement as discussed in Section III(B).

“County” means Collin County, Texas.

“Delinquency Reserve” has the meaning set forth in Section V(G) of this Service and Assessment Plan.

“Delinquent Collection Costs” mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney’s fees.

“Developer” means Wynne Jackson, Inc., a Texas corporation or other entity affiliated with Wynne Jackson, Inc. responsible for the development of all or a portion of the property within the PID.

“Development Agreement” means that certain "Amended and Restated Development Agreement" relating to the PID executed by and between the Developer and the City effective June 14, 2016, as the same may be amended from time to time.

“Equivalent Units” mean, as to any Parcel the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix D attached hereto.

“Homeowner Association” means a homeowners’ association or property owners’ association established for the benefit of property owners within the PID.

“Homeowners’ Association Special Assessment Allocation” means 1% of the total Assessment that will be reallocated to cover the benefit received by the Homeowner’s Association from the Authorized Improvements benefitting the Homeowner Association Property once the Homeowner Association is created within the PID.

“Homeowner Association Property” or **“(HOA Property)”** means property within the PID owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, a

homeowners' association established for the benefit of a group of homeowners or property owners.

“Lot” means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of Collin County, Texas.

“Lot Type” means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated final average home value for each lot as of the date of the recorded subdivision plat, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“Lot type 1” means lots identified as such on the Assessment Roll, being lots typically with approximately 7,500 square feet size and a lot width of 60 feet, which may be referred to as such in the Planned Development District.

“Lot type 2” means lots identified as such on the Assessment Roll, being lots typically with approximately 6,000 square feet size and a lot width of 50 feet, which may be referred to as such in the Planned Development District.

“Non-Benefited Property” means Parcels that accrue no special benefit from the Authorized Improvements, which may include Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit from the Authorized Improvements. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI(D).

“Parcel” or **“Parcels”** means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Collin Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the official public records for real property in Collin County.

“Phase” means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within a Phase will be assessed in connection with the issuance of Phased PID Bonds for Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Parcels within the Phase.

“Phase #1” means the initial Phase to be developed within the PID, identified as “Phase #1” and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix E.

“Phase #1 Assessed Property” means all Parcels within Phase #1 other than Non-Benefited Property and shown on the Phase #1 Assessment Roll against which an Assessment relating to the Phase #1 Improvements is levied.

“Phase #1 Assessment Revenues” mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Phase #1 Assessed Property, or the Annual Installments thereof, for the Phase #1 Improvements.

“Phase #1 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix E, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phase #1 Bonds” mean collectively the Phase #1A Bonds and the Phase #1B Bonds.

“Phase #1A Bonds” mean the \$3,550,000 City of Celina, Texas, Special Assessment Revenue Bonds, Series 2016 (Glen Crossing Public Improvement District Phase #1 Project) issued by the City to finance a portion of the Phase #1 Improvements.

“Phase #1B Bonds” mean the \$_____ City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #1 Project) being issued by the City to finance a portion of the Phase #1 Improvements.

“Phase #1 Improvements” mean the Authorized Improvements which only benefit Phase #1 Assessed Property and are described in Section III.B.

“Phase #2” means the second Phase to be developed within the PID, identified as “Phase #2” and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix F.

“Phase #2 Assessed Property” means all Parcels within Phase #2 other than Non-Benefited Property and shown on the Phase #2 Assessment Roll against which an Assessment relating to the Phase #2 Improvements is levied.

“Phase #2 Assessment Revenues” mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Phase #2 Assessed Property, or the Annual Installments thereof, for the Phase #2 Improvements.

“Phase #2 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix F, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Phase #2 Bonds” mean the \$_____ City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #2 Project) issued by the City to finance a portion of the Phase #2 Improvements.

“Phase #2 Improvements” mean the Authorized Improvements which only benefit Phase #2 Assessed Property and are described in Section III.B.

“Phased PID Bonds” mean bonds issued to fund Authorized Improvements (or a portion thereof)

in a Phase. In connection with the Phased PID Bonds, Assessments will be levied only on Parcels, other than Non-Benefited Property, located within the respective Phase.

“PID” has the meaning set forth in Section I(A) of this Service and Assessment Plan.

“PID Act” means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

“PID Reimbursement Agreement” means that certain PID Reimbursement Agreement, dated July 12, 2016, by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of Authorized Improvements and the City agrees to reimburse the Developer for a portion of such Actual Costs funded by the Developer with interest as permitted by the PID Act including any addendum attached thereto.

“Planned Development District” means the zoning classification established as PD – Planned Development District #23 pursuant to Ordinance No 2015-13 adopted by the City Council designating the zoning and development standards.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment allowed by applicable law, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.

“Prepayment Reserve” has the meaning set forth in Section V(F) of this Service and Assessment Plan.

“Public Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Collin County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

“Service and Assessment Plan” means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

“TIRZ No. 6” means the Tax Increment Reinvestment Zone No. 6, City of Celina, Texas.

“TIRZ Annual Credit Amount” means, for each Parcel, such Parcel’s prorated amount of TIRZ Revenues calculated pursuant to Section VI (A) of this Service and Assessment Plan.

“TIRZ Ordinance” means an ordinance adopted by the City Council authorizing the use of TIRZ Revenues for project costs under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to certain public improvements as provided for in the Tax Increment Reinvestment Zone No. Project Plan and Financing Plan (including amendments or supplements thereto).

“TIRZ Revenues” mean, for each year, the amounts paid by the City from the TIRZ No. 6 tax increment fund pursuant to the TIRZ Ordinance to reduce an Annual Installment, as calculated each year by the Administrator in collaboration with the City, in accordance with Section VI(A) of this Service and Assessment Plan.

“Trust Indenture” means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

“Trustee” means the fiscal agent or trustee as specified in a Trust Indenture, including a substitute fiscal agent or trustee.

Section II PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is presently located within the City and contains approximately 109 acres of land. Phase #1 consists of approximately 41.5 acres and is projected to consist of 159 single family residential units as further described in Section III. Phase #2 consists of approximately 67.5 acres and is projected to consist of approximately 197 residential units. A map of the property within the PID and depicting the boundaries of Phase #1 and Phase #2 is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 356 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots (356) and the classification of each lot are based upon the proposed development plan.

The property within the PID is proposed to be developed as follows:

Table II-A
Updated Proposed Development

Proposed Development Type	Quantity	Measurement
Single Family Residential – 60 Feet	149	units
Single Family Residential – 50 Feet	207	units
Total	356	units

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

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Section III DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. Authorized Improvement Overview

Section 372.003 of the PID Act defines the improvements that may be undertaken by a municipality or county through the establishment of a public improvement district, as follows:

372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian malls;
- (v) acquisition and installation of pieces of art;
- (vi) acquisition, construction, or improvement of libraries;
- (vii) acquisition, construction, or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
- (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x);
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district.

B. Description of the Authorized Improvements

Phase #1 Improvements:

The Phase #1 Improvements are the Authorized Improvements that will benefit the Phase #1 Assessed Property. The descriptions of the Phase #1 Improvements are presented below and the Budgeted Costs of the Phase #1 Improvements are shown in Table III-A. The Budgeted Costs shown in Table III-A may be revised in an Annual Service Plan Update as needed.

- **Road Improvements:**
 - The road improvements within Phase #1 include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. The road improvements will provide street access to each lot within Phase #1 as well as access to community roadways and state highways. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.
- **Water Distribution System Improvements:**
 - The water distribution system improvements within Phase #1 consist of construction and installation of on-site and off-site water lines, mains, pipes, valves and appurtenances, necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Phase #1 Assessed Property. The water distribution system improvements will extend water service to the boundaries of Phase #1 and to all lots within Phase #1. The water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.
- **Sanitary Sewer Improvements:**
 - The sanitary sewer improvements within Phase #1 consist of construction and installation of on-site and off-site pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Phase #1 Assessed Property. The sanitary sewer improvements will extend wastewater service to the boundaries of Phase #1 and to all lots within Phase #1. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.
- **Storm Drainage Improvements:**
 - The storm drainage improvements within Phase #1 consist of construction and installation of pipes, inlets, manholes, detention ponds and appurtenances necessary to provide storm drainage to the Phase #1 Assessed Property. The storm drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.
- **Park and Open Space Improvements:**
 - The park and open space improvements within Phase #1 consist of construction and installation of landscaping, walls, and entries. The park and open space improvements will be designed and constructed in accordance with City standards and specifications and will be owned by the City either by fee or through a public

use easement and maintained by the Homeowners' Association.

Additional details of the Phase #1 Improvements are shown in Appendix B attached to this Service and Assessment Plan. The method of cost allocation is explained in Section V (C).

The Budgeted Costs shown in Tables III-A may be revised in Annual Service Plan Updates. The detailed costs of the Phase #1 Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item provided such adjustment does not result in an increased Assessment. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

Table III-A
Phase #1 Improvement Costs

Roadway improvements	\$ 1,501,138
Water distribution system improvements	\$572,950
Sanitary sewer improvements	\$691,366
Storm drainage improvements	\$1,377,040
Park and open space improvements	\$512,950
Other soft, contingency and miscellaneous costs	\$1,303,524
Total	\$ 5,958,968

Phase #2 Improvements:

The Phase #2 Improvements are the Authorized Improvements that will benefit the Phase #2 Assessed Property. The descriptions of the Phase #2 Improvements are presented below and the Budgeted Costs of the Phase #2 Improvements are shown in Table III-B. The Budgeted Costs shown in Table III-B may be revised in an Annual Service Plan Update as needed.

- ***Road Improvements:***

- The road improvements within Phase #2 include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. The road improvements will provide street access to each lot within Phase #2 as well as access to community roadways and state highways. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- ***Water Distribution System Improvements:***

- The water distribution system improvements within Phase #2 consist of construction and installation of on-site, mains, pipes, valves and appurtenances, necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Phase #2 Assessed Property. The water distribution system improvements will extend water service to the boundaries of Phase #2 and to all lots within Phase #2. The water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- ***Sanitary Sewer Improvements:***

- The sanitary sewer improvements within Phase #2 consist of construction and installation of on-site and off-site pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Phase #2 Assessed Property. The sanitary sewer improvements will extend wastewater service to the boundaries of Phase #2 and to all lots within Phase #2. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.
- ***Storm Drainage Improvements:***
 - The storm drainage improvements within Phase #2 consist of construction and installation of pipes, inlets, manholes, detention ponds and appurtenances necessary to provide storm drainage to the Phase #2 Assessed Property. The storm drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.
- ***Park and Open Space Improvements:***
 - The park and open space improvements within Phase #2 consist of construction and installation of trails, landscaping, walls, and entries. The park and open space improvements will be designed and constructed in accordance with City standards and specifications and will be owned by the City either by fee or through a public use easement and maintained by the Homeowners' Association.

Additional details of the Phase #2 Improvements are shown in Appendix B attached to this Service and Assessment Plan. The method of cost allocation is explained in Section V (C).

The Budgeted Costs shown in Tables III-B may be revised in Annual Service Plan Updates. The detailed costs of the Phase #2 Improvements are shown in Appendix B to this Service and Assessment Plan. Savings from one line item may be applied to a cost increase in another line item provided such adjustment does not result in an increased Assessment. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID).

Table III-B
Phase #2 Improvement Costs

Roadway improvements	\$2,408,192
Water distribution system improvements	\$425,441
Sanitary sewer improvements	\$367,092
Storm drainage improvements	\$1,602,124
Park, trails and open space improvements	\$936,851
Other soft, contingency and miscellaneous costs	\$1,607,116
Total	\$7,346,816

Other Improvements:

Additional public improvements are contemplated to be constructed as part of the agreement between the Developer and the City under the Development Agreement. Such public improvements

("City Improvements") will be designed by the City. The City Improvements include roadway improvements, water distribution system improvements and sanitary sewer collection system improvements. The estimated costs of the City Improvements are excluded from the Authorized Improvements shown in Table III-A and will not be paid for by Assessment Revenues. The estimated costs of the City Improvements are included herein solely to establish the basis for the TIRZ Annual Credit Amount described in Section VI (A) of this Service and Assessment Plan.

Roadway improvements: The road improvements part of the City Improvements includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. The road improvements will provide street access to the PID as well as access to community roadways and state highways. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water distribution system improvements: The water distribution system improvements part of the City Improvements consists of construction and installation of off-site water lines, mains, pipes, valves and appurtenances, necessary for the water distribution system, as well as related testing, trench safety and erosion protection. These water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary sewer collection system improvements: The sanitary sewer improvements part of the City Improvements consists of construction and installation of off-site pipes, service lines, manholes, encasements and appurtenances. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Trail system improvements: The trail system improvements part of the City Improvements consists of construction and installation of trails. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Table III-C below shows the estimated costs of the City Improvements anticipated to be constructed in accordance with the Development Agreement.

Table III-C
City Improvement Costs

Description	City Improvements to be constructed as part of
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	Phase #1	Phase #2	Total
Roadway improvements including ROW acquisition	\$160,000	\$983,420	\$1,143,420
Water distribution system improvements	\$280,060	\$0	\$280,060
Sanitary sewer improvements	\$753,258	\$252,544	\$1,005,802
Trail system improvements	\$0	\$314,193	\$314,193
Other soft, contingency and miscellaneous costs	\$289,330	\$434,044	\$723,334
Total	\$1,482,648	\$ 1,984,201	\$3,466,849

Additionally, concurrently with the construction of the Phase #1 Improvements, the Developer began constructing certain improvements within the PID including grading, water and sewer services, franchise utility services, landscaping and other miscellaneous items related to the Private Improvements; a pool and related facilities, fencing and landscaping (collectively, the “Private Improvements”) to serve the entire PID. The Private Improvements are expected to be complete by the end of May 2018 (to be confirmed by Developer). The costs of such Private Improvements have been or will be paid entirely by the Developer without any reimbursement through the PID.

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Section IV SERVICE PLAN

A. Sources and Uses of Funds

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five year period.

The Budgeted Costs for the Phase #1 Improvements plus costs related to the issuance of the Phase #1 Bonds, in one or more series, and payment of expenses incurred in the establishment, administration and operation of the PID are \$6,845,468 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Actual Costs of the Authorized Improvements, and updating the Assessment Rolls. Any update to this Service and Assessment Plan is herein referred to as an "Annual Service Plan Update."

Table IV-A summarizes the sources and uses of funds required to construct the Phase #1 Improvements to be financed with the proceeds from the Phase #1A Bonds and PID Reimbursement Agreement, including Budgeted Costs related to establishing the PID and issuing the Phase #1 Bonds. The sources and uses of funds shown in Table IV-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and changes in Actual Costs.

The Phase #1A Bonds were issued to finance a portion of the Phase #1 Improvements, including costs to issue the Phase #1A Bonds, as shown in Table IV-A below. A portion of the remaining costs of Phase #1 Improvements will be financed through the PID Reimbursement Agreement. A second series of Phase #1 Bonds ("Phase #1B Bonds") may, subject to the approval of the City Council and compliance with the applicable provisions in the Trust Indenture, be issued in 2018 or 2019; and, to the extent provided by law, the proceeds from the Phase #1B Bonds will be used to reimburse certain Actual Costs paid by the Developer under the terms of the PID Reimbursement Agreement and to pay any unpaid Actual Costs of Phase #1 Improvements required to be paid under the PID Reimbursement Agreement.

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Table IV-A
Sources and Uses – Phase #1

Sources of Funds	Authorized Improvements (PID)	Other Improvements (Non-PID)	Total Amounts
Phase #1A Bonds par amount	\$3,550,000	\$0	\$3,550,000
Phase #1B Bonds par amount	\$2,175,000	\$0	\$2,175,000
<i>Subtotal</i>	<i>\$5,725,000</i>	<i>\$0</i>	<i>\$5,725,000</i>
Other funding sources - Phase #1 Improvements	\$1,120,468	\$0	\$1,120,468
Total Sources for Phase #1 Improvements	\$6,845,468	\$0	\$6,845,468
Other funding sources - City Improvements	\$0	\$1,482,648	\$1,482,648
Other funding sources – Private Improvements and Ag reserve	\$0	\$1,271,213	\$1,271,213
Total Sources	\$6,845,468	\$2,753,861	\$9,599,329
Uses of Funds			
Authorized Improvements - Phase #1 Improvements			
Road improvements	\$1,501,138	\$0	\$1,501,138
Water distribution system improvements	\$572,950	\$0	\$572,950
Sanitary sewer improvements	\$691,366	\$0	\$691,366
Storm drainage improvements	\$1,377,040	\$0	\$1,377,040
Parks and open space improvements	\$512,950	\$0	\$512,950
Other soft and miscellaneous costs	\$1,303,524	\$0	\$1,303,524
<i>Subtotal</i>	<i>\$5,958,968</i>	<i>\$0</i>	<i>\$5,958,968</i>
City Improvements			
Road improvements	\$0	\$160,000	\$160,000
Water distribution system improvements	\$0	\$280,060	\$280,060
Sanitary sewer improvements	\$0	\$753,258	\$753,258
Other soft and miscellaneous costs	\$0	\$289,330	\$289,330
<i>Subtotal</i>	<i>\$0</i>	<i>\$1,482,648</i>	<i>\$1,482,648</i>
Private Improvements			
City debt issuance fee	\$0	\$226,850	\$226,850
NonBQ fee	\$0	\$40,310	\$40,310
Other private improvements	\$0	\$999,053	\$999,053
<i>Subtotal</i>	<i>\$0</i>	<i>\$1,266,213</i>	<i>\$1,266,213</i>
Costs of issuance			
Capitalized interest	\$181,785	\$0	\$181,785
Reserve fund	\$237,195	\$0	\$237,195
Ag exemption foreclosure reserve	\$0	\$5,000	\$5,000
PID establishment/ operation and other costs of issuance	\$361,020	\$0	\$361,020
Underwriter's discount	\$106,500	\$0	\$106,500
<i>Subtotal</i>	<i>\$886,500</i>	<i>\$5,000</i>	<i>\$891,500</i>
Total Uses	\$6,845,468	\$2,753,861	\$9,599,329

The Budgeted Costs for the Phase #2 Improvements plus costs related to the issuance of the Phase

#2 Bonds and payment of expenses incurred in the establishment, administration and operation of the PID are \$_____ as shown in Table IV-A-1. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Actual Costs of the Authorized Improvements, and updating the Assessment Rolls. Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

Table IV-A-1 summarizes the sources and uses of funds required to construct the Phase #2 Improvements to be financed with the proceeds from the Phase #2 Bonds, including Budgeted Costs related to establishing the PID and issuing the Phase #2 Bonds. The sources and uses of funds shown in Table IV-A-1 shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and changes in Actual Costs.

The Phase #2 Bonds are being issued to finance a portion of the Phase #2 Improvements, including costs to issue the Phase #2 Bonds, as shown in Table IV-A-1 below.

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Table IV-A-1
Sources and Uses – Phase #2

Sources of Funds	Authorized Improvements (PID)	Other Improvements (Non-PID)	Total Amounts
Bond par amount	\$7,325,000	\$0	\$7,325,000
<i>Subtotal</i>	\$7,325,000	\$0	\$7,325,000
Other funding sources - Phase #2 Improvements	\$1,607,619	\$0	\$1,607,619
Total Sources for Phase #2 Improvements	\$8,932,619	\$0	\$8,932,619
Other funding sources - City Improvements	\$0	\$1,984,201	\$1,984,201
Other funding sources – Private Improvements	\$0	\$5,000	\$0
Total Sources	\$8,932,619	\$1,989,201	\$10,921,820
Uses of Funds			
Authorized Improvements - Phase #2 Improvements			
Road improvements	\$2,408,192	\$0	\$2,408,192
Water distribution system improvements	\$425,441	\$0	\$425,441
Sanitary sewer improvements	\$367,092	\$0	\$267,092
Storm drainage improvements	\$1,602,124	\$0	\$1,602,124
Parks and open space improvements	\$936,851	\$0	\$936,851
Other soft and miscellaneous costs	\$1,607,116	\$0	\$1,607,116
<i>Subtotal</i>	\$7,346,816	\$0	\$7,346,816
City Improvements			
Road improvements	\$0	\$983,420	\$983,420
Water distribution system improvements	\$0	\$0	\$0
Sanitary sewer improvements	\$0	\$252,544	\$250,831
Trail system improvements	\$0	\$314,193	\$314,193
Other soft and miscellaneous costs	\$0	\$434,044	\$433,564
<i>Subtotal</i>	\$0	\$1,984,201	\$1,982,008
Private Improvements			
City debt issuance fee	\$0	\$0	\$0
NonBQ fee	\$0	\$0	\$0
Other private improvements	\$0	\$0	\$0
<i>Subtotal</i>	\$0	\$0	\$0
Costs of issuance			
Capitalized interest	\$285,022	\$0	\$285,022
Reserve fund	\$237,195	\$0	\$237,195
Ag exemption foreclosure reserve	\$0	\$5,000	\$5,000
PID establishment/ operation and other costs of issuance	\$583,253	\$0	\$583,253
Underwriter's discount	\$211,103	\$0	\$211,103
<i>Subtotal</i>	\$1,585,803	\$0	\$1,590,803
Total Uses	\$8,932,619	\$1,989,201	\$10,921,820

As described in Sections V(I) and VI(A) the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of such Parcel's PID assessments. The total Phase #1A Bond par

Attachment: Glen Crossing PID-Draft SAP for Ph 2 - v2.5 (2) (Glen Crossing Costs Determining Resolution)

amount to be repaid with the TIRZ Annual Credit Amounts (the “TIRZ Credit Funded Portion”) is projected to be \$2,182,855 as calculated based on the projected TIRZ Annual Credit Amounts anticipated to be used for offsetting the Annual Installments to be collected from the Phase #1A Assessed Property. The balance of the Phase #1A Bonds to be repaid with the net Annual Installments (the “Net Assessment Funded Portion”) is calculated to be \$1,367,145 (i.e. \$3,550,000 - \$2,182,855 = \$1,367,145). Accordingly, the Phase #1A Bonds are allocated between the TIRZ Credit Funded Portion and the Net Assessment Funded Portion as shown in Table IV-B below. The detailed breakdown of the estimated Phase #1A Bond debt service amounts is in the schedule included in Appendix E.

Table IV-B
Estimated Sources and Uses
Phase #1 Bonds – TIRZ Credit Funded Portion

	Phase #1A Bonds		
	TIRZ Credit Funded Portion	Net Assessment Funded Portion	Total
Sources of Funds			
Bond par amounts	\$2,182,855	\$1,367,145	\$3,550,000
Total Sources	\$2,182,855	\$1,367,145	\$3,550,000
Uses of Funds			
<u>Improvements</u>			
Road improvements	\$412,571	\$258,398	\$670,969
Water distribution system improvements	\$157,469	\$98,624	\$256,093
Sanitary sewer improvements	\$190,014	\$119,008	\$309,022
Storm drainage improvements	\$378,464	\$237,036	\$615,500
Parks and open space improvements	\$140,979	\$88,296	\$229,275
Other soft and miscellaneous costs	\$358,259	\$224,381	\$582,640
Subtotal	\$1,637,756	\$1,025,744	\$2,663,500
Estimated Bond issue costs			
Capitalized interest	\$111,777	\$70,007	\$181,785
Reserve fund	\$145,849	\$91,346	\$237,195
PID establishment/ operation and other costs of issuance	\$221,987	\$139,033	\$361,020
Underwriter's discount	\$65,486	\$41,014	\$106,500
Subtotal	\$545,099	\$341,401	\$886,500
Total Uses	\$2,182,855	\$1,367,145	\$3,550,000

The City reserves the right to issue the Phase #1B Bonds secured by the Phase #1 Assessment Revenues to finance (or refinance) a portion of Phase #1 Improvements not paid with proceeds of the Phase #1A Bonds. The issuance of the Phase #1B Bonds will be subject to the conditions and provisions set forth in the Trust Indenture relating to the Phase #1 Bonds. The Phase #1 Bonds may

also, subject to the approval of the City Council, be refunded pursuant to the refunding provisions of the Trust Indenture relating to the Phase #1 Bonds. If the debt service on the Phase #1A Bonds is reduced as the result of an economic refunding of those PID bonds, then there would be a corresponding reduction in both TIRZ Annual Credit Amounts and the Annual Installments (i.e., Annual Installments shall be permanently reduced by the same amount the TIRZ Annual Credit Amounts are reduced) which will result in a permanent reduction in the Assessments.

The annual projected costs and annual projected indebtedness is shown by Table IV-C. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table IV-C
Annual Projected Costs and Annual Projected Indebtedness – All Phases

Year	Annual Projected Cost	Annual Projected Indebtedness (Phase #1A Bonds and Phase #1 Reimbursement Agreement, Phase #2 Bonds)	Sources other than Phase #1A Bonds, Phase #1 Reimbursement Agreement and Phase #2 Bonds
2016	\$6,845,468	\$5,725,000	\$1,120,468
2017	\$0	\$0	\$0
2018	\$8,932,619	\$7,325,000	\$1,607,619
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
Total	\$15,778,087	\$13,050,000	\$2,728,087

The annual projected costs shown in Table IV-C are the annual expenditures relating to the Phase #1 Improvements shown in Table III-A, the costs associated with creating the PID and costs of issuing the Phase #1A Bonds, including reserves shown in Table IV-A, and costs related to the PID Reimbursement Agreement. The difference between the annual projected cost and the annual projected indebtedness, and between the annual projected indebtedness and the principal amount of the bonds each represent an amount funded by the Developer, which may be reimbursed with future bond proceeds to the extent available.

Section V ASSESSMENT PLAN

A. Introduction

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The proposed bond issuance program anticipates a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Phase #1A Bonds, subsequent financings may be issued over the upcoming years as the subsequent phase(s) of the development are gradually constructed.

The purpose of this anticipated gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The Phased PID Bonds to be issued are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Phased PID Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

Additionally, phased issuance of debt will maintain a prudent value to lien ("VtL") within the financing program. In order to maintain a prudent VtL, the initial issuance of Bonds for a specific set of Authorized Improvements may not fund the entire desired level of public infrastructure because the property value is not high enough to support the entire debt burden at the VtL chosen for the development. In that case, the Developer will need to fund the additional infrastructure costs with cash at closing. This cash investment by the Developer for certain Authorized Improvements may be reimbursed by a subsequent parity lien bond financing and /or a reimbursement agreement, such as the PID Reimbursement Agreement. For example, the Phase #1A Bonds previously issued to finance a portion of the Phase #1 Improvements will, subject to the initial bond issuance requirements in the Development Agreement and approval by the City Council, be followed by a second parity lien issuance of Phased PID Bonds (the Phase #1B Bonds) to finance Actual Costs of Phase #1 Improvements not financed by the Phase #1A Bonds.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Phase #1 Improvements and the Phase #2 Improvements shall be allocated as described below:

1. The Authorized Improvement Costs shall be allocated on the basis of the relative value of Parcels once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly

benefited.

2. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken into consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home process provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the Authorized Improvements.
3. The Assessed Property is classified into different Lot Types as described in Appendix D based on the type and size of proposed development on each Parcel.
4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.
5. The Phase #1 Improvement costs less the Homeowner Association Special Assessment Allocation are allocated to each Parcel within the Phase #1 Assessed Property based on the total Equivalent Units estimated for each Parcel.
6. The Phase #2 Improvement costs less the Homeowner Association Special Assessment Allocation are allocated to each Parcel within the Phase #2 Assessed Property based on the total Equivalent Units estimated for each Parcel.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by (a) each Parcel within the Phase #1 Assessed Property as a result of the Phase #1 Improvements and (b) each Parcel within the Phase #2 Assessed Property as a result of the Phase #2 Improvements,, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Phase #1 Assessed Property and the Phase #2 Assessed Property, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit within Phase #1 of the Phase #1 Improvements to Phase #1 Assessed Property and Phase #2 of the Phase #2 Improvements to Phase #2 Assessed Property in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Phase #1 Assessed Property similarly benefited and the Phase #2 Assessed Property similarly benefited. The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

B. Special Benefit

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID shown in Table IV-A are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer

a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of these improvements being constructed on the Assessed Property or in close proximity to the Assessed Property and the specific purpose of these Authorized Improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use is defined as “the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of Real Estate Appraisal, Third Edition.*) The Authorized Improvements are required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve; (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; and (ii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be beneficial to the City and the PID. As a result, the Authorized Improvements result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;

4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be beneficial; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Assessment Methodology

The Actual Costs may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The Actual Costs may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

1. Assessment Methodology for Phase #1

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Improvements shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phase #1. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the Actual Costs of the Phase #1 Improvements provided by the Developer working with the City's engineers, as set forth in Table III-A, the City Council has determined that the benefit to Phase #1 Assessed Property resulting from the Phase #1 Improvements is at least equal to the Assessments levied on the Phase #1 property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Lot Type based on the ratio of the Equivalent Unit applicable to each Lot Type at the time residential Lots are platted to the total Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council. The result of this approach is that each final residential Lot within a recorded subdivision plat with similar values will have the same Assessment, with larger, more valuable Lots having a proportionately larger share of the Assessments than smaller, less valuable Lots. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Allocation of Assessments to Lot Types in Phase #1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #1 Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #1, is \$5,725,000. As shown in Appendix D, there are a total of 143.33 estimated Equivalent Units for the residential development in Phase #1, resulting in an Assessment per Equivalent Unit of \$39,941.86.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$39,941.86 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is \$39,941.86 (i.e. $\$39,941.86 \times 1.00$). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is \$33,284.88 (i.e. $\$39,941.86 \times 0.83$). Table E-2 sets forth the Assessment per dwelling unit for each of the two Lot Types in Phase #1.

Table V-1
Assessment per Unit - Phase #1

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor ¹	Assessment per Unit	Total Assessments
Lot Type 1	65	\$39,941.86	1.00	\$39,941.86 per dwelling unit	\$2,596,221
Lot Type 2	94	\$39,941.86	0.83	\$33,284.88 per dwelling unit	\$3,128,779
Total	159				\$5,725,000

1 – See Appendix D for the calculation of the Equivalent Unit Factors

The projected leverage calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-2 below.

Table V-2
Projected Leverage – Phase #1

Lot Type	Planned No. of Units	Estimated Land Value per unit	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit ¹	Leverage (Land Value)	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1	65	\$30,000	\$81,000	\$405,000	\$39,942	0.75	2.03	10.14
Lot Type 2	94	\$25,000	\$67,500	\$337,500	\$33,285	0.75	2.03	10.14
Total	159							

1 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-3 below.

Table V-3
Estimated Tax Rate Equivalent per unit – Phase #1

Lot Type	Planned No. of Units	Estimated Land Value per unit	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Maximum Annual Installment per unit	Tax Rate Equivalent (per \$100 Land Value)	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value) ¹
Lot Type 1	65	\$30,000	\$81,000	\$405,000	\$3,108	\$10.06	\$3.72	\$0.767
Lot Type 2	94	\$25,000	\$67,500	\$337,500	\$2,590	\$10.06	\$3.72	\$0.767
Total	159							

1 – The estimated Tax Rate Equivalent shown herein as \$0.767 is a preliminary calculation based on preliminary estimated Phase #1B principal and interest amounts. The final principal and interest amounts for the Phase #1B Bonds will be adjusted at final pricing to result in a final Tax Rate Equivalent of \$0.745.

The Assessment and Annual Installments for each Parcel or Lot located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

Appendix D shows the detailed calculation of the Assessment per Equivalent Unit and the Assessment for each Lot type.

2. Assessment Methodology for Phase #2

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #2 Improvements shall be allocated to the Phase #2 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix D using the types and number of lots anticipated to be developed on each Parcel within Phase #2. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Based on the Actual Costs of the Phase #2 Improvements provided by the Developer working with the City's engineers, as set forth in Table III-B, the City Council has determined that the benefit to Phase #2 Assessed Property resulting from the Phase #2 Improvements is at least equal to the Assessments levied on the Phase #2 property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Lot Type based on the ratio of the Equivalent Unit applicable to each Lot Type at the time residential Lots are platted to the total Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council. The result of this approach is that each final residential Lot within a recorded subdivision plat with similar values will have the same Assessment, with larger, more valuable Lots having a proportionately larger share of the Assessments than smaller, less valuable Lots. As part of the determination as to the ability of different Lot Types to utilize and benefit from the Authorized Improvements, the City Council has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption, and larger, more expensive

homes are likely to be built on larger, more valuable lots placing greater demand on the Authorized Improvements.

Allocation of Assessments to Lot Types in Phase #2

As shown in Section IV of this Service and Assessment Plan, the total amount of the Phase #2 Bonds, which represents the total Assessment to be allocated on all Parcels within Phase #2, is \$41,113.19. As shown in Appendix D, there are a total of 178.17 estimated Equivalent Units for the residential development in Phase #2, resulting in an Assessment per Equivalent Unit of \$41,113.19.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$41,113.19 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is \$41,113.19 (i.e. \$41,113.19 $\times$ 1.00). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is \$34,260.99 (i.e. \$41,113.19 $\times$ 0.83). Table V-4 sets forth the Assessment per dwelling unit for each of the two Lot Types in Phase #2.

Table V-4
Assessment per Unit - Phase #2

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor ¹	Assessment per Unit	Total Assessments
Lot Type 1	84	\$41,113.19	1.00	\$41,113.19 per dwelling unit	\$3,453,508
Lot Type 2	113	\$41,113.19	0.83	\$34,260.99 per dwelling unit	\$3,871,492
Total	197				\$7,325,000

1 – See Appendix D for the calculation of the Equivalent Unit Factors

The projected leverage calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-5 below.

Table V-5
Projected Leverage – Phase #2

Lot Type	Planned No. of Units	Estimated Land Value per unit	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit ¹	Leverage (Land Value)	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1	84		\$87,000	\$435,000	\$41,113		2.12	10.58
Lot Type 2	113		\$72,000	\$362,500	\$34,261		2.12	10.58
Total	197							

1 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated land values, finished lot values and home values for each Lot Type is shown in Table V-3 below.

Table V-6
Estimated Tax Rate Equivalent per unit – Phase #2

Lot Type	Planned No. of Units	Estimated Land Value per unit	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Maximum Annual Installment per unit	Tax Rate Equivalent (per \$100 Land Value)	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value) ¹
Lot Type 1	84		\$87,000	\$435,000	\$3,306		\$3.85	\$0.770
Lot Type 2	113		\$72,000	\$362,500	\$2,755		\$3.85	\$0.770
Total	197							

1 – The estimated Tax Rate Equivalent shown herein as \$0.770 is a preliminary calculation based on preliminary estimated Phase #2 principal and interest amounts. The final principal and interest amounts for the Phase #2 Bonds will be adjusted at final pricing to result in a final Tax Rate Equivalent of \$0.745.

The Assessment and Annual Installments for each Parcel or Lot located within Phase #2 is shown on the Phase #2 Assessment Roll, attached as Appendix F, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

Appendix D shows the detailed calculation of the Assessment per Equivalent Unit and the Assessment for each Lot type.

D. Assessments

The Assessments for Phase #1 will be levied on each Parcel according to the Phase #1 Assessment Roll, attached hereto as Appendix E. The Annual Installments for the Phase #1 Bonds will be collected at the time and in the amounts shown on the Phase #1 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

The Assessments for Phase #2 will be levied on each Parcel according to the Phase #2 Assessment Roll, attached hereto as Appendix F. The Annual Installments for the Phase #2 Bonds will be collected at the time and in the amounts shown on the Phase #2 Assessment Roll, respectively, subject to any revisions made during an Annual Service Plan Update.

E. Administrative Expenses

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

F. Prepayment Reserve

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with up to 0.20% of the interest rate component of the Annual Installments allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which Bonds are prepaid and up to 0.30% of the interest rate component of the Annual Installments allocated to fund a delinquency reserve account as described below. The prepayment reserve shall be funded until it reaches 1.50% of the outstanding Bonds as stipulated in the Bond documents. Once the prepayment reserve is funded in full, any additional interest

collected shall be allocated to fund delinquent payments as described in Section V(H) below.

G. AG Exemption Foreclosure Reserve

Concurrently with the issuance of the Phase #1A Bonds, the Developer deposited \$5,000 into a reserve account the ("Ag Exemption Foreclosure Reserve") held under the Trust Indenture relating to the Phase #1A Bonds. Such amount is estimated to be two years of ad valorem taxes levied by all taxing units on the portion of the Property subject to agricultural valuation. Such amount may be used for the payment of costs of foreclosure proceedings, if any, related to the changes in the agricultural exemption status of the Assessed Property.

H. Delinquency Reserve

The City has allocated up to 0.30% of the additional interest rate component of the Annual Installments to offset any possible delinquent payments. This additional reserve shall be funded up to 4% of the outstanding Bonds, but in no event will the annual collection, together with the prepayment reserve, total more than 0.50% of the outstanding Bonds. Once the delinquency reserve is funded in full, the City may allocate up to 0.50% of the additional interest rate component of the Annual Installments to pay for Administrative Expenses, improvement costs, any other use that benefits the Assessed Property or reduce the Assessments, as determined by the City Council.

I. TIRZ Annual Credit Amount

Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of such Parcel's PID assessments (the "TIRZ Annual Credit Amount"). The Annual Installment for each Parcel shall be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to the Parcel then on deposit in the TIRZ No. 6 tax increment fund. The TIRZ Annual Credit Amount applicable to each Parcel shall be calculated as described under Section VI (A) of this Service and Assessment Plan.

[Remainder of page intentionally left blank.]

Section VI TERMS OF THE ASSESSMENTS

A. Amount of Assessments and Annual Installments for Parcels Located Within Phase #1

The Assessments, and Annual Installments thereof, for each Parcel of Phase #1 Assessed Property is shown on the Phase #1 Assessment Roll, attached as Appendix E, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #1A Bonds, (ii) principal and interest required by the PID Reimbursement Agreement, (iii) to fund the prepayment reserve described in Section V, (iv) delinquency reserve described in Section V, and (v) to cover Administrative Expenses of Phase #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis.

As described in Section V-I, the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2016 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2017). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to Assessments in the PID. The Equivalent Units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

B. Amount of Assessments and Annual Installments for Parcels Located Within Phase #2

The Assessments, and Annual Installments thereof, for each Parcel of Phase #2 Assessed Property is shown on the Phase #2 Assessment Roll, attached as Appendix F, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #2 Bonds, (ii) principal and interest required by the PID Reimbursement Agreement, (iii) to fund the prepayment reserve described in Section V, (iv) delinquency reserve described in Section V, and (v) to cover Administrative Expenses of Phase #2. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest and TIRZ Annual Credit Amount applicable to the Parcel. The TIRZ Annual Credit Amount shall be calculated separately for each Parcel and such TIRZ Annual Credit Amount shall be applied on a Parcel-by-Parcel basis.

As described in Section V-I, the TIRZ Revenues attributable to each Parcel of Assessed Property collected in any given year shall be used to calculate each Parcel's TIRZ Annual Credit Amount for such Parcel in the following year (i.e., TIRZ Revenues collected in 2018 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2019). TIRZ Annual Credit Amounts shall be calculated for those Parcels that are subject to

Assessments in the PID. The Equivalent Units to be used for the calculation of the TIRZ Annual Credit Amount, if applicable, shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations.

C. Reallocation of Assessments

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated Equivalent Units to be built on each new subdivided Parcel
- D = the sum of the estimated Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels.

The total Assessment initially allocated to the Phase #1 Assessed Property and the Phase #2 Assessed Property does not include any allocation of Assessments to the HOA Property. Once a Homeowner Association is created in the PID and Parcel(s) that are owned by the Homeowner's Association appear on the Collin Central Appraisal District ("Collin CAD") records, 1% of the initial total Assessment allocated to the Phase #1 Assessed Property and the Phase #2 Assessed Property shall be reallocated to such HOA Property.

Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

D. Mandatory Prepayment of Assessments

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the Act.

E. Reduction of Assessments

1. If after all Authorized Improvements to be funded with a series of Bonds have been completed and Actual Costs for such Authorized Improvements are less than the Authorized Improvement Costs used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.
2. If after all Authorized Improvements to be funded with a series of Bonds have been completed and a portion of the Bonds have been redeemed using the TIRZ Annual Credit Amounts or other funds available to the City, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the remaining outstanding amount(s) of the Bonds after such redemptions. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds.
3. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on Equivalent Units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Collection Costs. The Principal Portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the Bonds is equal to the outstanding principal amount of the Bonds.

F. Payment of Assessments

1. Payment in Full

- (a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of such Bonds.
- (b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.
- (c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.
- (d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Prepayment Reserve and Delinquency Reserve. Payment of the Annual Installments shall commence with tax bills mailed after the levy of the Assessments.

Each Assessment shall be paid with interest of no more than the lesser of (i) the actual interest rate paid on the Bonds and (ii) 8.18 percent per annum. The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on interest rates of 3.4%, 4.2%, 4.8% and 5.25% for the Phase #1 Bonds maturing in 2020, 2027, 2037 and 2046, respectively, (and an additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve) and an interest rate of 3.75% for the PID Reimbursement Agreement. The Phase #2 Assessment Roll sets forth for each year the Annual Installment for each Parcel based on an estimated interest rate of 5.5% for the Phase #2 Bonds maturing in, 2048, (and an additional interest at the rate of 0.5% for Administrative Expenses, Prepayment Reserve and Delinquency Reserve). Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Rolls. The Assessment Rolls, shown as Appendix E and Appendix F, have been updated with the actual interest rates on the Phase #1 Bonds and the Phase #2 Bonds, respectively.

The Annual Installments shall be reduced to equal the actual costs of repaying the obligations and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The City reserves and shall have the right and option to refund the Bonds in accordance with Section 372.027 of the PID Act and Chapter 1207 of the Texas Government Code. In the event of such refunding, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installments so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

G. Collection of Annual Installments

No less frequently than annually, the Administrator shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, including any existing deposits to a prepayment reserve. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the Act.

Any sale of Assessed Property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

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Section VII THE ASSESSMENT ROLL

A. Phase #1 Assessment Roll

Phase #1 Assessed Property will be assessed for the special benefits conferred upon such property as a result of the Phase #1 Improvements. Table IV-A summarizes the \$6,845,468 in special benefit received by Phase #1 Assessed Property from the Phase #1 Improvements, costs associated with the PID formation, and costs related to the issuance of the Phase #1A Bonds. The total amount of Phase #1 Bonds is \$5,725,000 which is less than the benefit received by Phase #1 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #1 is \$5,725,000 plus annual Administrative Expenses, and other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #1 is calculated based on the allocation methodologies described in Section V.C of this Service and Assessment Plan. The Phase #1 Assessment Roll is attached hereto as Appendix E.

B. Phase #2 Assessment Roll

Phase #2 Assessed Property will be assessed for the special benefits conferred upon such property as a result of the Phase #2 Improvements. Table IV-A-1 summarizes the \$8,754,186 in special benefit received by Phase #2 Assessed Property from the Phase #2 Improvements, costs associated with the PID formation, and costs related to the issuance of the Phase #2 Bonds. The total amount of Phase #2 Bonds is \$7,325,000 which is equal to or less than the benefit received by Phase #2 Assessed Property, and as such the total Assessment for all Assessed Property within Phase #2 is \$7,325,000 plus annual Administrative Expenses, and other authorized charges. The Assessment for each Parcel of Assessed Property within Phase #2 is calculated based on the allocation methodologies described in Section V.C of this Service and Assessment Plan. The Phase #2 Assessment Roll is attached hereto as Appendix F.

C. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phase #1 Assessment Roll and the Phase #2 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Phase #1 Assessed Property and Phase #2 Assessed Property, including any adjustments authorized by this Service and Assessment Plan and in the PID Act; (iii) the Annual Installment for the Phase #1 Assessed Property and the Phase #2 Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Phase #1 Assessment and the Phase #2 Assessment, if any, as provided by Section VI(F) of this Service and Assessment Plan.

The Assessment Rolls shall be updated, which update may be done in the next Annual Service Plan Update, to reflect the issuance of additional Phase #1 Bonds and/or Phase #2 Bonds, if any, and any obligations owed pursuant to a reimbursement agreement.

Section VIII MISCELLANEOUS PROVISIONS

A. Administrative Review

The City may elect to designate a third party to serve as Administrator. The City shall notify Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Rolls, including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Rolls pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. Termination of Assessments

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination".

C. Amendments

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

To the extent permitted by the PID Act, the City Council reserves the right to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels:

(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan, and (iv) as may be required by the Attorney General of Texas in connection with the issuance of any series of Bonds.

D. Administration and Interpretation of Provisions

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act, and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture; such interpretations and determinations shall be conclusive.

E. Severability

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

[Remainder of page intentionally left blank.]

Appendix A

THE PID MAP

Attachment: Glen Crossing PID-Draft SAP for Ph 2 - v2.5 (2) (Glen Crossing Costs Determining Resolution)

Appendix B
AUTHORIZED IMPROVEMENT COSTS

Attachment: Glen Crossing PID-Draft SAP for Ph 2 - v2.5 (2) (Glen Crossing Costs Determining Resolution)

DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

Appendix D

LOT TYPES AND EQUIVALENT UNITS

Appendix E

ASSESSMENT ROLL – Phase #1 Assessed Property

Appendix F

PROPOSED ASSESSMENT ROLL – Phase #2 Assessed Property

Attachment: Glen Crossing PID-Draft SAP for Ph 2 - v2.5 (2) (Glen Crossing Costs Determining Resolution)



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: October 9, 2018
Re: Glen Crossing resolution approving PLOM Distribution

Action Requested:

Consider and act upon a resolution of the City of Celina, Texas approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #1b Project) and approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #2 Project); and resolving other matters incident and related thereto. (Glen Crossing PID PLOM Approval) (DeBuff)

Background Information:

This resolution approves the City Manager to make any needed changes to the Preliminary Limited Offering Memorandums, Phases 1B and 2, and distribute to the Underwriter for use in the marketing and sale of Bonds, and to release them to the public under certain conditions outlined in the resolution.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This resolution has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Resolution
- Preliminary Limited Offering Memorandum for PID Phase 1B
- Preliminary Limited Offering Memorandum for PID Phase 2

Staff Recommendation:

Staff recommends approval.

CITY OF CELINA, TEXAS
RESOLUTION NO. 2018-__R

A RESOLUTION OF THE CITY OF CELINA, TEXAS APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #1B PROJECT) AND APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT); AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act") authorizes the City of Celina, Texas (the "City") to create a public improvement district within the City; and

WHEREAS, pursuant to a resolution adopted by the City Council (the "City Council") of the City on April 12, 2016, the City has created the "G Bar 7 Public Improvement District" (the "District"); and

WHEREAS, pursuant to a resolution adopted by the City Council on June 14, 2016, the City Council changed the name of the District to "Glen Crossing Public Improvement District"; and

WHEREAS, the City intends to issue bonds to be designated "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #1B Project)" (the "Phase #1B Bonds") and "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #2 Project)" (the "Phase #2 Bonds" and, together with the Phase #1B Bonds, the "Bonds") to fund certain improvements in the PID as authorized by the PID Act; and

WHEREAS, there has been presented to this City Council a Preliminary Limited Offering Memorandum relating to each series of the Bonds (together, the "Preliminary Limited Offering Memorandums"); and

WHEREAS, this City Council finds and determines that it is necessary and in the best interests of the City to approve the form and content of the Preliminary Limited Offering Memorandums and authorize the use of the Preliminary Limited Offering Memorandums in the offering and sale of the respective Bonds by the Underwriter of the Bonds, FMSbonds, Inc., under the conditions outlined herein.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS AS FOLLOWS:

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. The form and content of the Preliminary Limited Offering Memorandums are hereby approved, with such changes, addenda, supplements or amendments as may be approved by the City Manager.

SECTION 3. The City hereby authorizes the Preliminary Limited Offering Memorandums to be used by the Underwriter in connection with the marketing and sale of the Bonds; provided that such Preliminary Limited Offering Memorandums shall not be released to the public without the approval of the City Manager, which approval shall be made in consultation with (1) Messer, Rockefeller & Fort, the City's Land Use Attorney, (2) Norton Rose Fulbright US LLP, the City's Bond Counsel, and (3) Hilltop Securities Inc., the City's Financial Advisor.

SECTION 4. The City Council hereby delegates to the City Manager the authority to approve the release of the Preliminary Limited Offering Memorandums to the public for use in marketing the Bonds under the conditions outlined herein.

SECTION 5. City staff is authorized and directed to do all things proper and necessary to carry out the intent hereof.

SECTION 6. This Resolution shall become effective from and after its date of passage in accordance with law.

[Execution page follows.]

ADOPTED, PASSED, AND APPROVED on this the 9th day of October, 2018.

Mayor

ATTEST:

City Secretary

(City Seal)

Attachment: Celina - Glen Crossing PID 2018 - Resolution approving PLOMs (Glen Crossing resolution approving PLOM Distribution)

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [____], 2018

THE BONDS ARE INITIALLY OFFERED ONLY TO PERSONS WHO (1) MEET THE DEFINITION OF (1) "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933), "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933) OR (3) A LIMITED PARTNER OF A LIMITED LIABILITY COMPANY OR A LIMITED PARTNER OF A LIMITED LIABILITY PARTNERSHIP, OR (4) AN ENTITY IN WHICH ALL THE EQUITY OWNERS ARE QUALIFIED INSTITUTIONAL BUYERS. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS".

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" herein. See "TAX MATTERS — Tax Exemption" herein for a discussion of Bond Counsel's opinion, including a description of certain alternative minimum tax consequences for corporations.

§[PRINCIPAL]*

**CITY OF CELINA, TEXAS,
(a municipal corporation of the State of Texas located in Collin and Denton Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #1B PROJECT)**

Dated Date: [November 1], 2018**Due: September 1, as shown on the inside cover****Interest to Accrue from Date of Delivery**

The City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #1B Project) ("Bonds"), are being issued by the City of Celina, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal amount and any integral multiple of \$5,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on or about March 1 and September 1, commencing [March 1], 2019, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owner thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by U.S. Bank National Association, as trustee (the "Trustee"), to Cede & Co. as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the City Council of the City (the "City Council") on [November 13], 2018, and an Amended and Restated Indenture of Trust, dated [November 1], 2018, (the "Indenture"), entered into by and between the City and Trustee.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the costs of the Phase #1 Improvements (as defined herein), (ii) fund a reserve fund for payment of principal and interest on the Bonds, and (iii) paying the costs of issuance of the Bonds. See "THE PHASE #1 IMPROVEMENTS" and "APPENDIX B — Form of Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments (as defined herein) levied against assessable properties in Phase #1 of the District in accordance with the Service and Assessment Plan, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS SIMILARLY SECURED." The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption "DESCRIPTION OF THE BONDS — Redemption Provisions."

The Bonds involve a degree of risk and are not suitable for all investors. See "BONDHOLDERS RISKS" and "SUITABILITY FOR INVESTMENT." Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST ON THE BONDS, INCLUDING A REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS SIMILARLY SECURED."

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by Norton Rose Fulbright US LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer by its [co-counsels, Owens, Campbell & Aik, L.L.P. and Haynes & Boone, LLP] and by its special counsel, Shupe Ventura, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about [December 6], 2018.

FMSbonds, Inc.

* Preliminary; subject to change.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND CUSIP NUMBERS**

CUSIP Prefix: _____ (a)

\$[PRINCIPAL]*
 CITY OF CELINA, TEXAS,
 (a municipal corporation of the State of Texas located in Collin and Denton Counties)
 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
 (GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #1B PROJECT)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

* *Preliminary; subject to change.*

- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after _____, 20__, at the redemption price of 100% of the principal amount plus accrued interest to the date of redemptions as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

**CITY OF CELINA, TEXAS
CITY COUNCIL**

<u>Name</u>	<u>Place</u>	<u>Term Expires (May)</u>
Sean Terry	Mayor	2020
Bill Webber	Place 1	2019
Wayne Nabors	Place 2	2021
Andy Hopkins	Place 3	2021
Carmen Roberts	Place 4	2020
Mindy Koehne	Place 5	2020
Chad Anderson	Place 6, Mayor Pro Tem	2019

CITY MANAGER
Jason Laumer

CITY SECRETARY
Vicki Faulkner

DIRECTOR OF FINANCE
Jay Toutouchian

PID ADMINISTRATOR
MuniCap, Inc.

FINANCIAL ADVISOR TO THE CITY
Hilltop Securities, Inc.

BOND COUNSEL AND DISCLOSURE COUNSEL
Norton Rose Fulbright US LLP

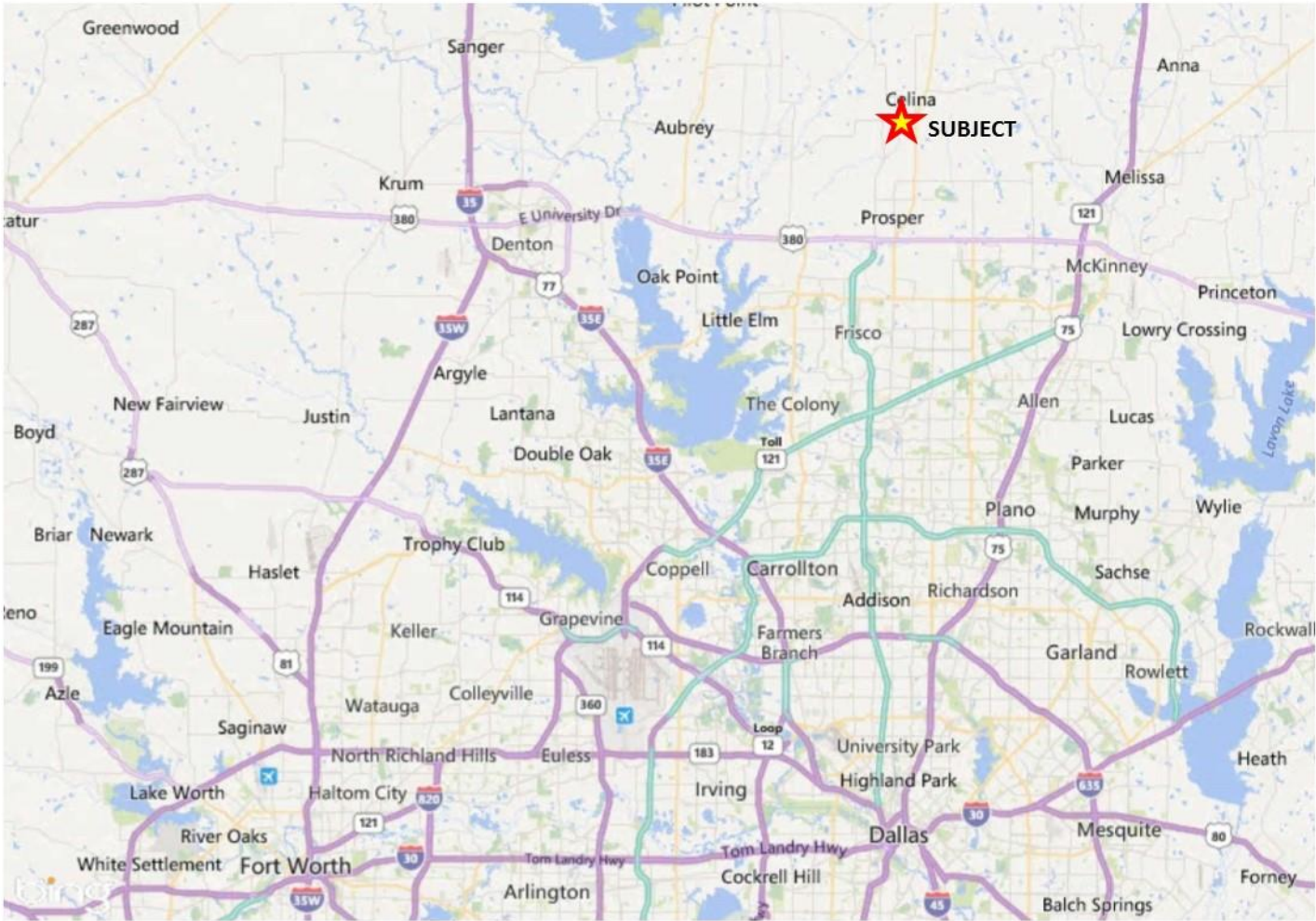
UNDERWRITER'S COUNSEL
Orrick, Herrington & Sutcliffe LLP

For additional information regarding the City, please contact:

Jason Laumer
City Manager
City of Celina
142 N. Ohio Street
Celina, Texas 76201
(972) 382-2682
jlaumer@celina-tx.gov

Jason Hughes
Managing Director
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270
(214) 953-8707
jason.hughes@hilltopsecurities.com

REGIONAL LOCATION MAP OF THE DISTRICT



Attachment: Celina-Glen Crossing PID 2018 PLOM (Phase #1B) 4151-3862-3255 1 (Glen Crossing

AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF PHASE #1 AND PHASE #2 OF THE DISTRICT



FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THE LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "ACCREDITED INVESTOR" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER "RISK FACTORS" HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE

MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

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* Preliminary; subject to change.
4151-3862-3255.1

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PRELIMINARY LIMITED OFFERING MEMORANDUM

**[\$[PRINCIPAL]*
CITY OF CELINA, TEXAS,
(a municipal corporation of the State of Texas located in Collin and Denton Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #1B PROJECT)**

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Celina, Texas (the “City”), of its \$[PRINCIPAL]* aggregate principal amount of Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #1B Project) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS,” AND “SUITABILITY FOR INVESTMENT.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds is expected to be adopted by the City Council of the City (the “City Council”) on [November 13], 2018 (the “Bond Ordinance”), and an Amended and Restated Indenture of Trust, dated as of [November 1], 2018, (the “Indenture”), entered into by and between the City and U.S. Bank National Association as trustee (the “Trustee”). The Bonds will be secured by special assessments (“Phase #1 Assessments”) that were levied against assessable property located within Phase #1 (as described herein below) of the Glen Crossing Public Improvement District (the “District”) pursuant to a separate ordinance adopted by the City Council on July 12, 2016 (the “Assessment Ordinance”). Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B — Form of Indenture.”

Set forth herein are brief descriptions of the City, the District, the Developer (as defined herein), the Administrator (as defined herein), the Creation Resolution (as defined herein), the Assessment Ordinance, the TIRZ Ordinance (as defined herein), the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Amended Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 100 Crescent Court, Suite 700, Dallas, Texas 75201, telephone number (214) 302-2246. The form of the Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

* Preliminary; subject to change.

PLAN OF FINANCE

Development Plan

Wynne/Jackson, Inc., a Texas corporation (“Wynne/Jackson”), an affiliate of W/J CR 55 LP, a Texas limited partnership (the “Developer”), initially had the property within the District (the “Property”) under contract. On June 17, 2016, prior to the acquisition of the Property, Wynne/Jackson assigned the purchase contract to the Developer. The Developer acquired the Property on June 17, 2016.

The Development consists of two phases. The boundaries of the District and each of the planned phases are shown in the “MAP SHOWING BOUNDARIES OF PHASE #1 AND PHASE #2 OF THE DISTRICT” on page v. The Developer completed development of 159 lots in the initial phase (“Phase #1”) in October 2017. As of September 13, 2018, [33] homes were under construction in Phase #1, [33] homes have been completed, and [] homes have been sold to homeowners. The Developer’s current plans consist of developing infrastructure to serve the remaining property (“Phase #2”) in the District. See “THE DEVELOPMENT – Current and Expected Buildout of the Development” and “– Builder Contracts.” The Developer plans to construct public and private infrastructure to serve approximately 197 residential lots in Phase #2 of the District.

The City has previously issued its Special Assessment Revenue Bonds, Series 2016 (Glen Crossing Public Improvement District Phase #1 Project) (the “Initial Phase #1 Bonds”) in an original principal amount of \$3,550,000 to pay a portion of the costs of constructing the public improvements to serve Phase #1 of the District (the “Phase #1 Improvements”), of which \$3,485,000 principal amount remains outstanding. The Initial Phase #1 Bonds are secured by the Phase #1 Assessments.

Concurrently with the sale of the Initial Phase #1 Bonds, the City and Developer entered into a reimbursement agreement dated as of July 12, 2016, related the District, including a “Phase #1 Addendum” related to Phase #1 (the reimbursement agreement and all addenda are, together, the “PID Reimbursement Agreement”). The PID Reimbursement Agreement provides, in part, for the payment of the costs of the Phase #1 Improvements, the issuance of the Initial Phase #1 Bonds and additional bonds secured by the Phase #1 Assessments, the reimbursement of a portion of the costs to the Developer from the proceeds of such bonds and/or the Phase #1 Assessments.

The Developer has requested that the City issue the Bonds, the proceeds of such Bonds to be used to provide funds for (i) paying a portion of the costs of certain public improvements to serve Phase #1 of the District (the “Phase #1 Improvements”), (ii) funding a reserve fund for payment of principal and interest on the Bonds, and (iii) paying the costs of issuance of the Bonds. The Bonds will be secured by the Trust Estate, including primarily Assessments on property within Phase #1 of the District. See “THE PHASE #1 IMPROVEMENTS” and “SECURITY FOR THE BONDS SIMILARLY SECURED.” The City intends to use the proceeds of the Bonds to pay its remaining obligation to the Developer under the PID Reimbursement Agreement, and, upon issuance of the Bonds and payment of the net proceeds to the Developer, the City’s reimbursement obligations under the PID Reimbursement Agreement with respect to Phase #1 will be terminated.

The Bonds are “Additional Bonds” as defined in indenture for the Initial Phase #1 Bonds (the “Initial Phase #1 Bonds Indenture”). The Initial Phase #1 Bonds Indenture authorized the issuance of such Additional Bonds only if certain conditions were met, including that at least 50 certificates of occupancy had been issued for homes constructed in Phase #1. Pursuant to the Initial Phase #1 Bonds Indenture, at least 51% of the owners of the Initial Phase #1 Bonds have waived the conditions for the issuance of such Additional Bonds in the case of the Bonds.

Concurrently with the issuance of the Bonds, the City intends to issue its \$[PHASE #2 PRINCIPAL]* City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Improvement Area #2 Project) (the “Phase #2 Bonds”) to pay a portion of the costs of certain public improvements to serve Phase #2 of the District (the “Phase #2 Improvements”). The Phase #2 Bonds will be secured separate special assessments levied against assessable property in Phase #2 of the District (the “Phase #2 Assessments”).

* Preliminary, subject to change.

The bonds related to Phase #1 (including the Bonds and the Initial Phase #1 Bonds) and the Phase #2 Bonds issued by the City are separate and distinct issues of securities secured by separate special assessments. The Initial Phase #1 Bonds, the Phase #2 Bonds and any Additional Obligations to be issued by the City are not offered pursuant to this Limited Offering Memorandum.

Status of Builder Contracts

Phase #1. 157 of the 159 lots in Phase #1 of the District are under contract with homebuilders Horizon/Highland Homes (79 lots) and Perry Homes (78 lots). As of September 13, 2018, 101 lots have been taken down by such builders, [33] homes were under construction in Phase #1, [33] homes have been completed, and [] homes have been sold to homeowners. See “THE DEVELOPMENT – Builder Contracts.”

Phase #2. For the 197 lots planned for Phase #2, the Developers has signed letters of intent with Highland Homes (99 lots) and History Maker Homes (98 lots). See “THE DEVELOPMENT – Builder Contracts.”

The Bonds

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Actual Costs of the Phase #1 Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, and (iii) paying the costs of issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to the Phase #1 Improvement Account of the Project Fund (both defined herein) or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “THE PHASE #1 IMPROVEMENTS,” “APPENDIX B – Form of Indenture” and “SOURCES AND USES OF FUNDS.”

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessments to be levied against the assessable parcels or lots within Phase #1 of the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “ASSESSMENT PROCEDURES.”

The Bonds shall never constitute an indebtedness or general obligation of the City, the State or any other political subdivision of the State, within the meaning of any Constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged, represented and warranted to the City as follows:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute the investment letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.
2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act or a “qualified institutional buyer” under Rule 144A of the Securities Act, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.
3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account

for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Phase #1 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that underwriter is not deemed officers or employees of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid to the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the District (which has no taxing power), the State of Texas (the “State”) or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the full faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State of Texas with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing [March 1], 2019 (each an “Interest Payment Date”), until maturity or prior redemption. U.S. Bank National Association is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal and any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”), provided, however, that if the total principal amount of any series of Outstanding Bonds Similarly Secured, is less than \$25,000 then the Authorized Denomination of such series shall be the amount of the Outstanding Bonds Similarly Secured. Upon initial

issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, at the redemption price of 100% of the principal amount plus accrued interest to the date of redemption.

See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenues” and “—Additional Obligations or Other Liens; Additional Bonds” for an explanation of the City’s expectations with respect to the issuance of Additional Bonds.

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the first day of any month, at the Redemption Price of 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of (i) Prepayments, (including related transfers to the Redemption Fund from the accounts in the Reserve Fund as provided in the Indenture), (ii) Foreclosure Proceeds to the extent that such proceeds are not needed to restore deficiencies in the Reserve Fund, (iii) transfers to the Redemption Fund from the Prepayment Reserve Account pursuant to the Indenture in the event that the Prepayment Reserve Account contains the Prepayment Reserve Requirement, (iv) transfers to the Redemption Fund from the Delinquency Reserve Account pursuant to the Indenture in the event that the Delinquency Reserve Account contains the Delinquency Reserve Requirement, and (v) transfers to the Redemption Fund made pursuant to the Indenture in the event that the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds Similarly Secured. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price of par, plus accrued and unpaid interest to the redemption date, from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

\$ _____ Term Bonds Maturing September 1, 20__ *

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	
September 1, 20__†	

\$ _____ Term Bonds Maturing September 1, 20__ *

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	
September 1, 20__†	

\$ _____ Term Bonds Maturing September 1, 20__ *

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	
September 1, 20__†	

\$ Term Bonds Maturing September 1, 20 *

Redemption Date

September 1, 20__
September 1, 20__†

Sinking Fund Installment

* Preliminary, subject to change.

† Stated maturity.

At least forty-five (45) days prior to each mandatory sinking fund redemption date, the Trustee will select a principal amount of Bonds equal to the Sinking Fund Installment amount for such date of such maturity of Bonds to be redeemed, will call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any redemption date pursuant to the mandatory sinking fund redemption described above shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption. (a) The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Additional Provisions with Respect to Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in minimum principal amounts of \$5,000 by any method selected by the Trustee that results in a pro rata reduction of the outstanding maturities of the Bonds. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000.

A portion of a single Bond of a denomination greater than an Authorized Denomination may be redeemed, but only in a principal amount equal to \$5,000. The Trustee shall treat each \$5,000 portion of such Bond as though it were a single bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued.

Upon surrender of any Bond in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a Bond or Bonds of like tenor, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond or Bonds so surrendered.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive

written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE BONDS SIMILARLY SECURED

General

THE BONDS SIMILARLY SECURED ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The principal of, premium, if any, and interest on the Bonds Similarly Secured are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments levied against the assessable parcels or lots within Phase #2 of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. Phase #1 contains approximately 41.5 acres within the District. Other than land that will be dedicated to the City, all the property within the District will be assessed. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as updated, amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the property within the District, including Phase #1, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the assessments (including Phase #1 Assessments), and provides for the allocation of Pledged Revenues for payment of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the special assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Phase #1 Improvements by levying Phase #1 Assessments upon properties in Phase #2 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in

each phase of the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Indenture, Pledged Revenues are the sum of (i) Assessment Revenue less the Annual Collection Costs, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured. “Assessment Revenue” means moneys collected by or on behalf of the City from any one or more of the following: (i) a Phase #1 Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds. “Annual Installments” means, with respect to each Phase #1 Assessed Parcel, each annual payment of the Phase #1 Assessments as shown on the Phase #1 Assessment Roll attached to the Service and Assessment Plan as Appendix E and related to the Bonds Similarly Secured and the Phase #1 Improvements; which annual payment includes the 0.20% additional interest rate collected on each annual payment of the Phase #1 Assessments related to the Bonds Similarly Secured for the Prepayment Reserve Account (the “Prepayment Component”) and the 0.30% additional interest rate collected on each annual payment of the Assessments related to the Bonds Similarly Secured for the Delinquency Reserve (the “Delinquency Component”) as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update. The City will covenant in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See “— Pledged Revenue Fund,” “APPENDIX B — Form of Indenture” and “APPENDIX C — Form of Service and Assessment Plan.”

The PID Act provides that the Phase #1 Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims, except liens and claims for State of Texas (the “State”), county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Phase #1 Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” herein.

Collection and Deposit of Assessments

The Phase #1 Assessments shown on the Phase #1 Assessment Roll, together with the interest thereon, shall first be applied to the payment of the principal of and interest on the Bonds Similarly Secured as and to the extent provided in the Service and Assessment Plan and the Indenture.

The Phase #1 Assessments assessed to pay debt service on the Bonds Similarly Secured, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds Similarly Secured. An Annual Installment of a Phase #1 Assessment has been made payable in the Assessment Ordinance in each fiscal year of the City preceding the date of final maturity of the Bonds Similarly Secured which, if collected, will be sufficient to first pay debt service requirements attributable to Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Phase #1 Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds Similarly Secured is shown on the Phase #1 Assessment Roll. Sums received from the collection of the Phase #1 Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Notwithstanding the foregoing, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Phase #1 Assessed Parcel or Phase #1 Assessed Parcels to which the Foreclosure Proceeds relate, and second, to the Redemption Fund. The Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund. See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund” and “APPENDIX B — Form of Indenture.”

The portions of the Annual Installments of Phase #1 Assessments collected to pay Annual Collection Costs and Delinquent Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Amount of Assessments May be Reduced by TIRZ Credit

On June 14, 2016, the City created a tax increment reinvestment zone known as “Reinvestment Zone Number Six, City of Celina, Texas” (the “TIRZ”), pursuant to Chapter 311 of the Texas Tax Code (the “TIRZ Act”) covering the property in Phase #1 of the District. On July 12, 2016, the City adopted an ordinance (the “Initial TIRZ Ordinance”) authorizing the use of TIRZ Revenues (defined below) for project costs under the TIRZ Act, relating to the Public Improvements as provided for in the Reinvestment Zone Number Six Project and Financing Plan (including amendments or supplements thereto). The City expects to adopt an ordinance expanding the boundaries of the TIRZ to include all property in Phase #2 of the District on [November 13, 2018] (the “TIRZ Amendment,” and with the Initial TIRZ Ordinance, the “TIRZ Ordinance”).

“TIRZ Revenues” mean, for each year during the term of the TIRZ, an amount transferred by the City from the TIRZ tax increment fund to the Bond Pledged Revenue Account of the Pledged Revenue Fund pursuant to an agreement between the Developer and the City (the “TIRZ Agreement”) to reduce on a parcel-by-parcel basis the Annual Installment of the Assessment due each year, as calculated each year by the Administrator in collaboration with the City, in accordance with the Service and Assessment Plan and the TIRZ Agreement. Pursuant to the Amended Development Agreement dated to be effective June 14, 2016 (as assigned to and assumed by the Developer on June 17, 2016, the “Amended Development Agreement”) between the City and the Developer, the City created the TIRZ. The TIRZ Revenues will be an amount equal to the captured appraised value of the TIRZ times 43.71 percent of the City’s tax rate levied and collected in the TIRZ. [Upon final pricing of the Bonds and after a public hearing, the City may increase or decrease the TIRZ Credit to achieve a maximum net tax equivalent amount of 0.4581 per \$100 of assessed value]. See “OVERLAPPING TAXES AND DEBT.”

In the TIRZ Ordinance and the TIRZ Agreement, the City agreed to use TIRZ Revenues generated from each Phase #1 Assessed Parcel in Phase #1 of the District to provide for an offset or credit against the Phase #1 Assessments levied against such Phase #1 Assessed Parcel on a parcel-by-parcel basis as described in the Service and Assessment Plan (the “TIRZ Credit”). The Annual Installment for each Phase #1 Assessed Parcel will be calculated by deducting the TIRZ Credit applicable to each Parcel from the Annual Installment for such Phase #1 Assessed Parcel.

Under the TIRZ Agreement, the TIRZ Revenues generated by each parcel in any given year shall be used to calculate such parcel’s TIRZ Credit in the following year (i.e., TIRZ Revenues collected in 2019 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2020). TIRZ Credits shall be calculated for those Parcels that are subject to Assessments. The Equivalent Units to be used for the calculation of the TIRZ Credit shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations. The TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value in the TIRZ in any year. Consequently, the TIRZ Revenues are generated only if the appraised value of real property in the TIRZ in any year is greater than the base value. The tax increment base pursuant to the TIRZ Ordinance is estimated to be \$[44.69] which is the amount of tax the City collected on the property in Phase #1 of the District for calendar year 2016 (the year the TIRZ was created) plus the amount of tax the City collected on the property in Phase #2 of the District for calendar year [2018] (the year Phase #2 was added to the TIRZ). Any delay or failure of Developer to develop Phase #2 may result in a reduced amount of the TIRZ Revenue being available to credit the Assessments. See “ASSESSMENT PROCEDURES — Assessment Amounts — TIRZ Credit” and “APPENDIX C — Form of Service and Assessment Plan.”

The TIRZ will terminate on December 31, 2045, unless terminated by the City earlier. The City expects to collect TIRZ revenues for the last year in calendar year 2046, and apply them to the TIRZ Credit in 2047.

THE TIRZ REVENUES WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS SIMILARLY SECURED, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT TIRZ REVENUES TO GENERATE A TIRZ CREDIT. THE TIRZ CREDIT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF PHASE #1 ASSESSMENTS COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS SIMILARLY

SECURED AND ADMINISTRATIVE EXPENSES AND THE FUNDING OF THE PREPAYMENT RESERVE REQUIREMENT AND THE DELINQUENCY RESERVE REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. TIRZ REVENUES GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN PHASE #1 DURING THE DEVELOPMENT OF SUCH PARCEL WILL RESULT IN A TIRZ CREDIT WHICH IS NOT SUFFICIENT TO ACHIEVE THE NET TAX RATE EQUIVALENT ASSESSMENT OF \$0.4581 PER \$100 ASSESSED VALUE (THE "TARGETED NET AVERAGE ANNUAL INSTALLMENT"). THE TIRZ CREDIT MAY NOT PROVIDE FOR THE TARGETED NET AVERAGE ANNUAL INSTALLMENT UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. See "OVERLAPPING TAXES AND DEBT."

Unconditional Levy of Assessments

The City will impose Phase #1 Assessments on the property within Phase # of the District to pay the principal of and interest on the Bonds Similarly Secured scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Phase #1 Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Phase #1 Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds Similarly Secured, which installments shall include interest on the Phase #1 Assessments. Pursuant to the Assessment Ordinance, interest on the Phase #1 Assessments will be calculated at the rate of interest on the Bonds Similarly Secured plus 0.50%, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of a Phase #1 Assessment, shall be calculated on September 1 and shall be due when billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments were billed on or about October 1, 2016.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Bonds Similarly Secured are Outstanding and unpaid an assessment to pay the annual costs incurred by the City in the administration and operation of Phase #1 of the District. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds Similarly Secured are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The assessments to pay annual expenses shall be due in the manner set forth in the Assessment Ordinance when billed on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such assessments to pay expenses do not secure repayment of the Bonds Similarly Secured.

There will be no discount for the early payment of Phase #1 Assessments.

Phase #1 Assessments, together with interest, penalties, and expense of collection and reasonable attorneys' fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named. The lien for Phase #1 Assessments and penalties and interest begins on the effective date of the Assessment Ordinance and continues until the Phase #1 Assessments are paid or until all Bonds Similarly Secured are finally paid.

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Phase #1 Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Pledged Revenues shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Pledged Revenues, the filing of the Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds Similarly Secured and the pledge of the Pledged Revenues granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds Similarly Secured are Outstanding such that the pledge of the Pledged Revenues granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to

preserve to the registered owners of the Bonds Similarly Secured the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur. See “APPENDIX B — Form of Indenture.”

Pledged Revenue Fund

The City has created under the Indenture a Pledged Revenue Fund to be held by the Trustee. On or before February 1 of each year while the Bonds Similarly Secured are Outstanding and beginning, with respect to the Bonds, in [2019] with respect to the Bonds, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Assessment Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in amounts sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third, to the Prepayment Reserve Account and the Delinquency Reserve Account, respectively, amounts equal the Delinquency Component and the Prepayment Component described in the Indenture; (iv) fourth, to the Developer Reimbursement Pledged Revenue Account of the Pledged Revenue Fund to reimburse the Developer for Actual Costs of Phase #1 Improvements that have been paid from the Developer Improvement Account of the Project Fund (pursuant to the terms of the PID Reimbursement Agreement), (v) fifth, to pay other Actual Costs of the Phase #1 Improvements, and (vi) sixth, to pay other costs permitted by the PID Act. Moneys transferred to the Developer Reimbursement Pledged Revenue Account shall not be a part of the Trust Estate and are not security for the Bonds Similarly Secured.

From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund (as described under the subcaption “Reserve Fund” below), there are insufficient funds to make the payments to the Principal and Interest Account of the Bond Fund described above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

Notwithstanding the deposits described in (i) first through (vi) sixth above, the Trustee shall transfer Prepayments to the Redemption Fund as soon as practical after deposit of such amounts into the Pledged Revenue Fund.

Notwithstanding the deposits described in (i) first through (vi) sixth above, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Phase #1 Assessed Parcel or Phase #1 Assessed Parcels to which the Foreclosure Proceeds relate, and second, to the Redemption Fund.

Any Assessments remaining after satisfying the foregoing payments may be used for any lawful purpose for which Assessments may be used under the PID Act.

Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds Similarly Secured.

Project Fund

Pursuant to the Indenture, a Project Fund has been created to be used for the purposes described in “PLAN OF FINANCE – The Bonds.” Funds disbursed from the Project Fund pursuant to the Indenture and PID Reimbursement Agreement shall be made first from Bond Proceeds held in the Phase #1 Improvement Account and the Costs of Issuance Account within the Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the Project Fund.

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The disbursement of funds from the Project Fund pursuant to a Certificate for Payment shall be pursuant to and accordance with the disbursement procedures described in the PID Reimbursement Agreement; and such disbursements shall be made first from the Phase #1 Improvement Account of the Project Fund until all funds in such account are depleted and then next from the Developer Improvement Account of the Project Fund.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Phase #1 Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Phase #2 Improvements, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Phase #1 Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Phase #1 Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Phase #1 Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

Upon the filing of a City Certificate stating that all Phase #1 Improvements have been completed and that all Costs of the Phase #1 Improvements allocable to the Phase #1 Assessed Parcels have been paid, or that any such Costs are not required to be paid from the Project Fund pursuant to a Certification for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Phase #1 Improvement Account of the Project Fund to the Bond Fund, (ii) shall transfer any remaining amount in the Developer Improvement Account of the Project Fund to the Developer and (iii) the Project Fund shall be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account has been created within the Reserve Fund for the benefit of the Bonds Similarly Secured and held by the Trustee and will be funded with proceeds of the Bonds Similarly Secured in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the “Reserve Account Requirement” for the Bonds Similarly Secured shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of their date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of their date of issuance, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments and surplus Bond proceeds; and provided further that as a result of an optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the Bonds Similarly Secured, the Reserve Account Requirement is \$_____ which is an amount equal to [Maximum Annual Debt Service] on the Bonds Similarly Secured as of the date of issuance.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Delinquency Reserve Account of the Reserve Fund (described below), second from the Reserve Account of the Reserve Fund, and third from the Prepayment Reserve Account of the Reserve Account (described below), to the Bond Fund in the amount necessary to cure such deficiency.

Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to the Indenture, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds Similarly Secured redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds Similarly Secured prior to the redemption.

Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Prepayment Reserve Account has been created within the Reserve Fund and held by the Trustee for the benefit of the Bonds Similarly Secured. The Trustee has transferred and will continue to transfer the Prepayment Component from the Pledged Revenue Fund to the Prepayment Reserve Account on March 1 and September 1 of each year until the amount on deposit therein is equal to the Prepayment Reserve Requirement; provided, however, that at any time the amount on deposit in the Prepayment Reserve Account is less than Prepayment Reserve Requirement, the Trustee shall resume depositing the Prepayment Component into the Prepayment Reserve Account until the Prepayment Reserve Requirement has accumulated in the Prepayment Reserve Account. The Prepayment Reserve Requirement is an amount equal to 1.5% of the principal amount of the Outstanding Bonds Similarly Secured. The City has allocated the Prepayment Component of the Annual Installments, authorized by the PID Act, to the Prepayment Reserve Account for such purpose. Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Prepayment Reserve Account exceed the Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Prepayment Reserve Amount"). The Excess Prepayment Reserve Amount shall be transferred, first, to the Delinquency Reserve Account or, in the event that the Delinquency Reserve Account contains the Delinquency Reserve Requirement, to the Redemption Fund redeem Bonds Similarly Secured pursuant to the Indenture. See "APPENDIX B — Form of Indenture" and "APPENDIX C — Form of Service and Assessment Plan."

Moneys deposited in the Prepayment Reserve Account will be used and withdrawn by the Trustee for the purpose of making transfers to the Redemption Fund, pursuant to, and at the times specified in, the Indenture to pay a portion of the accrued interest on Bonds Similarly Secured being redeemed pursuant to an extraordinary optional redemption for Prepayments. The amount to be transferred shall be an amount, for each Prepayment, equal to the amount of any shortfall, after transfers from the Reserve Account of the Reserve Fund as described above and application of investment earnings on the Prepayment toward payment of accrued interest, in funds necessary to pay the principal amount plus accrued interest on such Bonds Similarly Secured to be redeemed as a result of the Prepayment.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Delinquency Reserve Account of the Reserve Fund, second from the Reserve Account of the Reserve Fund and third from the Prepayment Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

Delinquency Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency Reserve Account has been created within the Reserve Fund and held by the Trustee for the benefit of the Bonds Similarly Secured. The Trustee has transferred and will continue to transfer the Delinquency Component from the Pledged Revenue Fund to the Delinquency Reserve Account on a semi-annual March 1 and September 1 of each year until the amount on deposit therein is equal to the Delinquency Reserve Requirement. The Delinquency Reserve Requirement is an amount equal to 4.0% of the principal amount of the Outstanding Bonds Similarly Secured. The City has allocated the Delinquency Component of the Annual Installments authorized by the PID Act, to the Delinquency Reserve Account for such purpose. Once the Delinquency Reserve Requirement has been accumulated in the Delinquency Reserve Account, any amounts in excess of the Delinquency Reserve Requirement in the Delinquency Reserve Account shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured; however, that at any time the amount on deposit in the Delinquency Reserve Account is less than Delinquency Reserve Requirement, the Trustee shall resume depositing such Delinquency Component into the Delinquency Reserve Account until the Delinquency Reserve Requirement has accumulated in

the Delinquency Reserve Account. See “APPENDIX B — Form of Indenture” and “APPENDIX C — Form of Service and Assessment Plan.”

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the value of cash and value of Investment Securities on deposit in the Delinquency Reserve Account exceeds the Delinquency Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the “Excess Delinquency Reserve Amount”). Such excess on deposit in the Delinquency Reserve Account shall be transferred by the Trustee to the Redemption Fund in order to effect the redemption of Bonds Similarly Secured pursuant to the Indenture.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Delinquency Reserve Account of the Reserve Fund, second from the Reserve Account of the Reserve Fund and third from the Prepayment Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

Administrative Fund

The City has created under the Indenture an Administrative Fund held by the Trustee. Upon receipt, the City has heretofore deposited and shall transfer to the Trustee, for deposit to the District Administration Account of the Administrative Fund, the portion of the Annual Installment of Assessments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs as set forth in the Service and Assessment Plan. Moneys in the District Administration Account of the Administrative Fund may be used as directed by City Order for the purposes set forth in the Service and Assessment Plan, including payment of the Annual Collection Costs and Delinquent Collection Costs. See “APPENDIX C — Form of Service and Assessment Plan.”

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS SIMILARLY SECURED.

Defeasance

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then rating the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys so deposited with the Trustee nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; and provided further investments and are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of

funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- (i) The failure of the City to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Phase #1 Assessments including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days; and
- (iv) Default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate outstanding principal of the Bonds Similarly Secured with a copy to the Trustee, specifying such default by the Owners of at least 25% of the Bonds Similarly Secured at the time Outstanding requesting that the failure be remedied.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, the Owners of at least 25% of the Bonds Similarly Secured then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the 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.

THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order,

the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the 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, (ii) such default has become an Event of Default and the Owners of 25% of the aggregate principal amount of the Bonds Similarly Secured 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 the Indenture, (iv) the Trustee has for ninety (90) 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 90-day period by the registered owners of a majority of the aggregate principal amount of the Bonds Similarly Secured 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 Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice the 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 registered owners of all Bonds Similarly Secured 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 the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy hereunder.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds Similarly Secured.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the

Trustee in carrying out the Indenture, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or redemption price then due on Bonds Similarly Secured, as follows:

FIRST: To the payment to the registered owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the registered owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners.

In the event funds are not adequate to cure any of the Events of Default described in above, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of the Indenture.

The restoration of the City to its prior position after any and all defaults have been cured, as provided above, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund established pursuant to the Indenture shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times.

Obligations purchased as an investment of moneys in any Fund shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Against Encumbrances

The City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds Similarly Secured secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Additional Obligations or Other Liens

Additional Obligations. The City reserves the right, subject to the provisions contained in the Indenture, to issue Additional Obligations under other indentures, assessment orders, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

Other than bonds issued to refund all or a portion of the Bonds Similarly Secured, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with the Indenture as a lien or charge upon the Pledged Revenues or Pledged Funds; provided, however, that nothing shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

SOURCES AND USES OF FUNDS*

The table that follows summarizes the expected sources and uses of proceeds of the Bonds and additional funds received from the Developer:

Sources of Funds:	
Principal Amount	\$
TOTAL SOURCES	\$
Use of Funds:	
Deposit to Phase #1 Improvement Account of Project Fund	\$
Deposit to Reserve Account of the Reserve Fund	
Deposit to District Administration Account of the Administrative Fund	
Deposit to Costs of Issuance Account of the Project Fund ⁽¹⁾	
TOTAL USES	\$

* Preliminary; subject to change.

⁽¹⁾ Includes District establishment costs and other costs of issuance and Underwriter's discount of \$_____, which discount includes Underwriter's Counsel's fee of \$_____.

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DEBT SERVICE REQUIREMENTS*

The following table sets forth the anticipated debt service requirements for the Bonds:

<u>Year Ending (September 30)</u>	<u>The Bonds</u>		<u>Initial Phase #1 Bonds</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest⁽¹⁾</u>		
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
Total				

⁽¹⁾ Assumes an interest rate for the Bonds of approximately ____% per annum.

* Preliminary; subject to change.

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OVERLAPPING TAXES AND DEBT

The land within Phase #1 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Phase #1 Assessments.

Overlapping Taxes of the District

In addition to the Phase #1 Assessments described above, the Developer anticipates that each lot owner in Phase #1 of the District will pay a maintenance and operation fee and/or a property owner's association fee to a homeowner's association (the "HOA"), which is expected to be formed by the Developer after delivery of the Bonds. In addition to the City, Collin County, the Celina Independent School District, and the Collin County Community College District may each levy ad valorem taxes upon land in Phase #1 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in Phase #1 of the District. Phase #1 of the District is located entirely within Collin County.

<u>Taxing Entity</u>	2018 Ad Valorem Tax Rate ⁽¹⁾
The City	\$ 0.6450
Collin County	0.1922
Collin County Community College District	0.0798
Celina Independent School District	1.6400
Total Existing Tax Rate	<u>\$ 2.5570</u>
Estimated Average Annual Installment in Phase #1 of the District as tax rate equivalent per Equivalent Unit ⁽²⁾	\$ 0.7450
Less Projected TIRZ Credit per parcel as tax rate equivalent	<u>\$(0.2869)</u>
Targeted Net Average Annual Installment as tax rate equivalent	<u>\$ 0.4581</u>
Net Estimated Total Tax Rate and Average Annual Installment in Phase #2 of the District as tax rate equivalent per Equivalent Unit	<u>\$ 3.0151</u>

⁽¹⁾ As reported by the taxing entities. Per \$100 taxable appraised value.

⁽²⁾ Derived from information presented in Appendix F of the Service and Assessment Plan. Includes Phase #1 Assessments initially levied for payment of the Bonds and the Initial Phase #1 Bonds. See "SECURITY FOR THE BONDS SIMILARLY SECURED — Amount of Assessments May be Reduced by TIRZ Credit." Preliminary, subject to change.

Source: Collin Central Appraisal District, the City, and Assessment Consultant and Administrator.

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Overlapping Debt of the District

As noted above, Phase #1 of the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Phase #1 of the District, as of [October 1], 2018, and City debt secured by the Assessments:

<u>Taxing or Assessing Entity</u>	<u>Total Outstanding Debt</u>	<u>Estimated % Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
The City (the Bonds)	\$(PRINCIPAL)*	100.00%	\$(PRINCIPAL)*
The City (the Initial Phase #1 Bonds)	3,485,000	100.00%	3,485,000
The City (Ad Valorem Taxes)		%	
Collin County		%	
Collin County Community College District		%	
Celina Independent School District		%	
Total	<u>\$</u>		<u>\$</u>
Ratio of Total Debt to 2018 Taxable Assessed Valuation within Phase #1			%
Ratio of Total Overlapping Debt to 2018 Taxable Assessed Valuation within Phase #1			%

* Preliminary; subject to change.

⁽¹⁾ Based on the Appraisal for the District's Phase #1 and on the Tax Year 2018 Net Taxable Assessed Valuations for the taxing entities.

Source: Municipal Advisory Council of Texas and the City.

If land is devoted principally to agricultural use, a landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural value. None of the property in Phase #1 of the District is currently subject to an agricultural use valuation with respect to its ad valorem taxes. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation.

If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous 5 years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the land owner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due. If the land use changes to a non-agricultural use on only a portion of a larger tract, the land owner can fence off the remaining land and maintain the agricultural valuation on the remaining land. In this scenario, the land owner would only be responsible for rollback taxes on that portion of the land for which use changed and not for the entire tract. The Developer has previously paid the rollback taxes related to the property in Phase #1.

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Selective Financial Information for Phase #1

The City has levied Phase #1 Assessments on Assessable Property, which may be paid in Annual Installments, to pay for the Bonds.

Selective Financial Information Relating to Phase #1 ⁽¹⁾

Number of Completed Lots owned by Developer	— (2)
Number of Completed Lots owned by Homebuilders	— (2)
Number of Lots with Homes Under Construction owned by Homebuilders	— (2)
Number of Lots with Completed Homes owned by Homebuilders	— (2)
Number of Lots with Completed Homes owned by Individual Homeowners	— (2)
Total Number of Lots subject to Assessments	<u>159</u>
2018 Average Assessed Taxable Value of Lots ⁽⁷⁾	\$ (3)
2018 Average Assessed Taxable Value of Completed Homes	\$ (3)
Total <i>Projected</i> Assessment Debt	
The Bonds	(1)
The Initial Phase #1 Bonds	3,485,000
Total	<u>\$</u>
<i>Projected</i> Average Assessment per Lot upon issuance of the Bonds	\$ _____ (4)
<i>Projected</i> Average Assessments value to lien for Finished Lots	_____ x (3)
<i>Projected</i> Average Assessments value to lien for Completed Homes	_____ x (3)
<i>Projected</i> Average Annual Installment per Lot upon issuance of the Bonds	\$ _____ (4)(5)
<i>Projected</i> Average Annual Installments for Finished Lots as tax rate equivalent	\$ _____
<i>Projected</i> Average Annual Installments for Completed Homes as tax rate equivalent	\$ _____ (6)
<i>Projected</i> Maximum Annual Installment per Lot upon issuance of the Bonds	\$ _____ (5)
<i>Projected</i> Maximum Annual Installments for Finished Lots as tax rate equivalent	\$ _____
<i>Projected</i> Maximum Annual Installments for Completed Homes as tax rate equivalent	\$ _____ (6)

(1) Assumes the Bonds are issued. Preliminary, subject to change.

(2) As of _____, 2018; reported by the Developer.

(3) Reflects the assessed taxable value of the District as of January 1, 2018, and as certified by the Collin Central Appraisal District.

(4) Based on a lot count of _____. Excludes ____ Lots for which Assessments have been prepaid.

(5) Inclusive of the Additional Interest for the Delinquency Reserve Account and the Prepayment Reserve Account, and the currently budgeted Annual Collection Costs per year.

(6) Based on projected full buildout of \$ _____ for Phase #1, as provided by the Developer.

(7) No property in Improvement Area #1 is currently subject to an agricultural valuation with respect to its ad valorem taxes. The Developer has paid all rollback taxes relating to Improvement Area #1.

2018 Assessed Valuation of Phase #1

As reported by the Travis Central Appraisal District, the 2018 preliminary taxable assessed valuation for all of Phase #1 is approximately \$ _____, as of January 1, 2018.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in the Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Phase #1 Improvements through Phase #1 Assessments, it must adopt a resolution generally describing the Phase #1 Improvements and the land within Phase #1 of the District to be subject to Phase #1 Assessments to pay the cost therefor. The City has caused an assessment roll to be prepared (the “Phase #1 Assessment Roll”), which Phase #1 Assessment Roll shows the land assessed within Phase #2, the amount of the benefit to and the Phase #1 Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Phase #1 Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Phase #1 Improvements and funding a portion of the same with Phase #1 Assessments. The City levied the Phase #1 Assessments and adopted the Assessment Ordinance immediately prior to adopting the bond ordinance for the Initial Phase #1 Bonds. After such adoption, the Phase #1 Assessments became legal, valid and binding liens upon the property against which the Phase #1 Assessments are made.

Under the PID Act, the Costs of Phase #1 Improvements may be assessed by the City against the assessable property in Phase #1 of the District so long as the special benefit conferred upon the assessed property by the Phase #1 Improvements equals or exceeds the Phase #1 Assessments. The costs of the Phase #1 Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on assessed property similarly benefited. The allocation of benefits and assessments to the benefitted land within Phase #1 of the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C — Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Phase #1 Improvements, provides the basis and justification for the determination that such special benefit exceeds the Phase #1 Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Phase #1 Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Phase #1 Improvements is being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues. As further set forth in the Service and Assessment Plan, the benefits received by the Phase #1 Improvements are currently spread among the existing parcels in Phase #1 of the District (the “Phase #1 Assessed Property”) based on the ratio (or Equivalent Unit Factor) of the Equivalent Units within Phase #1 of the District to the total Equivalent Units within the District. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type. As the existing parcels are subsequently divided, the Phase #1 Assessments will be further apportioned pro rata based on the Equivalent Units of the newly created parcels. “Equivalent Units” means, as to any parcel, the number of dwelling units by lot type expected to be built on the parcel multiplied by the factors shown in the tables below.

The following tables provide additional analysis with respect to special assessment methodology and certain requirements under the Amended Development Agreement relating to the issuance of the Bonds Similarly Secured, including the value to assessment burden ratio per Lot Type, equivalent tax rate per Lot Type, and leverage per Lot Type. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan a. See “APPENDIX C — Service and Assessment Plan.”

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Assessment per Unit - Phase #1

Type	<u>Lot Width</u>	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit	Total Assessments
Lot Type 1	60'	65	\$39,941.86	1.00	\$39,941.86 per dwelling unit	\$2,596,221
Lot Type 2	50'	<u>94</u>	\$39,941.86	0.83	\$33,284.88 per dwelling unit	<u>\$3,128,779</u>
[HOA Property]						
Total		159				\$5,725,000

[How will this work with the HOA? SAP indicates that 1% of Assessment will be applied to HOA property in the future.]

Assessment Allocation - Equivalent Tax Rate per Lot Type in Phase #1 of the District

<u>Lot Type</u>	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1	65	\$81,000	\$405,000	\$3,017	\$3.72	\$0.745
Lot Type 2	<u>94</u>	67,500	\$337,500	\$2,514	\$3.72	\$0.745
Total	159					

The Phase #1 Assessments initially allocated to the Phase #1 Assessed Property do not include any allocation of Phase #1 Assessments to the property to be owned by the HOA (the "HOA Property"). [Following creation of the HOA and acceptance of the HOA Property, 1% of the initial total Phase #1 Assessment allocated to the Phase #1 Assessed Property shall be reallocated to such HOA Property.]

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within the District. The Phase #1 Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the special assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within the District. See "APPENDIX C — Form of Service and Assessment Plan."

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Phase #1 Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Phase #1 Assessments incur interest, penalties and attorney's fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See "BONDHOLDERS' RISKS — Assessment Limitations" herein.

In the Indenture, the City will covenant to collect, or cause to be collected, Phase #1 Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual

Installments. Each Annual Service Plan Update shall include an updated Phase #1 Assessment Roll and a calculation of the Annual Installment for each Parcel. Phase #1 Assessments for Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Phase #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Phase #1 Assessments. Notwithstanding the foregoing, the City shall be permitted to reduce the Phase #1 Assessments by the TIRZ Credit amount pursuant to the Amended Development Agreement and the Service and Assessment Plan; provided, however, that no such reduction shall operate to reduce the amounts levied for the payment of the Annual Collection Costs.

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Phase #1 Assessment or the corresponding Phase #1 Assessed Parcel.

The City will implement the basic timeline and procedures for Phase #1 Assessment collections and pursuit of delinquencies set forth in Exhibit C of the City's Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Phase #1 Assessments.

The City shall not be required under any circumstances to expend any funds for delinquent collection costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed on or about October 1 of each year, and become delinquent on February 1 of the following year. In the event Phase #1 Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Payment</u>	<u>Cumulative</u>	<u>Cumulative</u>	
<u>Received</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney's collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Phase #1 Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The maximum amounts of the Phase #1 Assessments will be established by the methodology described in the Service and Assessment Plan. The Phase #1 Assessment Roll sets forth for each year the Annual Installment for each Phase #1 Assessed Parcel consisting of (i) the annual payment allocable to the Bonds and the Phase #1 Improvements for each Parcel, which amount includes the Delinquency Component and the Prepayment Component of the interest rate component; and (ii) the annual payment allocable to Annual Collection Costs. The Annual Installments for Phase #1 may not exceed the amounts shown on the Phase #1 Assessment Roll. The Phase #1 Assessments will be levied against the parcels comprising the Phase #1 Assessed Property as indicated on the Phase #1 Assessment Roll. See “APPENDIX C — Form of Service and Assessment Plan.”

The Annual Installments shown on the Phase #1 Assessment Roll will be reduced to equal the actual costs of repaying the Bonds (which amount will include Prepayment Component and the Delinquency Component of the interest costs) and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances. The Annual Installments shall be further reduced by any offset or credit of applicable TIRZ Credit.

TIRZ Credit. Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of the Phase #1 Assessments due as part of the Annual Installment on a parcel-by-parcel basis (the “TIRZ Credit”). The Annual Installment for each Parcel shall be calculated by deducting any TIRZ Credit applicable to such Parcel. The TIRZ Credit applicable to each Parcel shall be calculated as described under “SECURITY FOR THE BONDS SIMILARLY SECURED — Amount of Assessments May be Reduced by TIRZ Credit” and in “APPENDIX C — Form of Service and Assessment Plan.” The TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value in the TIRZ in any year. Consequently, TIRZ Revenues are generated only if the appraised value of real property in the TIRZ in any year is greater than the base value. [The tax increment base in the District pursuant to the TIRZ Ordinance is estimated to be \$[44.69], which is the amount of tax the City collected on the property in Phase #1 of the District for calendar year 2016 plus the amount of tax the City collected on the property in Phase #2 of the District for calendar year 2018.] Any delay or failure of Developer to develop Phase #1 may result in a reduced amount of the TIRZ Revenue being available to credit the Phase #1 Assessments. **TIRZ Revenues generated from the captured appraised value for each parcel in Phase #1 during the development of such parcel will result in a TIRZ Credit which is not sufficient to achieve the Targeted Net Average Annual Installment. The TIRZ Credit may not provide for the Targeted Net Average Annual Installment until the second year that a home on such parcel is assessed. See “OVERLAPPING TAXES AND DEBT.” Such TIRZ Revenues are not pledged as Security for the Bonds Similarly Secured under the Indenture.**

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Phase #1 Assessments were initially allocated to the Phase #1 Assessed Property based on the ratio (or Equivalent Unit Factor) of the Equivalent Units of each parcel to the total Equivalent Units within the District. As the existing parcels are subsequently divided, the Phase #1 Assessments were or will be further apportioned pro rata based on the Equivalent Units of the newly created parcels. See “APPENDIX C — Form of Service and Assessment Plan.” See “ASSESSMENT PROCEDURES — Assessment Methodology.”

The Phase #1 Assessment per Equivalent Unit is \$39,941.86. See “ASSESSMENT PROCEDURES — Assessment Methodology.” The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Phase #1 Assessments. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a “Prepayment”) all or part of any Phase #1 Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of a Phase #1 Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Phase #1 Assessments.

Mandatory Prepayments. If (i) Phase #1 Assessed Property is transferred to a party that is exempt from the payment of the Phase #1 Assessment under applicable law, or (ii) an owner of Phase #1 Assessed Property causes the Phase #1 Assessed Property to become Non-Benefited Property, the owner of such Phase #1 Assessed Property shall pay to the City the full amount of the Phase #1 Assessment, plus all Prepayment Costs, prior to any such transfer or act (a “Mandatory Prepayment”), in accordance with the Service and Assessment Plan.

Priority of Lien

The Phase #1 Assessments or any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Phase #1 Assessment is paid, and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Phase #1 Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Phase #1 Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of a Phase #1 Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Phase #1 Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment on the corresponding Phase #1 Assessed Property.

In the Indenture the City will covenant to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX B – Form of Indenture.” See also “APPENDIX E-1 – Form of Disclosure Agreement of Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Phase #1 Assessments.

In the Indenture, the City created the Delinquency Reserve Account of the Reserve Fund and is funding such account as provided in the Indenture. The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “SECURITY FOR THE BONDS SIMILARLY SECURED – Delinquency Reserve Account of the Reserve Fund,” “APPENDIX B – Form of Indenture” and “APPENDIX C – Form of Service and Assessment Plan.”

THE CITY

Background

The City is located in north central Collin and Denton Counties, 35 miles north of Dallas and 15 northwest of the City of McKinney. Access to the City is provided by State Highway 289 and Farm Road 455. The City covers approximately 14.2 square miles. The City's location as part of the growing Dallas-Fort Worth Metroplex has resulted in rapid growth over the last several years. The City's 2010 census population was 6,028. The City's current population estimate is 14,515.

City Government

The City is a political subdivision and is a home rule municipality of the State of Texas, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City adopted a Home Rule Charter on May 12, 2007. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members who are elected for staggered three-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administrative officer.

The current members of the City Council and their respective expiration of terms of office are as follows:

<u>Council Member</u>	<u>Term Expires</u> <u>(May)</u>
Sean Terry (Mayor)	2020
Bill Weber	2019
Wayne Nabors	2021
Andy Hopkins	2021
Carmen Roberts	2020
Mindy Koehne	2020
Chad Anderson (Mayor Pro Tem)	2019

The principal administrators of the City include the following:

<u>Name</u>	<u>Position</u>
Jason Laumer	City Manager
Vicki Faulkner	City Secretary
Jay Toutounchian	Director of Finance

General information regarding the City and the surrounding area can be found in "APPENDIX A - General Information Regarding the City and Surrounding Area."

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement districts to pay for certain improvements. The District, originally known as G Bar 7 Public Improvement District, was created by Resolution No. 2016-24R of the City adopted on April 12, 2016 in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing, in phases, the cost of certain public improvements within the District, including the Phase #2 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the portion of the District property being developed in a phase. On June 14, 2016, the City adopted Resolution No. 2016-31R, changing the name of the District to Glen Crossing Public Improvement District. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Phase #1 Improvements. See "THE PHASE #1 IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain road, water, sanitary sewer, drainage, and park and open space public improvements within Phase #1 of the District and outside of the District comprising the Phase #1 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX C — Form of Service and Assessment Plan."

District Collection and Delinquency History of Phase #1 Assessments

The Annual Installments of Phase #1 Assessments levied on assessable property in Phase #1 of the District were billed beginning in October of 2016. The following table shows the collection and delinquency history of the Phase #1 Assessments.

Collection and Delinquency of Phase #1 Assessments

<u>Fiscal Year Ending 9/30</u>	<u>Annual Installments Levied</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent Percentage as of 3/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent Percentage as of 9/1</u>	<u>Annual Installments Collected</u>
2017							
2018	\$391,221	1	0	0.0%	-	-	\$391,221

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date. Owners of [] parcels have notified the County Tax Assessor-Collector that they are paying property taxes in Installment Payments.

Phase #1 Assessment Payer Concentration. The following table shows the top assessment-payers in Phase #1 for Fiscal Year [2018]:

<u>Owner</u>	<u>Parcels or Lots</u>	<u>Total Annual Installments</u>	<u>Percentage of Total Annual Installments</u>
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Phase #1 Foreclosure History. As of October 1, 2018, there has never been a foreclosure sale of any assessed property within Phase #1.

Prepayments of Phase #1 Assessments. As of October 1, 2018, there have been no prepayments of Phase #1 Assessments.

THE PHASE #1 IMPROVEMENTS

General

A portion of the costs of construction of the Phase #1 Improvements will be funded with proceeds of the Bonds, a portion was funded with the proceeds of the Initial Phase #1 Bonds and a portion has been paid by the Developer under the terms of the Amended Development Agreement. The Phase #1 Improvements have been dedicated to the City, either by fee or through a public use easement. The Developer is responsible for the completion of the construction, acquisition or purchase of the Phase #1 Improvements, and the Developer or its designee acted as construction manager.

Development Plan

The Development consists of two phases. The Developer commenced development of Phase #1 in 2016 and completed the Phase #1 Improvements to serve 159 lots in Phase #1 in October 2017. The Developer plans to commence development of the Phase #2 Improvements to serve the second and final phase, Phase #2, [before the end of calendar year 2018]. Proceeds of the Bonds will reimburse the Developer for a portion of the costs of the Phase #1 Improvements.

Phase #1 Improvements. Phase #1 Improvements, a portion of which are being financed with proceeds of the Bonds, include road, water, sanitary sewer, drainage and parks and open space improvements benefitting Phase #1 of the District.

Road Improvements. The road improvements within Phase #1 include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. The road improvements provide street access to each lot within Phase #1 as well as access to community roadways and state highways. All roadway projects were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Water Distribution System Improvements. The water distribution system improvements within Phase #1 consist of construction and installation of on-site and off-site water lines, mains, pipes, valves and appurtenances, necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Phase #1 Assessed Property. The water distribution system improvements extend water service to the boundaries of Phase #1 and to all lots within Phase #1. The water distribution system improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Sanitary Sewer Improvements. The sanitary sewer improvements within Phase #1 consist of construction and installation of on-site and off-site pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Phase #1 Assessed Property. The sanitary sewer improvements extend wastewater service to the boundaries of Phase #1 and to all lots within Phase #1. The sanitary sewer improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Storm Drainage Improvements. The storm drainage improvements within Phase #1 consist of construction and installation of pipes, inlets, manholes, detention ponds and appurtenances necessary to provide storm drainage to the Phase #1 Assessed Property. The storm drainage improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Park and Open Space Improvements. The park and open space improvements within Phase #1 consist of construction and installation of landscaping, walls, and entries. The park and open space improvements were designed and constructed in accordance with City standards and specifications and are owned by the City either by fee or through a public use easement and maintained by the HOA.

The costs of the Phase #1 Improvements are shown in the following table:

<u>Type of Improvement</u>	<u>Cost⁽¹⁾</u>
Road Improvements	\$1,501,138
Water Distribution System Improvements	572,950
Sanitary Sewer Improvements	691,366
Storm Drainage Improvements	1,377,040
Park and Open Space Improvements	512,950
Other soft, Contingency and Miscellaneous Costs	<u>1,303,524</u>
TOTAL COST OF PHASE #1 IMPROVEMENTS	\$5,958,968⁽²⁾

(1) See the Service and Assessment Plan for the detailed costs of the Phase #1 Improvements.

(2) Excludes costs of issuance of the Initial Phase #1 Bonds and the Phase #1 Bonds in the approximate amount of [\$886,500].

The costs of the Phase #1 Improvements are based on information provided by the Developer and its engineer and reviewed and approved by the City staff and by third-party consultants retained by the City.

Phase #2 Improvements. The Developer expects to begin construction of the Phase #2 Improvements [before the end of calendar year 2018, and to complete them by the fourth quarter of 2019]. The following table reflects the total expected Budgeted Costs of the Phase #2 Improvements.

<u>Type of Improvement</u>	<u>Cost⁽¹⁾</u>
Road Improvements	\$ 2,409,192 ⁽²⁾
Water Distribution System Improvements	425,441
Sanitary Sewer Improvements	352,296
Storm Drainage Improvements	1,602,124
Park and Open Space Improvements	936,851
Other soft, Contingency and Miscellaneous Costs	<u>1,602,973</u>
TOTAL COST OF PHASE #2 IMPROVEMENTS	\$ 7,327,877⁽²⁾

(1) See Appendix B to the Service and Assessment Plan for the detailed costs of the Phase #2 Improvements. Preliminary, subject to change.

(2) Includes \$76,000 for street lights.

(3) Excludes costs of issuance of the Phase #2 Bonds and certain costs related to the formation of the District in an estimated combined amount of \$1,604,742. [Should this amount be included in the Phase #2 Improvements?]

[Add foot notes to discuss Developer contribution, lockbox on certain project funds, etc.]

City Improvements. Additionally, pursuant to the Amended Development Agreement, certain additional roadway improvements, water distribution system improvements, sanitary sewer improvements and trail system improvements (collectively, the “City Improvements”) were or will be designed by the City and constructed by the Developer [at the City’s expense.] [will these be funded with TIRZ revenues?] The costs of the City Improvements will not be funded by the Assessments, the Bonds, or the District. The estimated costs of the City Improvements are show in the following table:

<u>Type of Improvement</u>	<u>Constructed as part of Phase #1</u>	<u>To be constructed as part of Phase #2</u>	<u>Total</u>
Road Improvements	\$ 160,000	\$ 983,420	\$ 1,143,420
Water Distribution System Improvements	280,060	0	280,060
Sanitary Sewer Improvements	753,258	250,831	1,004,089
Trail System Improvements	0	314,193	3,14,193
Other soft, Contingency and Miscellaneous Costs	<u>289,330</u>	<u>433,564</u>	<u>722,894</u>
TOTAL COST OF CITY IMPROVEMENTS	\$1,482,648	\$ 1,982,008	\$ 3,464,656

The City Improvements constructed as part of Phase #1 have been completed. The Developer anticipates that the remaining City Improvements will be completed by approximately _____.

At the time the Bonds are issued, it is anticipated that the Developer will deposit \$[1,982,008]* into the Developer Public Improvement Account of the Developer Project Fund [pursuant to the indenture for the Phase #2 Bonds] to fund the costs of the City Improvements, in accordance with the provisions of the Amended Development Agreement [and the PID Reimbursement Agreement] to be held by the Trustee separate and apart from the other funds created and administered under the Indenture. Such funds do not secure repayment of the Bonds Similarly Secured.

Private Improvements. In 2016-2017, as part of the development of Phase #1, the Developer constructed certain private improvements at an approximate cost of \$[999,053] within the District (including grading, water and sewer services, franchise utility services, landscaping and other miscellaneous items related to the Private Improvements). The Developer is presently constructing a pool and related facilities, fencing and landscaping (collectively, the “Amenity Center”) to serve the entire District at an approximate cost of \$[800,000], and this construction is expected to be completed by [June 2018]. Additionally, the Developer plans to construct certain private improvements at an approximate cost of \$_____* within the District (including grading, water and sewer services, franchise utility services, landscaping and other miscellaneous items related to such improvements). The Developer also plans to construct fencing and landscaping and _____ to serve the entire District at an approximate cost of \$_____*, and this construction is expected to be completed over the next 2 years. Collectively, the aforementioned items and the Amenity Center are the “Private Improvements”.

[The costs of such Private Improvements will be paid entirely by the Developer without reimbursement by the City. At the time the Bonds are issued, it is anticipated that the Developer will deposit \$_____ into the Developer Private Improvement Account of the Developer Project Fund [pursuant to the indenture for the Phase #2 Bonds] to fund the costs of the Private Improvements, in accordance with the provisions of the Amended Development Agreement [and the PID Reimbursement Agreement] to be held by the Trustee separate and apart from the other funds created and administered under the Indenture. Such funds do not secure repayment of the Bonds Similarly Secured.]

Amended Development Agreement

The Amended Development Agreement provides for design and construction of the Phase #1 Improvements in accordance with City ordinances and regulations and the anticipated phasing for the development of all property within the District. Additionally, the Amended Development Agreement outlines each party’s rights and obligations related to development of the property within the District. The Amended Development Agreement requires that the Amenity Center be completed and a certificate of occupancy issued by the City prior to the issuance of the Bonds.

As the District lies completely within the city limits of the City, the City’s zoning and subdivision regulations provide specific land use rules and regulations for the development of the property within the District. Presently, property in the District is zoned under the City’s Planned Development District No. 23, enacted on February 10, 2015 by City Ordinance Number 2015-13 (“PD No. 23”) “Planned Development Ordinance 2015-13.” See “THE DEVELOPMENT – Zoning/Permitting.”

Ownership and Maintenance of Improvements

The Phase #1 Improvements have been dedicated to and accepted by the City either by fee or through a public use easement and constitute a portion of the City’s infrastructure improvements. The City will provide for the ongoing operation, maintenance and repair of the road, water, sanitary sewer, and storm drainage portions of the Phase #1 Improvements constructed and conveyed and the park and open space portion of the Phase #1 Improvements will be owned by the City and maintained by the HOA, as outlined in the Service and Assessment Plan. The Private Improvements (not owned by a private utility company or a lot owner within the District) will be dedicated to and accepted by the HOA. The HOA will provide for the ongoing operation, maintenance and repair of the Private

* Preliminary, subject to change.

Improvements through the administration of a maintenance and operation fee and/or a property owner's association fee to be paid by each lot owner within the District.

THE DEVELOPMENT

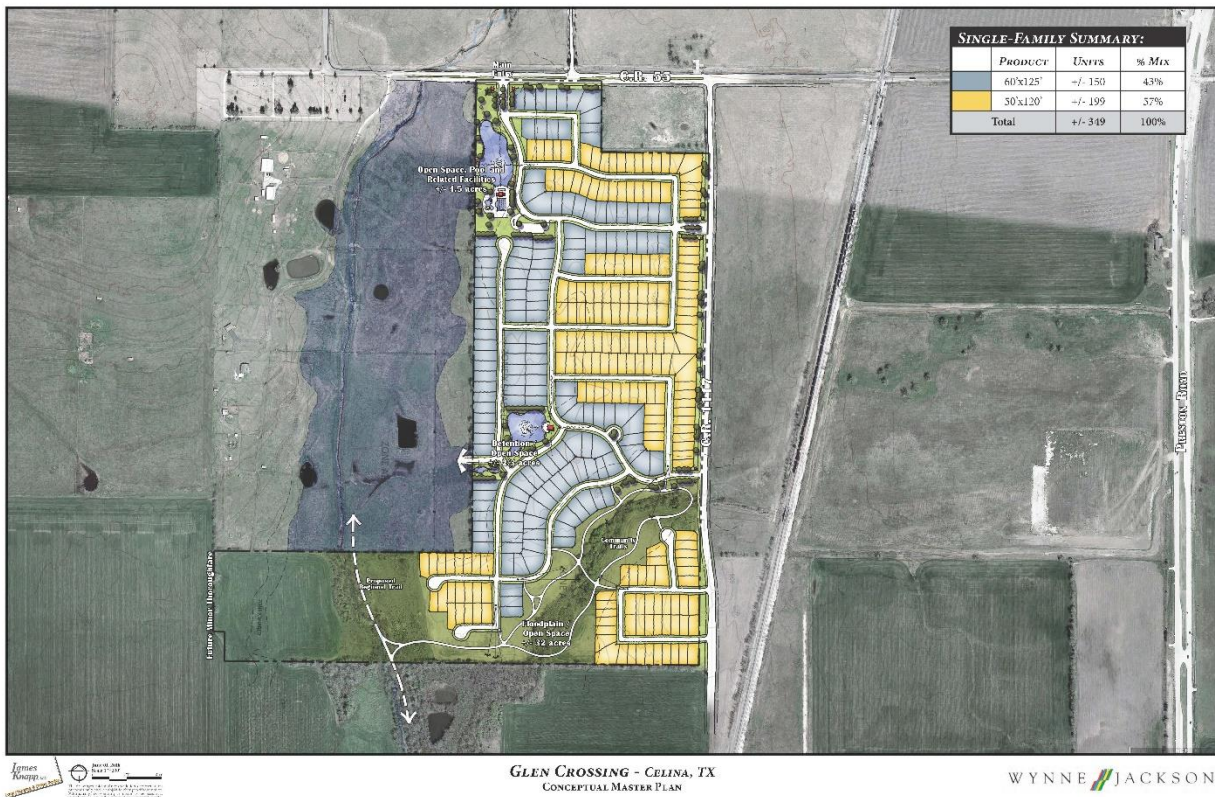
Overview

The Development is an approximately 119-acre development project, of which approximately 109 acres are located within the District, located wholly within the corporate limits of the City, in the southwest quadrant of the intersection of CR-55 and CR-117 and is in a city that is poised for significant growth as the overall DFW MSA continues its growth trajectory. The Development is located approximately 1 mile east of the Dallas North Tollroad service extension. The City is located in the north-central region of the Dallas-Fort Worth-Arlington TX Metropolitan Statistical Area (the "DFW MSA").

The Development is located in a fast growing development area situated in the southwest quadrant of the City. Property within the District comprising the Development was purchased by the Developer on June 17, 2016. The Development is being developed by the Developer as a long-term development to consist of residential land use. See "THE DEVELOPER — History and Financing of the District." In addition, the Development will include parks, trails, amenity center consisting of a pool and related facilities and open space areas for its residents, and others, to enjoy. This combination will provide its residents a community environment in which to live. Furthermore, the Development is located within the Celina Independent School District.

The property in the Development will be owned and developed by the Developer, as described below in "THE DEVELOPER — Description of the Developer."

Concept Plan. Below is the current concept plan of the Development as approved by the City. The concept plan is conceptual and subject to change consistent with the City's zoning and subdivision regulations.



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Current and Expected Buildout of the Development

The Developer expects to complete the Development in two phases over a 3 year period, and the Developer's current expectations regarding estimated home prices in Phase #1 and Phase #2 of the District are as follows:

ESTIMATED HOME PRICES IN PHASE #1

<u>Lot Size</u> <u>(Ft.)</u>	<u>Quantity</u>	<u>Base</u> <u>Lot Price</u>	<u>Average Base</u> <u>Home Price⁽¹⁾</u>	<u>Estimated Final</u> <u>Home Sales</u>
60	65	\$81,000	405,000	Q1 2020
50	<u>94</u>	\$67,500	337,500	Q1 2020
Total	159			

⁽¹⁾ The values provide as the Average Base Home Prices are an average value in current dollars over the life of the Bonds.

ESTIMATED HOME PRICES IN PHASE #2

<u>Lot Size (Ft.)</u>	<u>Quantity</u>	<u>Base Lot Price</u>	<u>Average Base</u> <u>Home Price⁽¹⁾</u>	<u>Estimated Absorption</u> <u>Period (Months)</u>
60	84	\$87,000	\$435,000	30
50	<u>113</u>	\$72,500	\$362,500	30
Total	197			

⁽¹⁾ The values provided as the Average Base Home Prices are an average value in current dollars over the life of the Bonds.

The Developer's current expectations regarding the build-out of the entire Development and sale of lots therein are shown below.

EXPECTED BUILD-OUT SCHEDULE OF THE DISTRICT

<u>Phases</u>	<u>Single-Family Lots</u>	<u>Expected Infrastructure</u> <u>Completion Date</u>	<u>Expected Final</u> <u>Sale Date</u>
Phase #1	159	Completed (Q4 2017)	Q1 2020
Phase #2	<u>197</u>	Q4 2019	Q1 2022
Total	356		

Builder Contracts

Phase #1 Buildout. The Developer has an executed purchase contract with Horizon Homes, LLC ("Horizon Homes") for 79 lots in Phase #1 of the District and has an executed purchase contract with Perry Homes, LLC ("Perry Homes") for 78 lots in Phase #1 of the District (two lots will be held as view lots or for future model homes). Horizon Homes has made earnest money deposits totaling \$864,675, which have been released to the Developer and which are currently contracted to be credited against the lot price for the purchase of a lot by Horizon Homes commencing with the sale of the 50th lot in Phase #2 of the Development. Perry Homes has made earnest money deposits totaling \$852,525, which have been released to the Developer and which are currently contracted to be credited against the lot price for the purchase of a lot by Perry Homes commencing with the sale of the 48th lot.

Horizon Homes is a division of Highland Homes, an employee-owned company based in Texas. Horizon Homes is primarily in the Dallas-Fort Worth and Houston areas. Highland Homes was founded in 1985 and builds over 2800 homes a year in the Austin, Dallas-Fort Worth, Houston and San Antonio markets.

Perry Homes is the eighth-largest private homebuilder in the nation and has built more than 45,000 homes in Texas since its founding in 1967. Perry Homes was established over 48 years ago and has offices in Austin, Houston and San Antonio.

The build-out of Phase #1 of the District as of [September 13], 2018 is show in the following table:

BUILD-OUT OF PHASE #1 OF THE DISTRICT

<u>Builder</u>	<u>Lot Size</u>	<u>Lots</u>	<u>Lots Taken</u>	<u>Quarterly Takedown</u>	<u>Homes under Construction</u>	<u>Homes Completed</u>
Horizon Homes	60'					
	50'					
Perry Homes	60'					
	50'					
View Lots		<u>2</u>				
Total		159				

[Can be deleted once table is complete: As of April 30, 2018 the builders have taken 101 of the 159 Phase #1 lots and have 33 homes completed and an additional 33 homes construction. Per the builder contracts, the builders are required to purchase the Phase #1 lots at a minimum pace of 24 lots per quarter (12 lots each per builder).] As of April 30, 2018 both builders are either on or ahead of their required purchase schedules. The last lots in Phase #1 are scheduled to be purchased by the builders by the end of May 2019.

Phase #2 Buildout. The Developer has an executed letter of intent with Highland Homes ("Highland Homes") for 99 lots in Phase #2 of the District and has an executed letter of intent with History Maker Homes ("History Maker Homes") for 98 lots in Phase #2 of the District. Highland Homes has made earnest money deposits totaling \$864,675 for Phase #1, which have been released to the Developer and will be credited against the lot price for the purchase of lots in Phase #2 by Horizon Homes commencing with the sale of the 50th lot in Phase #2. History Maker Homes per the letter of intent will make earnest money deposits totaling \$1,157,100, which will be released to the Developer and will be credited against the lot price for the purchase of lots in Phase #2 by History Maker Homes commencing with the sale of the 50th lot.

History Maker Homes is a family owned and operated company based in Texas that builds in the Dallas-Fort Worth and Houston areas. History Maker Homes is currently under its fourth generation CEO, whose great grandfather founded the family business in 1949. History Maker Homes has built over 12,500 homes since its founding, and is expected to close approximately 940 homes in 2018.

The expected build-out of Phase #2 of the District is show in the following table:

ANTICIPATED BUILD-OUT OF PHASE #2 OF THE DISTRICT

<u>Builder</u>	<u>Lot Size</u>	<u>Lots</u>	<u>Initial Lot Takedown</u>	<u>Quarterly Takedown</u>	<u>Estimated Absorption Period (months)</u>
Horizon Homes	60'	42	5		[30]
	50'	57	7		[30]
Perry Homes	60'	42	5		[30]
	50'	<u>56</u>	<u>7</u>		[30]
Total		197	24		[30]

Photographs of the Development

[To be provided.]

Zoning/Permitting

The District is currently zoned under PD No. 23, as amended. PD No. 23 allows residential uses and establishes guidelines pertaining to purpose, height, area, and setbacks for specific single-family residential lots. PD No. 23 also regulates design and development standards and specifications regarding neighborhood regulations and the HOA. Because the District lies within the city limits of the City, the City's zoning and subdivision regulations control all aspects of development not specifically set forth in PD No. 23.

Amenities

Pursuant to the Amended Development Agreement, the Developer agreed to construct certain Private Improvements within Phase #1 of the District at an approximate cost of \$_____ (including grading, water and sewer services, franchise utility services, landscaping and other miscellaneous items related to such Private Improvements) and the Amenity Center to serve the entire District at an approximate cost of \$800,000. The Private Improvements for Phase #1 and the Amenity Center are complete.

Current plans for Phase #2 include additional private improvements consisting of a dog park, hike and bike trails with related landscaping, a passive recreational field, and outdoor meeting space that will further enhance the overall Development. The cost of the Private Improvements will be paid entirely by the Developer without reimbursement by the City.

[At the time the Bonds are issued, it is anticipated that the Developer will deposit \$_____ * into the Developer Private Improvement Account of the Developer Project Fund to fund the costs of the Private Improvements related to Phase #2 in accordance with the provisions of the Amended Development Agreement to be held by the Trustee separate and apart from the other funds created and administered under the indenture related to the Phase #2 Bonds. Such funds do not secure repayment of the Bonds Similarly Secured.]

Other City Improvements

Pursuant to the Amended Development Agreement the City has agreed to design and the Developer has agreed to construct and share in the costs of the City Improvements. While these City Improvements do not specifically benefit the District, they will benefit the City as a whole and include roadway improvements, water distribution system improvements and sanitary sewer collection system improvements. In connection with the issuance of the Initial Phase #1 Bonds, the Developer contributed \$1,482,648, which funds were held by the Trustee under the Indenture for the Initial Phase #1 Bonds in escrow for the Developer's share of a portion of the costs of the City Improvements. At the time the Bonds are issued, the Developer will make an additional contribution of \$[1,982,008], to fund the balance of its share of the costs of the City Improvements. The Trustee will hold the funds in the Developer Public Improvement Account of the Developer Project Fund separate and apart from the other funds created and administered under the indenture related to the Phase #2 Bonds. Such funds do not secure repayment of the Bonds Similarly Secured. See "APPENDIX C — Form of Service and Assessment Plan."

Environmental

A Phase One Environmental Site Assessment (a "Phase I ESA") on approximately 118 acres, which acres included the property within the District, was completed on April 15, 2016. Based on the information presented in the Phase I ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions in connection with the site.

According to the website for the United States Fish and Wildlife Service, the Whooping Crane is an endangered species in Collin County and both the Whooping Crane and the Least Tern are endangered species in Denton County. The Developer is not aware of any endangered species located on District property.

Utilities

The City will provide both water and wastewater retail service to the property in the District. The City purchases its water wholesale from the Upper Trinity Regional Water District, and the City maintains its own water distribution system and wastewater collection and treatment system. In the Amended Development Agreement, the Developer agreed to construct certain off-site public infrastructure necessary to bring water and wastewater services to the property in the District so that the City's water distribution system and wastewater collection and treatment system will have sufficient capacity to provide water and wastewater service to the property in the District. The City and the Developer will share the costs the Off-Site Public Improvements as described in the Amended Development Agreement.

Additional utilities are being provided in Phase #1 by: (1) Phone/Data – Grayson Collin Communications; (2) Electric – Grayson Collin Electric Cooperative; (3) Cable - AT&T; and (4) Natural Gas - Atmos Energy. The Developer expects these same entities to also provide utility service to Phase #2.

THE DEVELOPER

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the revenue bonds, such as the Bonds, issued by a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

The Developer is an affiliate of Wynne/Jackson and was created by Wynne/Jackson for the purpose of acquiring and developing the property in the District. The Developer is a nominally capitalized limited partnership, the primary asset of which is unsold property within the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party or from funds drawn from the A&D Loan (defined below). The Developer's ability to make full and timely payments of Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds. See "BONDHOLDERS' RISKS — Dependence Upon the Developer."

The General Partner of the Developer is W/J Celina GP LLC, a Texas limited liability company ("W/J Celina GP"). W/J Celina GP manages the Developer; however, the Developer has contracted with Wynne/Jackson to, among other things, oversee, perform, manage, and complete (or cause to be performed and completed) the preparation, design, approval and development of the residential lots within the District. The Developer has two limited partners, one of whom is H4GC, LLC, a Texas limited liability company ("HW LP") an affiliate of Hillwood Communities, a Perot company ("Hillwood"). Pursuant to the partnership agreement of the Developer, HW LP, has made a 90% equity contribution and initially has 90% of the voting percentage decreasing to 50.4% as certain distribution and rate of return milestones are met. HW LP, as the partner with the majority voting percentage, must approve certain actions of the Developer, including the overall and annual project budgets, construction phase plans, incurrence of indebtedness by the Developer, commencement of construction of Phase #1 and the Phase #1 and lot sales contracts. For a description of past and current Hillwood projects in the Dallas/Ft. Worth Metroplex see "THE DEVELOPER — Description Past and Current Projects of Hillwood."

Wynne/Jackson was formed in the late 1970's by Mr. Clyde C. Jackson, Jr. and Mr. Toddie L. Wynne (deceased). Mr. Jackson is the Chairman and Chief Executive Officer of Wynne/Jackson. Wynne/Jackson is a real estate development firm with a diverse background and a track record of successful developments and engagements over its nearly 40 year history. Headquartered in Dallas, Texas, Wynne/Jackson has operated on a regional basis in Texas, Georgia, Oklahoma, and New Mexico. The principals have developed properties worth in excess of \$1 billion and have provided asset and property management, leasing, marketing, and consulting services on over \$1.5 billion of real estate developments and projects and over 10,000 residential lots.

Description of Past and Current Projects of Wynne/Jackson

While historically the company's investment and development activity was concentrated on residential and commercial development, it is residential land development that has proven to be its core business. Wynne/Jackson and its affiliates work closely with local municipalities, builders, commercial developers, and public school systems as part of its overall master plan. Wynne/Jackson works with top builders to deliver the latest concepts ranging from small to large residential communities as well as commercial and multi-use developments in the Dallas/Ft. Worth Metroplex. Close proximity or easy access to schools, services and shopping as well as to work, entertainment and recreation centers are the hallmarks of Wynne/Jackson communities. The following is a brief sampling of past and current development projects of Wynne/Jackson and its related entities:

Name	Location	Description	Completion
Allianz Financial Centre (Univision Centre)	Dallas, Texas	Approx. 500,000 sq ft commercial building	Completed and sold in the mid-1980's
Cottonwood Crossing	Allen, Texas	Single-phase development of approx. 13 acres into 48 single-family home lots	Land acquired in 2014; Lots developed in 2015. Final lots sold in 2016.
Country Lakes	Argyle and Denton, Texas	Approx. 640-acres acquired in 2000 for a master-planned development planned to consist of approximately 1,700 single-family lots	Phases 1 and 2 (approximately 640 lots) were developed and sold. Remaining land was deeded to the lender in 2010.
Duncan Tract	Dickinson, Texas	Approximate 490 acres acquired in 2006 in south Houston area	Land was purchased, entitled, and then sold in 2015
Grand Peninsula	Grand Prairie, Texas	Approximate 410 acre master planned community consisting of approximately 1,235 lots and some commercial land	Land was acquired in 2000; lots developed with final sell out of the lots and commercial land in 2013
The Homestead	Sunnyvale, Texas	Approximate 115 acres acquired in 2014, 2016, and 2017; planned for approximately 153 single family lots	Approximately 115 lots have been developed between 2015 and 2018; Remaining 38 lots (approximately 24 acres) planned to be developed in 2019
Live Oak Creek	Fort Worth, Texas	Approximate 255 acres acquired in 2006; planned for approximately 800 residential lots and a small retail site	Approximately 237 lots developed and sold. Remaining land sold in 2016.
Meadow Creek	Austin, Texas	Approximate 2,000-acre master planned community planned for single-family homes	Purchased, entitled, and then sold in the mid 1980's
Millennium	Addison, Texas	Approximate 360,000 sf 14 story office building	Developed and opened in 2000; leased and then transferred to principal investor
Moore Farm	Carrollton, Texas	Approximate 145 acres planned for approximately 385 residential lots	Land purchased in 2003, lots developed with sell out in 2007
Northside	Richardson, Texas	Approximate 25.5-acres mixed-use student housing, multi-family, and retail project on the campus of University of Texas Dallas; planned for 588 units/1495	Construction of Phase 1 commenced in May 2015 with a certificate of occupancy in August 2016 and Phase 2

Name	Location	Description	Completion
		beds and approximately 26,000 sf of commercial area	construction commenced in February 2017 with certificate of occupancy targeted in July 2018.
Plaza of the Americas	Dallas, Texas	Approximate 5.5-acre, 3.5 million sq ft mixed-use complex	Developed in 1980; sold in 1990
The Shops at Central Park	Bedford, Texas	Approximate 200,000 sq ft shopping center and approximate 80,000 sq ft office building	Developed in late 1980's; deeded to lender around 2000
The Shores of Eastern Hills	Garland, Texas	Approximate 190 acres planned for approximate 490 single family lot multi-phased development	Land acquired in 1995; fully developed with sell out in 2006
Shores on Lake Ray Hubbard	Rockwall, Texas	Approximate 350 acres planned for single family lots	Land acquired in 1996; Ph 1 of approximately 350 lots developed and sold; Remaining land sold in 1999
Texas Commerce Bank (Chase Bank)	Hurst, Texas	Approximate 120,000 sq ft office building	Land acquired in the mid 1980's; Office building developed, leased and then sold around 2000
Towne Mill	Canton, Georgia	Approximate 430 acre master planned community planned for approximately 750 single family lots	Land acquired in 2004; First phase developed of approximately 350 lots in 2006; project conveyed to lender via Deed in Lieu in 2009 ⁽¹⁾
The Tribute	Frisco, Texas	Approximate 553 acres golf community planned for single-family and other uses	Land acquired in 2006; Approximately 480 lots developed in Ph 1; additional lots have been and are being developed by a partner in the project; Currently ongoing
Waterford Parks & Waterford Crossing	Allen, Texas	Approximate 400 acres planned for approximately 924 residential lots	Land acquired in 1999; Approximately 730 lots were developed and the remaining land sold in 2010
Waterford Trails	Allen, Texas	Approximate 80 acres planned for approximate 198 residential lots and some commercial use	Land acquired in 2000; Lots developed and remaining land sold in 2007
Waterstone	Frisco, Texas	Approximate 48 acres and 38 previously developed lots	Project acquired from home builder in 2007; Bank took title through a Deed in Lieu of Foreclosure in 2009 ⁽²⁾
The West Tract	Kaufman County (Forney area), Texas	Approximate 921 acres planned for residential lots	Land acquired in 2004; Project entitled and then sold in 2006
Westwood Shores	Rowlett, Texas	Approximate 92 acres planned for approximately 261 residential lots	Land acquired in 1993; Lots developed and sold out in 2001
Wilmeth Ridge	McKinney, Texas	Approximate 124 acres planned for approximately 302 residential lots	Land acquired in 2015; First phase of 135 lots delivered in 2017 with lots currently being sold to builders. A second phase of about 78 lots is under development; the final phase of around 89 lots is targeted to commence development in 2018.

⁽¹⁾ See "BONDHOLDERS' RISKS – Dependence on Developer – Towne Mill Loan."

⁽²⁾ See "BONDHOLDERS' RISKS – Dependence on Developer – Waterstone Loan."

Description Past and Current Projects of Hillwood

Hillwood, a Perot company, is ranked as one of the top commercial and residential real estate investors and developers in the country. Since its inception in 1988, Hillwood Communities, the residential division for Hillwood, has built more than 80 communities throughout the United States and Costa Rica, and has developed more than 23,000 lots. Currently, the company oversees 31 active communities in 23 cities and six states. Hillwood's industrial developments currently house facilities for 58 companies listed on the Fortune 500, Global 500 or Forbes List of Top Private firms. Hillwood is best known for its Alliance brand that includes the 17,000-acre AllianceTexas, 4,474-acre AllianceFlorida at Cecil Commerce Center, and 2,000-acre AllianceCalifornia. Some of Hillwood's past and current single-family residential developments in Dallas/Ft. Worth Metroplex are shown below:

Project	City	State	Approximate Size
Harvest	Northlake	TX	3,200 Lots
Union Park	Little Elm	TX	3,200 Lots
Park Glen	Fort Worth	TX	3,000 Lots
Heritage	Fort Worth	TX	3,250 Lots
Pomona	Manvel	TX	1,900 Lots
Wells South	Celina	TX	1,236 Lots
Liberty	Melissa	TX	1,315 Lots
Russell Creek	Plano	TX	980 Lots
Saratoga	Fort Worth	TX	851 Lots
Wells North	Celina	TX	846 Lots
Twin Creeks	Allen	TX	787 Lots
Chisholm Ridge	Fort Worth	TX	748 Lots
Creek wood	Fort Worth	TX	700 Lots
Falcons Lair	Mesquite	TX	574 Lots
Oakmont	Corinth	TX	568 Lots
Hulen Heights	Fort Worth	TX	545 Lots
Willow Bay	Frisco	TX	467 Lots
Mustang Creek	Forney	TX	442 Lots
Harmony	Red Oak	TX	427 Lots
Stone Brooke Crossing	McKinney	TX	412 Lots
Gateway	Glen Heights	TX	408 Lots
Shores	Rockwall	TX	353 Lots
Meadow Oaks	Corinth	TX	301 Lots
Stonebriar	Frisco	TX	300 Lots
Brockdale	Lucas	TX	206 Lots
Sarita Valley	Leander	TX	199 Lots
Willow Bend	Plano	TX	189 Lots
Morrison	DFW	TX	171 Lots

Marketing of the Development by the Developer

The Development is being developed in two phases. The Developer expects all lots in each respective phase to be contracted for sale to two homebuilders prior to commencement of development of the lots in that phase. The lot sale contracts for Phase #1 with Horizon Homes and Perry Homes required the purchase of the lots in Phase #1 by the builders over an approximate 18 month period once the lots are developed, with minimum required lot closing each calendar quarter. Each homebuilder has constructed two model homes in Phase #1. The homebuilders are using their model homes as sales offices and offer a variety of homes for sale the in the Development. Earnest money deposits have been received from each builder and such earnest money will be returned to the builders as they fulfill their purchase obligations under the lot contracts.

Executive Biographies of Officers and Principals of Developer and Wynne/Jackson

Clyde C. Jackson, Jr., Chairman and Chief Executive Officer

Mr. Jackson is Chairman and Chief Executive Officer of Wynne/Jackson. Wynne/Jackson has been involved in multiple mixed-use developments for over 30 years. The company developed over 4 million square feet of office/hotel and retail in downtown Dallas, including the Plaza of the Americas and the Marriott Hotel. In addition, the company has been active in the development of over 10,000 acres of master planned communities in Texas and Georgia. The company also has been active in acquiring income producing properties.

Education/Qualifications: Mr. Jackson attended Southern Methodist University School of Business and Law School. There he earned a Juris Doctorate and was admitted to the Texas State Bar.

Mr. Jackson has been a member of the Urban Land Institute (ULI), an international real estate association, since 1974, a Trustee since 1987 and served as a Vice President. Among other activities for the ULI, Mr. Jackson is a ULI Governor, is Chairman of the ULI Student Housing Council, and previously served as chairman of the Urban Development Mixed-use Council for over six years. In addition, he has had the opportunity to participate in analysis and studies of many of the major mixed-use developments in North America, Canada, and select European capitals. In association with the ULI, Mr. Jackson also participated in the land use planning assignment for one of the largest remaining development tracts on the island of Oahu, Hawaii of approximately 41,000 acres. In addition, Mr. Jackson participated in the creation of a new town plan for Zoetemeer, Holland.

Frank Murphy, Senior Vice President, Chief Financial Officer/Operating Officer and Principal

In his tenure in real estate (since 1985 with Wynne/Jackson), Mr. Murphy has participated in development, asset and property management, consulting, leasing and brokerage activities for over \$1.7 billion in real estate projects. Projects have consisted of over 13,000 acres of residential and master-planned developments, 11,000 residential lots, 10,000 apartment and condominium units, 4.5 million square feet of office and retail developments, 10 hotels, and numerous mini-storage facilities, marinas and golf courses.

Mr. Murphy has led the Wynne/Jackson team on its numerous consulting projects with various institutions over many years. Mr. Murphy presently operates the development and project consulting areas for the company in addition to his role as Chief Financial Officer.

Education/Qualifications: Mr. Murphy is a 1981 graduate of the University of Oklahoma with a Bachelor of Science degree in Accounting. Immediately upon graduation, Mr. Murphy passed all parts of the Certified Public Accountants exam. In addition to his CPA license, Mr. Murphy is a licensed real estate broker in both Texas and Oklahoma.

Mr. Murphy presently serves on the Board of Directors for the National Association of Home Builders, the Texas Association of Builders, and the Dallas Builders Association (where he served as President in 2014/2015 for the latter). He has previously served as Vice President of the Irving Flood Control District III, and as a board member for the Grand Prairie Public Improvement District No. 8 (a maintenance PID) in Grand Prairie, Texas. Mr. Murphy

has experience in the creation and operation of special districts such as tax increment financing districts, municipal utility districts, and public improvement districts.

Brent A. Miller, Vice President

Mr. Miller joined Wynne/Jackson in June 2000 as an officer of Wynne/Jackson his responsibilities include coordinating the due diligence and closing process, as well as, sourcing and underwriting new deals, negotiating loan documents, managing lender relations and providing asset management and financial oversight.

Education/Qualifications: Mr. Miller graduated Magna Cum Laude from Baylor University in 1999 with a BBA degree in Finance. As a junior (in the top 5% of his class), he became a member of Beta Gamma Sigma, the international scholastic honor society for students in business. Mr. Miller is a licensed real estate salesman, CCIM designee, member of the Urban Land Institute and member of the Transit Oriented Development Council of the ULI North Texas District.

Prior to joining Wynne/Jackson, he was an Associate with Archon Group, a subsidiary of Goldman Sachs, where he asset managed numerous properties in the Whitehall Street Real Estate Fund. This included the Philadelphia market, the Whitehall Industrial portfolio and Archon's hotel portfolio.

During his career, Mr. Miller has been engaged in the acquisition, development, asset management and disposition of hotels, industrial buildings, retail centers, office buildings, self storage facilities and residential communities with an aggregate value of more than \$1 billion.

Michael C. Jackson, Vice President and Principal

Mr. Jackson joined Wynne/Jackson in 1997 following successful careers as both a tenant representative for a national corporate real estate services company and as a commercial real estate appraiser.

As an officer in Wynne/Jackson, Mr. Jackson oversees new project acquisition, asset disposition, site analysis, homebuilder relationships, market analysis and project marketing. He has been heavily involved in the acquisition, planning, financing, and sale or lease-up of Wynne/Jackson projects including numerous large master-planned communities and commercial projects.

Education/Qualifications: Mr. Jackson graduated in 1989 from the University of Oklahoma with a BA in Political Science. Mr. Jackson is a licensed real estate salesman, member of the Urban Land Institute, 2014-2015 Chairman of the ULI North Texas District Council, past Chair and current member of the ULI Small Scale Development Council, and Chairman of Sky Ranch at Ute Trail (Sky Ranch Camps - Lake City, Colorado).

Prior to joining Wynne/Jackson, Mr. Jackson worked as a tenant representative with Fischer & Company focused primarily on national accounts such as Northern Telecom, First Data Corporation, and Fujitsu. In addition to performing market studies in over twenty-five cities nationwide, Mr. Jackson was also involved in tenant space planning, portfolio analysis, and economic feasibility studies.

Prior to working with Fischer & Company, Mr. Jackson was a commercial real estate appraiser for five years doing work primarily for financial institutions and the RTC in Texas, New England, Tennessee and California.

Christopher C. Jackson, Vice President and Principal

Mr. Jackson is a principal and the Vice President of Development. He joined Wynne/Jackson after practicing law in Kerrville, Texas.

At Wynne/Jackson, Mr. Jackson has overseen the creation of several municipal utility districts, zoned several hundred acres for development, led multiple city negotiations with various departments, as well as overseen the construction of many development projects. Mr. Jackson is currently involved in zoning, due diligence, project management, engineering oversight and contract compliance.

Education/Qualifications: Mr. Jackson graduated Cum Laude with honors in the Classics from Hampden-Sydney College with a BA in Greek and Latin. Later, Mr. Jackson attended the American School of Classical Studies in Athens, Greece. Mr. Jackson graduated from Southern Methodist University Law School, where he earned a Juris Doctorate. He was admitted to the Texas State Bar in 1995. In 2003 after several years of study, Mr. Jackson graduated from Westminster Theological Seminary with a CCS degree. Mr. Jackson holds a salesperson license from the Texas Real Estate Commission, is a member of ULI and is currently on the Community Development Council. Mr. Jackson is currently completing work for his CCIM.

History and Financing of the Development

The Property Acquisition. Developer was formed on April 20, 2016, for the purpose, among other things, of acquiring and developing the Property. Wynne/Jackson, an affiliate of the Developer, initially had the Property under contract to purchase the Property from G Bar 7, Ltd. (the “Seller”) under the terms of a purchase contract (the “Purchase Contract”) with the Seller, for an aggregate purchase price, including extension fees, of \$5,402,081 (approximately \$49,560 per acre of land). On June 17, 2016, prior to the acquisition of the Property, Wynne/Jackson assigned the Purchase Contract to the Developer. The Developer closed on the Property in the District on June 17, 2016. The Property acquired consists of approximately 119 acres, 109 of such acres constitute the District.

The Property Acquisition and Development Financing. A portion of the purchase price along with development costs for the Property was paid from the proceeds of a loan (the “A&D Loan”) made by American Bank of Texas (the “Lender”) to Developer in the stated principal amount of \$10,520,552, and secured, among other things, by a first deed of trust lien on the Property at the time of the acquisition of the Property. The A&D Loan was entered into at closing of the Property, bears interest at the rate of prime plus 1% per annum with a 4.75% floor and matures on June 17, 2019. *[Discuss financing for Phase #2]*

The PID Act provides that the Assessment Lien is a first and prior lien against the Phase #2 Assessed Parcels within Phase #2 of the District and is superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, the Lender shall consent to and acknowledge, in a certificate in recordable form, the creation of the District, the levy of the Assessments and the subordination of the lien securing its respective A&D Loan to the assessment liens on property within the District securing payment of the Assessments. As a result, the lien on the property within the Phase #2 of the District securing the Assessments will have priority over the lien on the property within Phase #2 of the District securing the A&D Loan.

THE PID ADMINISTRATOR

MuniCap, Inc. (“MuniCap”) is a public finance consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. MuniCap currently acts as the administrator for over 150 special assessment and taxing districts in 17 states, including 29 public improvement districts in Texas (including the District).

The City has entered into an agreement for administration of the District (the “MuniCap Agreement”) with MuniCap as the “Administrator” to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The MuniCap Agreement includes seven general types of services provided by MuniCap: (i) administrative support services related to the Assessments, (ii) delinquency management, (iii) prepayment of Assessments, (iv) arbitrage rebate services, (v) continuing disclosure services, (vi) accounting and audit coordination, and (vii) IRS compliance monitoring.

BONDHOLDERS’ RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds.

Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE BONDS SIMILARLY SECURED ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within the District to pay Phase #1 Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Phase #1 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Phase #1 Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Phase #1 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The City has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Assessment Limitations

Annual Installments of Phase #1 Assessments are billed to property owners in Phase #1 in the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the annual collection costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Phase #1 Assessments payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See “BONDHOLDERS’ RISKS — Remedies and Bankruptcy” herein.

Upon an ad valorem tax lien foreclosure event of a property within Phase #1, any lien securing a Phase #1 Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Phase #1 Assessments, the liens securing such delinquent ad valorem taxes and delinquent Phase #1 Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Phase #1 Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, § 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code § 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. It is unclear under Texas law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it will own all property within the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Phase #2 Assessed Parcels superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Phase #1 Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE PHASE #1 ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN PHASE #1 OF THE DISTRICT.

Effects of Future Legislation

On February 27, 2017, HB 2435 was introduced into the Texas House of Representatives (the “Texas House”) to modify the PID Act. The legislation's intent was to clarify and improve the PID Act, and proposed changes included requiring developers to provide more disclosure to home purchasers within public improvement districts, adding improvements that could be financed through public improvement districts and memorializing the procedure under which a local government entity could add land to a public improvement district. The bill passed the Texas House.

Upon receipt of HB 2345 from the Texas House, the Intergovernmental Relations Committee of the Texas Senate proposed substitute bill that would have significantly changed the PID Act. The Senate committee proposal would have imposed certain feasibility requirements on certain municipalities and counties prior to issuance of bonds or obligations wholly or partially payable from or secured by special assessments. Specifically, prior to issuance, the governing bodies of municipalities with a population of 250,000 or less and counties with a population of 1,000,000 or less would have been required to find that (i) all underground water, wastewater, and drainage facilities and roadways necessary to serve the district were at least 95% complete and (ii) the houses or other buildings on the real property liable for assessments necessary to support payment of the bonds or obligations were at least 25% complete. Such changes, if enacted, would have fundamentally altered the use of public improvement districts by municipalities and counties as a financing mechanism for public improvements. The Senate committee proposal was not formally introduced, and no further action on HB 2345 occurred during the 2017 legislative session.

In October 2017, the Texas House and the Texas Senate issued interim charges to the Committee on Special Purpose Districts and the Intergovernmental Relations Committee (collectively, the “Interim Committees”), respectively, requesting the study of special purpose districts and public improvement districts and potential bond issuance reforms. The charges to the Interim Committees included review, hearings and testimony related to changes to and oversight of bonds secured by special assessments. Prior to the 2019 Texas legislative session, it is expected that the Interim Committees will make recommendations to the Legislature on how to regulate special assessment revenue bonds, and possibly establish parameters on the use of public improvement districts as financing vehicles. As of the date hereof, the Interim Committees have not made any recommendations pursuant to the interim charges.

It is impossible to predict what new proposals the Interim Committees may present to the Legislature regarding the PID Act and the issuance of special assessment revenue bonds, what bills may be introduced during upcoming legislative sessions, whether such new proposals or any previous proposals will be recommended by the Interim Committees or new bills regarding the same will be passed by the Texas Senate and House of Representatives and signed by the Governor, and, if enacted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Risks Related to the Current Real Estate Market

During recent years, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market difficult. These downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of lot and home sales within the District. There have been reports of various public-private efforts to relieve the subprime mortgage crisis but as of yet no one can predict with certainty when the real estate market will rebound.

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City’s Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will ever commence. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

TIRZ Credit and Marketing of the Development

The TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraisal value in the TIRZ in any year. Any delay or failure by the Developer to develop Phase #1 may result in a reduced amount of the TIRZ Revenue being available to credit the Phase #1 Assessments. TIRZ Revenues generated from the captured appraised value for each parcel in Phase #1 during the development of such parcel will result in a TIRZ Credit which is not sufficient to achieve the Targeted Net Average Annual Installment. The TIRZ

Credit may not provide for the Targeted Net Average Annual Installment until the second year that a home on such parcel is assessed. See “OVERLAPPING TAXES AND DEBT.”

It is uncertain what impact, if any, the TIRZ Credit application to the Annual Installments will have on the underwriting of residential mortgages. If the underwriter of a residential mortgage does not recognize the TIRZ Credit it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

Loss of Tax Exemption

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption “TAX MATTERS” herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bankruptcy

The payment of Phase #1 Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Phase #1 Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Phase # 1 Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Phase #1 Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within the District to pay the Phase #1 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Phase #1 Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within the District to pay the Phase #1 Assessments when due could result in the rapid, total depletion of Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under “SECURITY FOR THE BONDS SIMILARLY SECURED — Reserve Account of the Reserve Fund” herein.

Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in the District. The City has not independently verified, and is not aware, that the Developer has such a current liability with respect to its property; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See “THE DEVELOPMENT – Environmental” for discussion of the Phase I ESA performed on property within the District.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

100-Year Flood Plain

Approximately 37 acres in the southern quadrant of [Phase #2 of] the District are located within an official FEMA 100 year flood plain as shown on the current Federal Emergency Management Agency’s Flood Insurance Rate Map No. 48085C0120J, Collin County, Texas, effective June 2, 2009, Panel 120 of 600 (the “Flood Plain”).

Portions of the floodplain within the southern quadrant of [Phase #2 of] the District will be reclaimed for development. Environmental and Hydraulic analyses will be performed to ensure the accuracy of the mitigation and to protect properties upstream and downstream of the District. Mitigation shall include excavation, fill placement and erosion control with periodic inspections as required by local, state and federal regulations. Upon completion of the floodplain mitigation, topographic surveys will be gathered to confirm the mitigation was constructed correctly. Documents and permits will be provided to the City of Celina and Federal Emergency Management Agency (FEMA) necessary to obtain a Letter of Map Revision (LOMR) for the floodplain reclamation. Once the LOMR is approved by the City and FEMA, the revised amount of floodplain within the District shall be reflected on the updated FEMA Flood Insurance Rate Maps.

Risk from Weather Events

All of Texas, including the City, is subject to extreme weather events that can cause loss of life and damage to property through weather events that include strong winds, flooding and heavy rains. It is impossible to predict such weather events and the impact they may have on the City, including land within the District.

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of at least 25% of the owners of the Bonds Similarly Secured then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Phase #1 Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) ("Wasson"), the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people'" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources". While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of inception of the contractual relationship. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances

surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any Texas court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in development projects comparable to that of the Development.

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate

investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer. Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Failure to meet the lot purchase contract's conditions allows the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposit back. See "THE DEVELOPMENT – Builder Contracts" herein.

The Development cannot be initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each phase of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

Dependence Upon Developer

The Developer, as the owner of a portion of the Phase #1 Assessed Parcels in Phase #1 of the District, currently has the obligation for payment of approximately ____% of the total Phase #1 Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The only assets of the Developer are the land within the District, related permits and development rights and minor operating accounts.

The source of funding for future land development activities and infrastructure construction to develop the remaining lots proposed for the District consists of proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the assessments if necessary, or as to whether the Developer will advance such funds.

During the period from 2007 to 2009, Wynne/Jackson, was a partner in two separate development ventures that due to the slowdown in the housing market and the national recession resulted in the borrower in each transaction executing a deed in lieu of foreclosure to convey the property to the respective lenders.

Towne Mill Loan: In 2004 Wynne/Jackson entered into a partnership (the "Towne Mill Partnership") to develop Towne Mill, a residential development to be located in Canton, Georgia. The first phase consisting of approximately 250 lots were completed at the end of 2005 and early 2006. Construction of Phase 2 of 102 lots commenced in the third quarter of 2006 and were completed in the first quarter of 2007. In late October, 2007, the controlling limited partner indicated that it wished to proceed with trying to sell the property instead of recapitalizing it. In December, 2007, Texas Capital Bank proposed terms for extending its loan with the Towne Mill Partnership through September 2008 to allow time market the property. Due to market conditions, and the reduced appraised value of the property, Texas Capital Bank proposed a loan extension that would have required new equity investment from the Towne Mill Partnership. In early March, 2008, the controlling limited partner made the decision not to fund the additional capital call required to sustain the project; rather, it would allow the bank to foreclose on the property. A deed in lieu of foreclosure was signed with Texas Capital Bank for the loan on April 4, 2009.

Waterstone Loan: In 2007 Wynne/Jackson entered into a joint venture (the "Waterstone Joint Venture") to develop Waterstone, a residential development to be located in Frisco, and The Colony, Texas. Due to declining lot

sales and a decrease in the average lot sale price, the Waterstone Joint Venture was unable to meet its obligations under its loan agreement with Texas Capital Bank. In April of 2009, the Waterstone Joint Venture entered into a forbearance and funding agreement with Texas Capital Bank; however, in May of 2009 the value of the land appraised for less than the outstanding loan balance. Waterstone Joint Venture was unable to successfully negotiate a restructure of its loan agreement with Texas Capital Bank; therefore, Texas Capital Bank took title to the property through a deed in lieu of foreclosure at the end of September, 2009.

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds. However, the completion of the Development is dependent upon the receipt of funds from the Developer in addition to proceeds of the Bonds.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the “Code”), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. A form of Bond Counsel’s opinion is reproduced as APPENDIX C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

Interest on the Bonds owned by a corporation will be included in such corporation’s adjusted current earnings for purposes of calculating the alternative minimum taxable income of such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust (“FASIT”). A corporation’s alternative minimum taxable income is the basis on which the alternative minimum tax imposed by Section 55 of the Code will be computed.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Indenture subsequent to the issuance of the Bonds. The Indenture contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual

recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the “Discount Bonds”) may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under “Tax Exemption.” Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation’s alternative minimum tax imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the “Premium Bonds”) may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser’s yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by (i) the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, (ii) based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

Norton Rose Fulbright US LLP, serves as Bond Counsel and Disclosure Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and lien on the Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS," including the alternative minimum tax consequences for corporations. A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX C —Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds" (except for the last paragraph thereof), "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED" (except for the last paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "LEGAL MATTERS — Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE" (except for the subcaption "The City's Compliance with Prior Undertakings" and "The Developer's Compliance with Prior Undertakings"), "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and APPENDIX B and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Phase #1 Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Amended Development Agreement, [the PID Reimbursement Agreement], the Redemption Agreement or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”). In the past, certain affiliated entities of Wynne/Jackson have been parties to litigation related to their commercial and real estate development activities. Such litigation occurred in the ordinary course of business and is not expected to have a Material Adverse Effect.

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Issuer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of the Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of the Issuer. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Issuer. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Issuer or from any statement made pursuant to the Disclosure Agreement of the Issuer.

The City’s Compliance with Prior Undertakings

City: Except as hereinafter described, during the last five years, the City has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule.

The ratings on municipal bond insurers have changed with frequency at various times in recent years and information about such changes has been publicly reported. While notices of certain rating changes of bond insurers were filed by the City on EMMA, no assurances can be made that all City filings with respect to changes in the ratings of municipal bond insurers have been made as required by the Rule or the City’s prior continuing disclosure undertakings.

The City has implemented additional policies and procedures to ensure that in the future it fully complies with its continuing disclosure undertakings made under the Rule.

Prior Developers: Creeks of Legacy Public Improvement District. CTMGT Frontier 80, LLC, a Texas limited liability company (“CTMGT”), a developer of the project financed in part by the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Public Improvement District Phase #1 Project) (the “Creeks of Legacy PID Bonds”), did not file a required quarterly report for the quarter ending September 30, 2014 with the MSRB until October 31, 2014. In connection with the Creeks of Legacy PID Bonds, CTMGT entered into an undertaking to file quarterly reports on behalf of the CTMGT with the Municipal Securities Rulemaking Board (the “MSRB”). CTMGT’s failure was due to an administrative oversight. CTMGT is not an “obligated person” under the Rule under the Bonds or the Phase #1B Bonds.

The Developer

The Developer, MuniCap, Inc. (the “Administrator”), and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Developer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the

Disclosure Agreement of the Developer, certain information regarding the Development and the Phase #2 Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX E-2 — Form of Disclosure Agreement of the Developer.” Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Disclosure Agreement of the Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Developer has agreed to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of the Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Developer or from any statement made pursuant to the Disclosure Agreement of the Developer.

The Developer Compliance with Prior Undertakings

Except as hereinafter described, during the last five years, the Developer has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule. [UPDATE]

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less a reoffering discount of \$_____ less an underwriting discount of \$_____, which includes Underwriter’s Counsel’s fee of \$_____). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “NO RATING” above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal

investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

INVESTMENTS

The City invests its funds in investments authorized by Texas law in accordance with investment policies approved by the City Council. Both Texas law and the City's investment policies are subject to change.

Under Texas law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letter of credit, of the United States or its agencies and instrumentalities; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) certificates of deposit and share certificates meeting the requirements of the PFIA that are issued by or through an institution that either has its main office or a branch office in Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (7) or in any other manner and amount provided by law for City deposits, or are invested by the City through a broker or depository institution that has its main office or a branch office in the State and otherwise meet the requirements of the PFIA; (9) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State; (10) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (11) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission (the "SEC") and that comply with SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7); and (13) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) as a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. If specifically authorized in the authorizing document, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract,

the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than eight years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than “A” or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each funds’ investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers’ with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City’s entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City’s investment policy; (6) provide specific investment training for the officers of the City; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment

of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed U.S. Bank National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds Similarly Secured, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at www.usbank.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Phase #1 Improvements, the Development and the Developer generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — Development Plan" and "– Status of Builder Contracts," "THE PHASE #1 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Phase #1 Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "CONTINUING DISCLOSURE — The

Developer Compliance with Prior Undertakings” has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by MuniCap, Inc. and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City’s obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

AUTHORIZATION AND APPROVAL

The City Council has approved by ordinance the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

CITY OF CELINA, TEXAS

Mayor

ATTEST:

City Secretary

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

Historical Employment in Collin County (Average Annual) ⁽¹⁾

Collin County

	Average Annual				
	2018 ⁽²⁾	2017	2016	2015	2014
Civilian Labor Force	542,982	527,317	512,119	488,234	474,119
Total Employed	523,567	509,347	494,019	470,529	452,567
Total Unemployed	19,415	17,970	18,100	17,705	21,552
Unemployment Rate	3.6%	3.4%	3.5%	3.6%	4.5%

⁽¹⁾ Source: Texas Workforce Commission.

⁽²⁾ Source: Data through June 2018.

Major Employers

The major employers in the City are set forth in the table below.

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Celina Independent School District	Education	329
City of Celina	Government	124
Celina Ready-Mix Concrete	Cement Manufacturing	69
Fini Enterprises Inc.	Chemical Manufacturing	68
Brookshire	Retail Grocery	67
Dickerson Construction	Construction	23
Independent Bank	Banking	18

Source: City Officials.

Surrounding Economic Activity

The major employers in municipalities surrounding the City are set forth in the table below.

City of McKinney, TX		City of Frisco, TX		City of Plano, TX		City of Denton, TX	
Approximately 15 Miles from Celina		Approximately 10 Miles from Celina		Approximately 25 Miles from Celina		Approximately 25 Miles from Celina	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
Raytheon Space & Airborne Systems	2,725	Frisco ISD	6,970	Capital One Finance	5,500	University of North Texas	8,738
McKinney ISD	2,548	City of Frisco	1,508	Bank of America Home Loans	3,400	Denton ISD	4,417
Collin County	1,922	Amersource Bergen Specialty Group	1,450	HP Enterprise Services	3,250	Peterbilt Motors-Headquarters & Plant	2,314
Encore Wire Corp.	1,350	Conifer	1,150	Ericsson	3,200	Denton State Supported Living Center	1,700
Globe Life/Torchmark	1,250	T-Mobile USA	760	Toyota Motor North America, Inc.	2,900	Texas Woman's University	1,672
City of McKinney	1,200	Baylor Medical Center	642	Frito-Lay	2,500	City of Denton	1,630
Medical Center of McKinney	850	Mario Sinacola & Sons Excavating	603	J.C. Penny Co., Inc.	2,420	Denton County	1,581
Baylor Medical Center	715	Oracle	500	Dell Services	2,250	Federal Emergency Management Agency	1,100
Collin College	635	Centennial Hospital	490	Texas Health Presbyterian Hospital Plano	1,680	Texas Presbyterian Hospital	1,076
Timber Blinds	450	Collin County College	429	Medical Center of Plano	1,600	Columbia Medical Center of Denton	950

City of Lewisville, TX	
Approximately 25 Miles from Celina	
Employer	Employees
JP Morgan Chase	3,478
Lewisville ISD	2,919
Vista Ridge Mall	1,500
Wal-Mart	900
Xerox	823
Medical Center of Lewisville	815
City of Lewisville	763
TIAA-CREG	600
SYSCO	563
Med-Fusion	483

City of Carrollton, TX	
Approximately 30 Miles from Celina	
Employer	Employees
Halliburton Energy Services	1,300
Thomson Reuters	1,000
McKesson Corporation	999
General Aluminum Corporation	700
Western Extrusions Corporation	600
Baylor Medical Center	565
Brandt	550
Rudy's Tortillas	500
Realpage	500
Hilton Reservations World Wide LLC	450

Source: Municipal Advisory Council of Texas

APPENDIX B
FORM OF INDENTURE

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APPENDIX C
FORM OF SERVICE AND ASSESSMENT PLAN

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

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APPENDIX E-1
FORM OF DISCLOSURE AGREEMENT OF ISSUER

Attachment: Celina-Glen Crossing PID 2018 PLOM (Phase #1B) 4151-3862-3255 1 (Glen Crossing resolution approving PLOM Distribution)

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APPENDIX E-2
FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [____], 2018

THE BONDS ARE INITIALLY OFFERED ONLY TO PERSONS WHO MEET THE DEFINITION OF (1) “ACCREDITED INVESTOR (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933), OR (2) “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933) OR (3) AN ENTITY WHICH ALL THE EQUITY OWNERS ARE QUALIFIED INSTITUTIONAL BUYERS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS”.

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law subject to the matters described under “TAX MATTERS” herein. See “TAX MATTERS — Tax Exemption” herein for a discussion of Bond Counsel opinion, including a description of certain alternative minimum tax consequences for corporations.

§[PRINCIPAL]*
CITY OF CELINA, TEXAS,
(a municipal corporation of the State of Texas located in Collin and Denton Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT)

Dated Date: [November 1], 2018

Due: September 1, as shown on the inside cover

Interest to Accrue from Date of Delivery

The City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #2 Project) (“Bonds”), are being issued by the City of Celina, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal amount and any integral multiple of \$5,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on or before March 1 and September 1, commencing [March 1], 2019, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owner thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by U.S. Bank National Association, as trustee (the “Trustee”), to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council of the City (the “City Council”) on [November 13], 2018, and an Indenture of Trust, dated [November 1], 2018, (the “Indenture”), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the costs of the Phase #2 Improvements (as defined herein), (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds. See “THE PHASE #2 IMPROVEMENTS” and “APPENDIX B — Form of Indenture.” Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments (as defined herein) levied against assessable properties in Phase #2 of the District in accordance with the Service and Assessment Plan, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS.” The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

The Bonds involve a degree of risk and are not suitable for all investors. See “BONDHOLDERS RISKS” and “SUITABILITY FOR INVESTMENT.” Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST (INCLUDING A REDEMPTION PREMIUM, IF ANY, THEREON). THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS.”

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by Norton Rose Fulbright US LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer by its [co-counsel, Owens, Campbell & Aik L.L.P. and Haynes & Boone, LLP] and by its special counsel, Shupe Ventura, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about [December 6], 2018.

FMSbonds, Inc.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND CUSIP NUMBERS**

CUSIP Prefix: _____ (a)

\$[PRINCIPAL]*
 CITY OF CELINA, TEXAS,
 (a municipal corporation of the State of Texas located in Collin and Denton Counties)
 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
 (GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

* *Preliminary; subject to change.*

- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after _____, 20__, at the redemption price of 100% of the principal amount plus accrued interest to the date of redemptions as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

**CITY OF CELINA, TEXAS
CITY COUNCIL**

<u>Name</u>	<u>Place</u>	<u>Term Expires (May)</u>
Sean Terry	Mayor	2020
Bill Webber	Place 1	2019
Wayne Nabors	Place 2	2021
Andy Hopkins	Place 3	2021
Carmen Roberts	Place 4	2020
Mindy Koehne	Place 5	2020
Chad Anderson	Place 6, Mayor Pro Tem	2019

CITY MANAGER
Jason Laumer

CITY SECRETARY
Vicki Faulkner

DIRECTOR OF FINANCE
Jay Toutouchian

PID ADMINISTRATOR
MuniCap, Inc.

FINANCIAL ADVISOR TO THE CITY
Hilltop Securities, Inc.

BOND COUNSEL AND DISCLOSURE COUNSEL
Norton Rose Fulbright US LLP

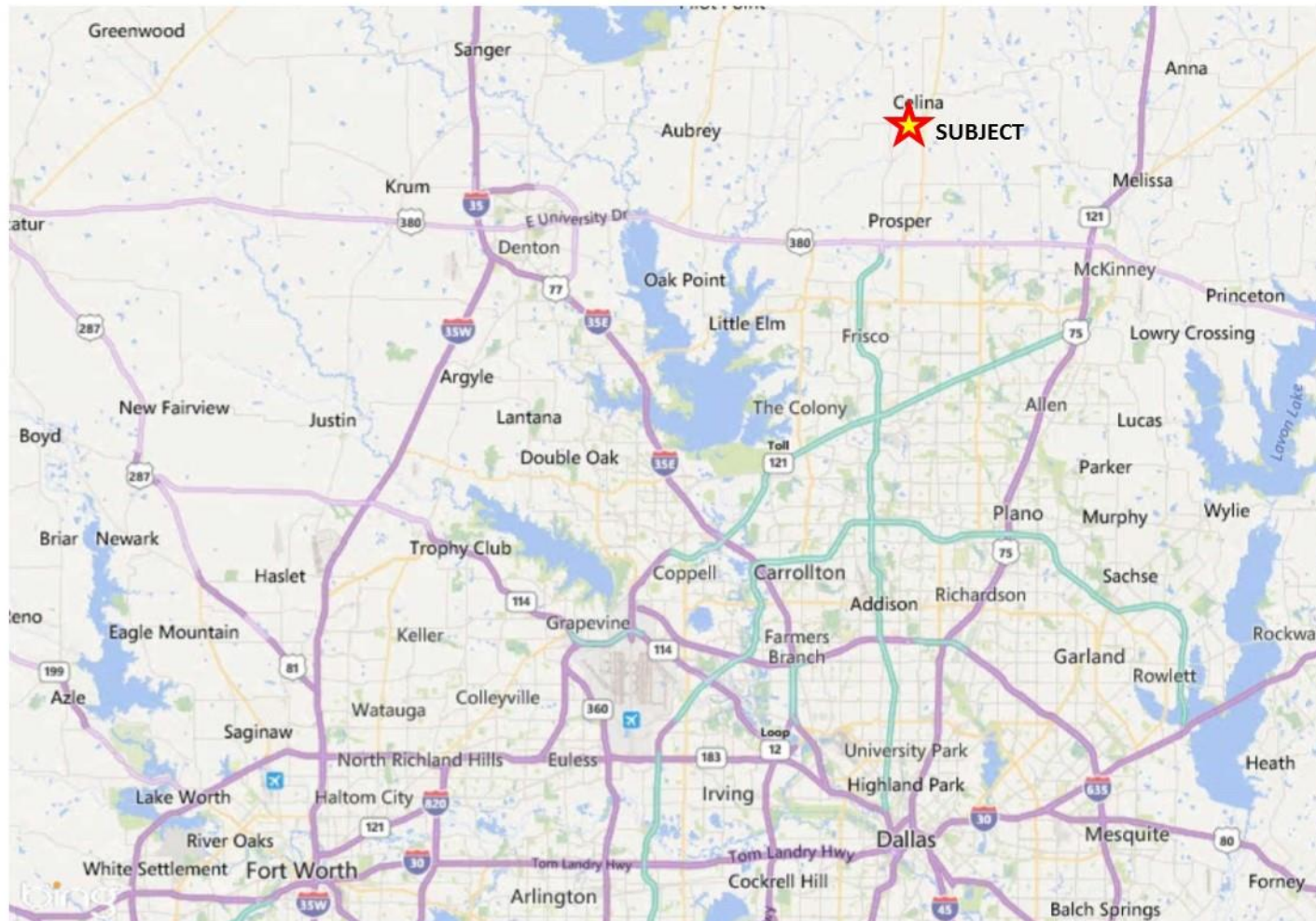
UNDERWRITER'S COUNSEL
Orrick, Herrington & Sutcliffe LLP

For additional information regarding the City, please contact:

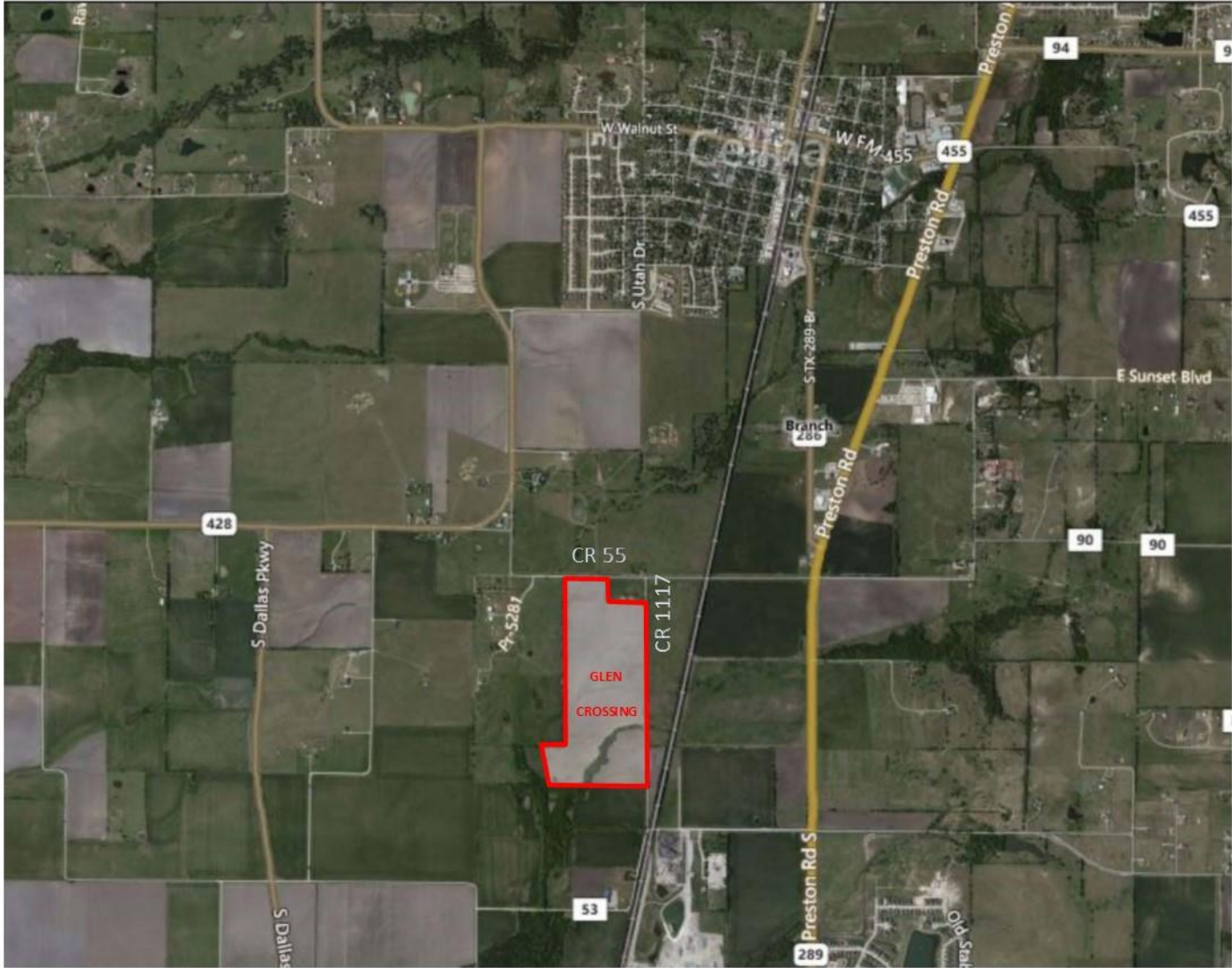
Jason Laumer
City Manager
City of Celina
142 N. Ohio Street
Celina, Texas 76201
(972) 382-2682
jlaumer@celina-tx.gov

Jason Hughes
Managing Director
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270
(214) 953-8707
jason.hughes@hilltopsecurities.com

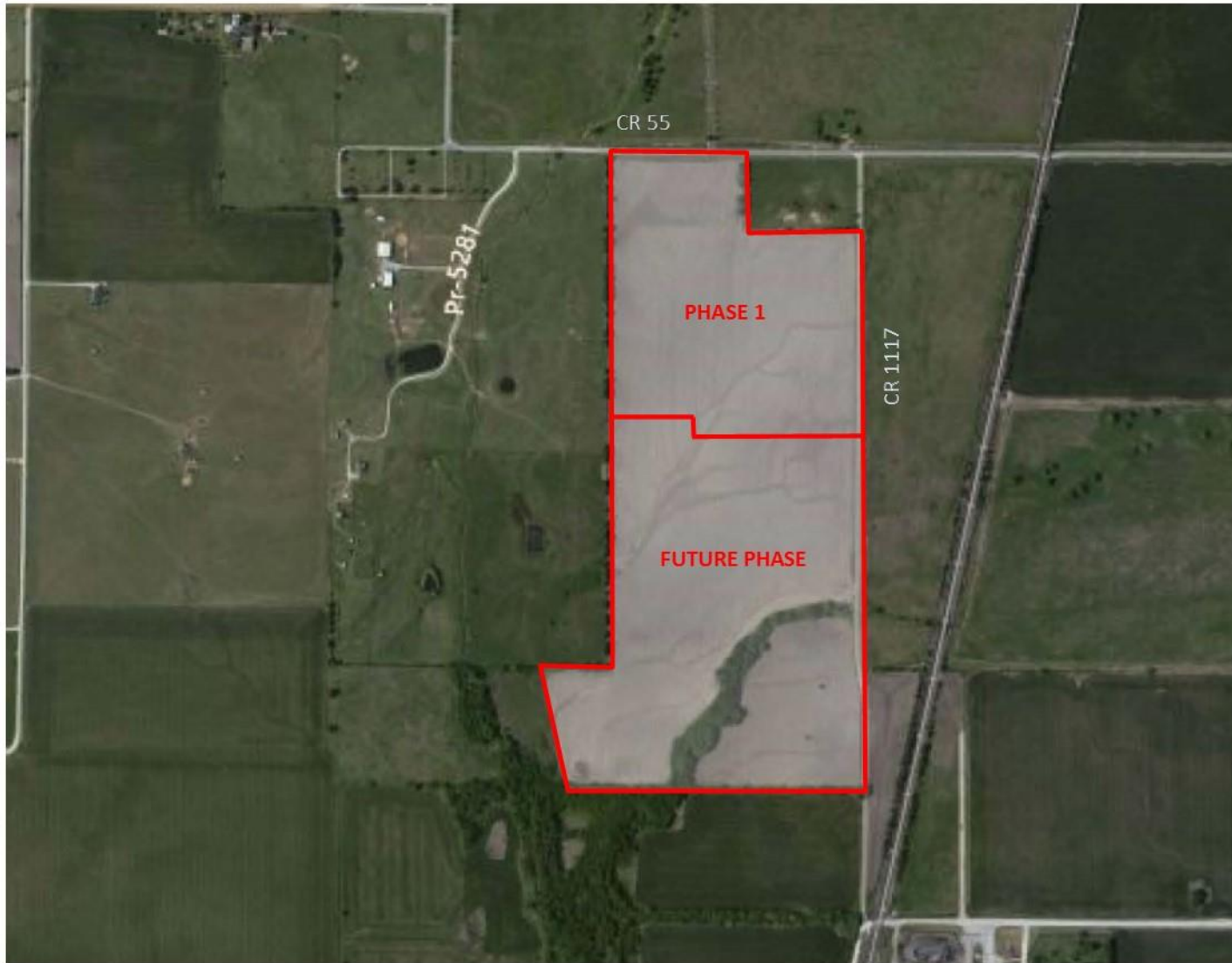
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF PHASE #1 AND PHASE #2 OF THE DISTRICT



FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THE LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "ACCREDITED INVESTOR" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER "RISK FACTORS" HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER

FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

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* Preliminary; subject to change.
4131-5706-3955.2

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PRELIMINARY LIMITED OFFERING MEMORANDUM

**[\$[PRINCIPAL]*
CITY OF CELINA, TEXAS,
(a municipal corporation of the State of Texas located in Collin and Denton Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018
(GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT PHASE #2 PROJECT)**

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Celina, Texas (the “City”), of its \$[PRINCIPAL]* aggregate principal amount of Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #2 Project) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS,” AND “SUITABILITY FOR INVESTMENT.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds is expected to be adopted by the City Council of the City (the “City Council”) on [November 13], 2018 (the “Bond Ordinance”), and an Indenture of Trust, dated as of [November 1], 2018, (the “Indenture”), entered into by and between the City and U.S. Bank National Association as trustee (the “Trustee”). The Bonds will be secured by special assessments (“Phase #2 Assessments”) levied against assessable property located within Phase #2 (as described herein below) of the Glen Crossing Public Improvement District (the “District”) pursuant to a separate ordinance expected to be adopted by the City Council on [November 1], 2018 (the “Assessment Ordinance”).

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B — Form of Indenture.”

Set forth herein are brief descriptions of the City, the District, the Developer (as defined herein), the Administrator (as defined herein), the Creation Resolution (as defined herein), the Assessment Ordinance, the TIRZ Ordinance (as defined herein), the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Amended Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 100 Crescent Court, Suite 700, Dallas, Texas 75201, telephone number (214) 302-2246. The form of the Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

* Preliminary; subject to change.

PLAN OF FINANCE

Development Plan

Wynne/Jackson, Inc., a Texas corporation (“Wynne/Jackson”), an affiliate of W/J CR 55 LP, a Texas limited partnership (the “Developer”), initially had the property within the District (the “Property”) under contract. On June 17, 2016, prior to the acquisition of the Property, Wynne/Jackson assigned the purchase contract to the Developer. The Developer acquired the Property on June 17, 2016.

The Development consists of two phases. The boundaries of the District and each of the planned phases are shown in the “MAP SHOWING BOUNDARIES OF PHASE #1 AND PHASE #2 OF THE DISTRICT” on page v. The Developer completed development of 159 lots in the initial phase (“Phase #1”) in October 2017. As of September 13, 2018, [33] homes were under construction in Phase #1, [33] homes have been completed, and [] homes have been sold to homeowners. The Developer’s current plans consist of developing infrastructure to serve the remaining property (“Phase #2”) in the District. See “THE DEVELOPMENT – Current and Expected Buildout of the Development” and “– Builder Contracts.” The Developer plans to construct public and private infrastructure to serve approximately 197 residential lots in Phase #2 of the District.

The Developer has requested that the City issue the Bonds, the proceeds of such Bonds to be used to provide funds for (i) paying a portion of the costs of certain public improvements to serve Phase #2 of the District (the “Phase #2 Improvements”), (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds. The Bonds will be secured by the Trust Estate, including primarily Assessments on property within Phase #2 of the District. See “THE PHASE #2 IMPROVEMENTS” and “SECURITY FOR THE BONDS.”

The City and Developer also entered into a reimbursement agreement dated as of July 12, 2016, related the District, including a “Phase #1 Addendum” related to Phase #1 (the reimbursement agreement and all addenda are, together, the “PID Reimbursement Agreement”). [Concurrently with the sale of the Bonds, the City expects to enter into a “Phase #2 Addendum” with the Developer as part of the PID Reimbursement Agreement pursuant to which the City will agree to reimburse the Developer for a portion of costs not paid with proceeds of the Bonds from the Assessments. The Bonds and the City’s obligations under the PID Reimbursement Agreement are both secured by the Assessments; however, the payment of debt service on the Bonds from the Assessments is superior in right to payment of obligations under the PID Reimbursement Agreement.] See “SECURITY FOR THE BONDS – Pledged Revenue Fund.”

The City has previously issued its Special Assessment Revenue Bonds, Series 2016 (Glen Crossing Public Improvement District Phase #1 Project) (the “Initial Phase #1 Bonds”) in an original principal amount of \$3,550,000 to pay a portion of the costs of constructing the public improvements to serve Phase #1 of the District (the “Phase #1 Improvements”). The Initial Phase #1 Bonds are secured by separate special assessments levied against the assessable property in Phase #1 of the District (the “Phase #1 Assessments”).

The PID Reimbursement Agreement provides, in part, for the payment of the costs of the Phase #1 Improvements, the issuance of the Phase #1 Bonds and additional bonds secured by the Phase #1 Assessments, the reimbursement of a portion of the costs to the Developer from the proceeds of such bonds and/or the Phase #1 Assessments.

At delivery of the Bonds, the Developer expects to contribute funds in the approximate amount of \$[1,607,619]*, which will be used to pay for the costs of the Phase #2 Improvements not funded through the issuance of the Bonds. See “SOURCES AND USES OF FUNDS.” Additionally, the Developer expects to contribute funds in the approximate amount of \$[1,982,008]*, which will be used to pay for costs of certain additional public improvements of the City (the “City Improvements”) within the District. See “THE DEVELOPMENT – Amenities” and “– Other City Improvements.”

Concurrently with the issuance of the Bonds, the City intends to issue its \$[PHASE 1 PRINCIPAL]* City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Improvement Area #1B Project) (the “Phase #1B Bonds”) to reimburse the Developer for the remainder of the City’s obligations related to the Phase #1 Improvements. The Phase #1B Bonds will be secured by the Phase #1 Assessments on parity with the Initial Phase #1 Bonds and upon issuance and payment of the net proceeds to the Developer the City’s obligations to reimburse the Developer under the PID Financing Agreement with respect to the Phase #1 Improvements will be terminated.

The Bonds and the bonds related to Phase #1 (include the Initial Phase #1 Bonds and the Phase #1B Bonds) issued by the City are separate and distinct issues of securities secured by separate special assessments. [Any Additional Bonds issued by the City as parity bonds under the Indenture will likewise be separate and distinct issues of securities and will be secured by the Assessments.] The Initial Phase #1 Bonds, the Phase #1B Bonds and any Additional Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.

Status of Builder Contracts

Phase #1. 157 of the 159 lots in Phase #1 of the District are under contract with homebuilders Horizon/Highland Homes (79 lots) and Perry Homes (78 lots). As of September 13, 2018, 101 lots have been taken down by such builders, [21] homes were under construction in Phase #1, [28] homes have been completed, and [] homes have been sold to homeowners. See “THE DEVELOPMENT – Builder Contracts.”

Phase #2. For the 197 lots planned for Phase #2, the Developers has signed letters of intent with Highland Homes (99 lots) and History Maker Homes (98 lots). See “THE DEVELOPMENT – Builder Contracts.”

The Bonds

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Actual Costs of the Phase #2 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase #2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to the Phase #2 Improvement Account of the Project Fund (both defined herein) or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “THE PHASE #2 IMPROVEMENTS,” “APPENDIX B – Form of Indenture” and “SOURCES AND USES OF FUNDS.”

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessments to be levied against the assessable parcels or lots within Phase #2 of the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

The Bonds shall never constitute an indebtedness or general obligation of the City, the State or any other political subdivision of the State, within the meaning of any Constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and “qualified institutional buyers” as defined in Rule 144A promulgated under the

* Preliminary, subject to change.

Securities Act of 1933. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged, represented and warranted to the City as follows:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute the investment letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act or a “qualified institutional buyer” under Rule 144A of the Securities Act, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Phase #2 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that underwriter is not deemed officers or employees of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid to the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the District (which has no taxing power), the State of Texas (the “State”) or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the full faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State of Texas with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing [March 1], 2019 (each an “Interest Payment Date”), until maturity or prior redemption. U.S. Bank National Association is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal and any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”), provided, however, that if the total principal amount of Outstanding Bonds, is less than \$25,000 then the Authorized Denomination shall be the amount of the Outstanding Bonds. Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, at the redemption price of 100% of the principal amount plus accrued interest to the date of redemption.

See “SECURITY FOR THE BONDS — Pledged Revenues” and “—Additional Obligations or Other Liens; Additional Bonds” for an explanation of the City’s expectations with respect to the issuance of Additional Bonds.

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the first day of any month, at the Redemption Price of 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of (i) Prepayments, (including related transfers to the Redemption Fund from the accounts in the Reserve Fund as provided in the Indenture), (ii) Foreclosure Proceeds to the extent that such proceeds are not needed to restore deficiencies in the Reserve Fund, (iii) transfers to the Redemption Fund from the Prepayment Reserve Account pursuant to the Indenture in the event that the Prepayment Reserve Account contains the Prepayment Reserve Requirement, (iv) transfers to the Redemption Fund from the Delinquency Reserve Account pursuant to the Indenture in the event that the Delinquency Reserve Account contains the Delinquency Reserve Requirement, and (v) transfers to the Redemption Fund made pursuant to the Indenture in the event that the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price of par, plus accrued and unpaid interest to the redemption date, from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

<u>\$ _____ Term Bonds Maturing September 1, 20__ *</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	
September 1, 20__†	

\$ _____ Term Bonds Maturing September 1, 20__ ***Redemption Date**

September 1, 20__

September 1, 20__†

Sinking Fund Installment**\$ _____ Term Bonds Maturing September 1, 20__ *****Redemption Date**

September 1, 20__

September 1, 20__†

Sinking Fund Installment**\$ _____ Term Bonds Maturing September 1, 20__ *****Redemption Date**

September 1, 20__

September 1, 20__†

Sinking Fund Installment

* Preliminary, subject to change.

† Stated maturity.

At least forty-five (45) days prior to each mandatory sinking fund redemption date, the Trustee will select a principal amount of Bonds equal to the Sinking Fund Installment amount for such date of such maturity of Bonds to be redeemed, will call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to the mandatory sinking fund redemption described above shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among outstanding Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption. (a) The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice

shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Additional Provisions with Respect to Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in minimum principal amounts of \$5,000 in excess thereof by any method selected by the Trustee that results in a pro rata reduction of the outstanding maturities. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond \$5,000.

A portion of a single Bond of a denomination greater than an Authorized Denomination may be redeemed, but only in a principal amount equal to \$5,000. The Trustee shall treat each \$5,000 portion of such Bond as though it were a single bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued.

Upon surrender of any Bond in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a Bond or Bonds of like tenor, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond or Bonds so surrendered.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges

between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any

statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE BONDS

General

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments levied against the assessable parcels or lots within Phase #2 of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. Phase #2 contains approximately 67.5 acres within the District. Other than land that will be dedicated to the City, all the property within the District will be assessed. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as updated, amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the property within the District, including Phase #2, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the assessments (including Phase #2 Assessments), and provides

for the allocation of Pledged Revenues for payment of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the special assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Phase #2 Improvements by levying Phase #2 Assessments upon properties in Phase #2 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in each phase of the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Indenture, Pledged Revenues are the sum of (i) Assessment Revenue less (a) the Annual Collection Costs and (b) Foreclosure Proceeds, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds. “Assessment Revenue” means moneys collected by or on behalf of the City from any one or more of the following: (i) a Phase #2 Assessment levied against an Phase #2 Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds. “Annual Installments” means, with respect to each Phase #2 Assessed Parcel, each annual payment of the Phase #2 Assessments as shown on the Phase #2 Assessment Roll attached to the Service and Assessment Plan as Appendix F and related to the Bonds and the Phase #2 Improvements; which annual payment includes the 0.20% additional interest rate collected on each annual payment of the Assessments related to the Bonds for the Prepayment Reserve Account (the “Prepayment Component”) and the 0.30% additional interest rate collected on each annual payment of the Assessments related to the Bonds for the Delinquency Reserve (the “Delinquency Component”) as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update. The City will covenant in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See “— Pledged Revenue Fund,” “APPENDIX B — Form of Indenture” and “APPENDIX C — Form of Service and Assessment Plan.”

The PID Act provides that the Phase #2 Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims, except liens and claims for State of Texas (the “State”), county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Phase #2 Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” herein.

Collection and Deposit of Assessments

The Phase #2 Assessments shown on the Phase #2 Assessment Roll, together with the interest thereon, shall first be applied to the payment of the principal of and interest on the Bonds as and to the extent provided in the Service and Assessment Plan and the Indenture.

The Phase #2 Assessments assessed to pay debt service on the Bonds [and amounts owed under the PID Reimbursement Agreement], together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds [and amounts owed under the PID Reimbursement Agreement]. An Annual Installment of a Phase #2 Assessment has been made payable in the Assessment Ordinance in each fiscal year of the City preceding the date of final maturity of the Bonds which, if collected, will be sufficient to first pay debt service requirements attributable to Phase #2 Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Phase #2 Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds is shown on the Phase #2 Assessment Roll. Sums received from the collection of the Phase #2 Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Notwithstanding the foregoing, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Phase #2 Assessed Parcel or Phase #2 Assessed Parcels to which the Foreclosure Proceeds relate, and second, to the Redemption Fund. The Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund. See “SECURITY FOR THE BONDS — Pledged Revenue Fund” and “APPENDIX B — Form of Indenture.”

The portions of the Annual Installments of Phase #2 Assessments collected to pay Annual Collection Costs and Delinquent Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Amount of Assessments May be Reduced by TIRZ Credit

On June 14, 2016, the City created a tax increment reinvestment zone known as “Reinvestment Zone Number Six, City of Celina, Texas” (the “TIRZ”), pursuant to Chapter 311 of the Texas Tax Code (the “TIRZ Act”) covering the property in Phase #1 of the District. On July 12, 2016, the City adopted an ordinance (the “Initial TIRZ Ordinance”) authorizing the use of TIRZ Revenues (defined below) for project costs under the TIRZ Act, relating to the Public Improvements as provided for in the Reinvestment Zone Number Six Project and Financing Plan (including amendments or supplements thereto). The City expects to adopt an ordinance expanding the boundaries of the TIRZ to include all property in Phase #2 of the District on [November 13, 2018] (the “TIRZ Amendment,” and with the Initial TIRZ Ordinance, the “TIRZ Ordinance”).

“TIRZ Revenues” mean, for each year during the term of the TIRZ, an amount transferred by the City from the TIRZ tax increment fund to the Bond Pledged Revenue Account of the Pledged Revenue Fund pursuant to an agreement between the Developer and the City (the “TIRZ Agreement”) to reduce on a parcel-by-parcel basis the Annual Installment of the Assessment due each year, as calculated each year by the Administrator in collaboration with the City, in accordance with the Service and Assessment Plan and the TIRZ Agreement. Pursuant to the Amended Development Agreement dated to be effective June 14, 2016 (as assigned to and assumed by the Developer on June 17, 2016, the “Amended Development Agreement”) between the City and the Developer, the City created the TIRZ. The TIRZ Revenues will be an amount equal to the captured appraised value of the TIRZ times 43.71 percent of the City’s tax rate levied and collected in the TIRZ. [Upon final pricing of the Bonds and after a public hearing, the City may increase or decrease the TIRZ Credit to achieve a maximum net tax equivalent amount of 0.4581 per \$100 of assessed value]. See “OVERLAPPING TAXES AND DEBT.”

In the TIRZ Ordinance and the TIRZ Agreement, the City agreed to use TIRZ Revenues generated from each Phase #2 Assessed Parcel in Phase #2 of the District to provide for an offset or credit against the Phase #2s Assessments levied against such Phase #2 Assessed Parcel on a parcel-by-parcel basis as described in the Service and Assessment Plan (the “TIRZ Credit”). The Annual Installment for each Phase #2 Assessed Parcel will be calculated by deducting the TIRZ Credit applicable to each Parcel from the Annual Installment for such Phase #2 Assessed Parcel.

Under the TIRZ Agreement, the TIRZ Revenues generated by each parcel in any given year shall be used to calculate such parcel’s TIRZ Credit in the following year (i.e., TIRZ Revenues collected in 2019 shall be used to calculate the TIRZ Credit applicable to Annual Installments to be collected in 2020). TIRZ Credits shall be calculated for those Parcels that are subject to Assessments. The Equivalent Units to be used for the calculation of the TIRZ Credit shall be determined by the Administrator based on the information available to the Administrator at the time of such calculations. The TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value in the TIRZ in any year. Consequently, the TIRZ Revenues are generated only if the appraised value of real property in the TIRZ in any year is greater than the base value. The tax increment base pursuant to the TIRZ Ordinance is estimated to be \$[44.69] which is the amount of tax the City collected on the property in Phase #1 of the District for calendar year 2016 (the year the TIRZ was created) plus the amount of tax the City

collected on the property in Phase #2 of the District for calendar year [2018] (the year Phase #2 was added to the TIRZ). Any delay or failure of Developer to develop Phase #2 may result in a reduced amount of the TIRZ Revenue being available to credit the Assessments. See “ASSESSMENT PROCEDURES — Assessment Amounts — TIRZ Credit” and “APPENDIX C — Form of Service and Assessment Plan.”

The TIRZ will terminate on December 31, 2045, unless terminated by the City earlier. The City expects to collect TIRZ revenues for the last year in calendar year 2046, and apply them to the TIRZ Credit in 2047.

THE TIRZ REVENUES WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT TIRZ REVENUES TO GENERATE A TIRZ CREDIT. THE TIRZ CREDIT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF PHASE #2 ASSESSMENTS COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS AND ADMINISTRATIVE EXPENSES AND THE FUNDING OF THE PREPAYMENT RESERVE REQUIREMENT AND THE DELINQUENCY RESERVE REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. SUCH TIRZ CREDIT IS NOT EXPECTED TO BE AVAILABLE TO REDUCE THE ANNUAL INSTALLMENT FOR ANY PHASE #2 ASSESSED PARCELS IN PHASE #2 UNTIL [2020]. TIRZ REVENUES GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN PHASE #2 DURING THE DEVELOPMENT OF SUCH PARCEL WILL RESULT IN A TIRZ CREDIT WHICH IS NOT SUFFICIENT TO ACHIEVE THE NET TAX RATE EQUIVALENT ASSESSMENT OF \$0.4581 PER \$100 ASSESSED VALUE (THE “TARGETED NET AVERAGE ANNUAL INSTALLMENT”). THE TIRZ CREDIT MAY NOT PROVIDE FOR THE TARGETED NET AVERAGE ANNUAL INSTALLMENT UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. See “OVERLAPPING TAXES AND DEBT.”

Unconditional Levy of Assessments

The City will impose Phase #2 Assessments on the property within Phase #2 of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Phase #2 Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Phase #2 Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Phase #2 Assessments. Pursuant to the Assessment Ordinance, interest on the Phase #2 Assessments will be calculated at the rate of interest on the Bonds plus 0.50%, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of a Phase #2 Assessment, shall be calculated on September 1 and shall be due when billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due when billed on or about October 1, [2018], and will be delinquent if not paid prior to February 1, [2019].

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Bonds are Outstanding and unpaid, commencing on or about October 1, [2018], an assessment to pay the annual costs incurred by the City in the administration and operation of Phase #2 of the District. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The assessments to pay annual expenses shall be due in the manner set forth in the Assessment Ordinance when billed on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such assessments to pay expenses do not secure repayment of the Bonds.

There will be no discount for the early payment of Phase #2 Assessments.

Phase #2 Assessments, together with interest, penalties, and expense of collection and reasonable attorneys’ fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are

named. The lien for Phase #2 Assessments and penalties and interest begins on the effective date of the Assessment Ordinance and continues until the Phase #2 Assessments are paid or until all Bonds are finally paid.

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Phase #2 Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Pledged Revenues shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Pledged Revenues, the filing of the Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur. See "APPENDIX B — Form of Indenture."

Pledged Revenue Fund

The City has created under the Indenture a Pledged Revenue Fund to be held by the Trustee. On or before February 1 of each year while the Bonds are Outstanding and beginning in [2019], the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Assessment Revenues (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in amounts sufficient to pay debt service on the Bonds coming due in such calendar year, (ii) *second*, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third, to the Prepayment Reserve Account and the Delinquency Reserve Account, respectively, amounts equal the Delinquency Component and the Prepayment Component described in the Indenture; (iv) fourth, to the Developer Reimbursement Pledged Revenue Account of the Pledged Revenue Fund to reimburse the Developer for Actual Costs of Phase #2 Improvements that have been paid from the Developer Improvement Account of the Project Fund (pursuant to the terms of the PID Reimbursement Agreement), (v) fifth, to pay other costs of the Public Improvements, and (vi) sixth, to pay other costs permitted by the PID Act.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund (as described under the subcaption "Reserve Fund" below), there are insufficient funds to make the payments to the Principal and Interest Account of the Bond Fund described above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

Notwithstanding the deposits described in (i) first through (vi) sixth above, the Trustee shall transfer Prepayments to the Redemption Fund as soon as practical after deposit of such amounts into the Pledged Revenue Fund.

Notwithstanding the deposits described in (i) first through (vi) sixth above, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to

the Phase #2 Assessed Parcel or Phase #2 Assessed Parcels to which the Foreclosure Proceeds relate, and second, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the City may direct the Trustee by City Order to apply Phase #2 Assessments for any lawful purposes permitted by the PID Act for which Phase #2 Assessments may be paid.

Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided in the Indenture.

Project Fund

Funds disbursed from the Project Fund pursuant to the Indenture or the PID Reimbursement Agreement shall be made first from Bond Proceeds held in the Phase #2 Improvement Account and the Costs of Issuance Account within the Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the Project Fund.

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay Actual Costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The disbursement of funds from the Project Fund pursuant to a Certificate for Payment shall be pursuant to and accordance with the disbursement procedures described in the PID Reimbursement Agreement; and such disbursements shall be made first from the Phase #2 Improvement Account of the Project Fund until all funds in such account are depleted and then next from the Developer Improvement Account of the Project Fund.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Phase #2 Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Phase #2 Improvements, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Phase #2 Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Phase #2 Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Phase #2 Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

Upon the filing of a City Certificate stating that all Phase #2 Improvements have been completed and that all Actual Costs of the Phase #2 Improvements allocable to the Phase #2 Assessed Parcels have been paid, or that any such Actual Costs are not required to be paid from the Project Fund pursuant to a Certification for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Phase #2 Improvement Account of the Project Fund to the Bond Fund, (ii) shall transfer any remaining amount in the Developer Improvement Account of the Project Fund to the Developer and (iii) the Project Fund shall be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee and will be funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of their date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of their date of issuance, and (iii) 10% of the proceeds of the Bonds; provided,

however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments and surplus Bond proceeds; and provided further that as a result of an optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is \$_____ which is an amount equal to [Maximum Annual Debt Service] on the Bonds as of the date of issuance.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency Reserve Account of the Reserve Fund (described below), second from the Reserve Account of the Reserve Fund, and third from the Prepayment Reserve Account of the Reserve Account (described below), to the Bond Fund in the amount necessary to cure such deficiency.

Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to the Indenture, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption.

Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Prepayment Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The Trustee will transfer the Prepayment Component from the Pledged Revenue Fund to the Prepayment Reserve Account on March 1 and September 1 of each year, commencing [March 1, 2019], until the amount on deposit therein is equal to the Prepayment Reserve Requirement; provided, however, that at any time the amount on deposit in the Prepayment Reserve Account is less than Prepayment Reserve Requirement, the Trustee shall resume depositing the Prepayment Component into the Prepayment Reserve Account until the Prepayment Reserve Requirement has accumulated in the Prepayment Reserve Account. The Prepayment Reserve Requirement is an amount equal to 1.5% of the principal amount of the Outstanding Bonds. The City has allocated the Prepayment Component of the Annual Installments, authorized by the PID Act, to the Prepayment Reserve Account for such purpose. Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Prepayment Reserve Account exceed the Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Prepayment Reserve Amount"). The Excess Prepayment Reserve Amount shall be transferred, at first to the Delinquency Reserve Account or, in the event that the Delinquency Reserve Account contains the Delinquency Reserve Requirement, to the Redemption Fund to redeem Bonds pursuant to the Indenture. See "APPENDIX B — Form of Indenture" and "APPENDIX C — Form of Service and Assessment Plan."

Moneys deposited in the Prepayment Reserve Account will be used and withdrawn by the Trustee for the purpose of making transfers to the Redemption Fund, pursuant to, and at the times specified in, the Indenture to pay a portion of the accrued interest on Bonds being redeemed pursuant to an extraordinary optional redemption for Prepayments. The amount to be transferred shall be an amount, for each Prepayment, equal to the amount of any shortfall, after transfers from the Reserve Account of the Reserve Fund as described above and application of investment earnings on the Prepayment toward payment of accrued interest, in funds necessary to pay the principal amount plus accrued interest on such Bonds to be redeemed as a result of the Prepayment.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency Reserve Account of the Reserve Fund, second from the Reserve Account of the Reserve Fund and third from the Prepayment Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

Delinquency Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The Trustee will transfer the Delinquency Component from the Pledged Revenue Fund to the Delinquency Reserve Account on a semi-annual March 1 and September 1 of each year, commencing [March 1, 2019], until the amount on deposit therein is equal to the Delinquency Reserve Requirement. The Delinquency Reserve Requirement is an amount equal to 4.0% of the principal amount of the Outstanding Bonds. The City has allocated the Delinquency Component of the Annual Installments authorized by the PID Act, to the Delinquency Reserve Account for such purpose. Once the Delinquency Reserve Requirement has been accumulated in the Delinquency Reserve Account, any amounts in excess of the Delinquency Reserve Requirement in the Delinquency Reserve Account shall be transferred by the Trustee to the Redemption Fund to redeem Bonds; however, that at any time the amount on deposit in the Delinquency Reserve Account is less than Delinquency Reserve Requirement, the Trustee shall resume depositing such Delinquency Component into the Delinquency Reserve Account until the Delinquency Reserve Requirement has accumulated in the Delinquency Reserve Account. See “APPENDIX B — Form of Indenture” and “APPENDIX C — Form of Service and Assessment Plan.”

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the value of cash and value of Investment Securities on deposit in the Delinquency Reserve Account exceeds the Delinquency Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the “Excess Delinquency Reserve Amount”). Such excess on deposit in the Delinquency Reserve Account shall be transferred, by the Trustee to the Redemption Fund in order to effect the redemption of Bonds pursuant to the Indenture.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency Reserve Account of the Reserve Fund, second from the Reserve Account of the Reserve Fund and third from the Prepayment Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

Developer Project Fund

Pursuant to the Indenture, a Developer Project Fund, including a Developer Private Improvement Account and a Developer Public Improvement Account, will be created. Moneys deposited in the Developer Private Improvement Account of the Developer Project Fund in accordance with the provisions of the Amended Development Agreement and the PID Reimbursement Agreement shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and shall be disbursed as provided in the PID Reimbursement Agreement.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Developer Private Improvement Account of the Developer Project Fund are not expected to be expended for purposes of the Developer Private Improvement Account due to the abandonment, or constructive abandonment, of the Private Improvements (as defined in the Service and Assessment Plan) such that, in the opinion of the City Representative, it is unlikely that the amounts in the Developer Private Improvement Account will ever be expended for the purposes of the Private Improvements, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Developer Private Improvement Account that are not expected to be used for the Private Improvements. If such City Certificate is so filed, the amounts on deposit in the Developer Private Improvement Account shall be transferred to the Developer on the earliest practicable date. In making any such determination, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Moneys deposited in the Developer Public Improvement Account of the Developer Project Fund in accordance with the provision of the Amended Development Agreement and the PID Reimbursement Agreement shall be held separate and apart from the other Funds created and administered under the Indenture and shall be disbursed by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The disbursement of funds from the Developer Project Fund pursuant to a Certificate for Payment shall be pursuant to and in accordance with the disbursement procedures described in the PID Reimbursement Agreement.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Developer Public Improvement Account of the Developer Project Fund are not expected to be expended for purposes of the Developer Public Improvement Account due to the abandonment, or constructive abandonment, of the City Improvements (as defined in the Service and Assessment Plan) such that, in the opinion of the City Representative, it is unlikely that the amounts in the Developer Public Improvement Account will ever be expended for the purposes of the City Improvements, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Developer Public Improvement Account that are not expected to be used for the City Improvements. If such City Certificate is so filed, the amounts on deposit in the Developer Public Improvement Account shall be transferred to the Developer on the earliest practicable date. In making any such determination, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a City Certificate stating that all City Improvements have been completed, the Trustee shall transfer the amount, if any, remaining within the Developer Project Fund to the Developer and the Developer Project Fund shall be closed.

Notwithstanding any provision of the Indenture to the contrary, nothing in the Indenture shall affect or impair the right of City and Developer to modify the applicable terms of the PID Reimbursement Agreement relating to the disbursement of moneys deposited in the Developer Project Fund.

Administrative Fund

The City has created under the Indenture an Administrative Fund held by the Trustee. Upon receipt, the City shall transfer to the Trustee, for deposit to the District Administration Account of the Administrative Fund, the portion of the Annual Installment of Assessments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs as set forth in the Service and Assessment Plan. Moneys in the District Administration Account of the Administrative Fund may be used as directed by City Order for the purposes set forth in the Service and Assessment Plan, including payment of the Annual Collection Costs and Delinquent Collection Costs. See “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Redemption Agreement, the Developer shall deposit an amount equal to the lesser of either (i) \$5,000 or (ii) two times the amount of property tax on the Property that is classified as agricultural in the current Tax year to be held in the Developer Property Tax Account of the Administrative Fund under the terms of such agreement. Moneys in the Developer Property Tax Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and shall be released to the Developer as directed by City Order; provided, however, that the Trustee shall transfer to the Developer any amounts remaining in the Developer Property Tax Account of the Administration Fund after the last Outstanding Bond is discharged regardless of whether a City Order directing such action is received.

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS.

Defeasance

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then rating the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys so deposited with the Trustee nor

principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; and provided further investments and are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- (i) The failure of the City to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Phase #2 Assessments including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; and
- (iv) Default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate outstanding principal of the Bonds with a copy to the Trustee, specifying such default by the Owners of at least 25% of the Bonds at the time Outstanding requesting that the failure be remedied.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, the Owners of at least 25% of the Bonds then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the 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.

THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the 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, (ii) such default has become an Event of Default and the Owners of 25% 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 the Indenture, (iv) the Trustee has for ninety (90) 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 90-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 the 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 the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy hereunder.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the

Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or redemption price then due on Bonds, as follows:

FIRST: To the payment to the registered owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the registered owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners.

In the event funds are not adequate to cure any of the Events of Default described in above, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of the Indenture.

The restoration of the City to its prior position after any and all defaults have been cured, as provided above, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund established pursuant to the Indenture shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times.

Obligations purchased as an investment of moneys in any Fund shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Against Encumbrances

The City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Other Liens

Other than bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with the Indenture as a lien or charge upon the Pledged Revenues or Pledged Funds; provided, however, that nothing shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

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SOURCES AND USES OF FUNDS*

The table that follows summarizes the expected sources and uses of proceeds of the Bonds and additional funds received from the Developer:

Sources of Funds:	
Principal Amount	\$
Developer Contribution Phase #2 Improvements ⁽¹⁾	
[Developer Contribution Other Costs ⁽²⁾]	
Developer Redemption Agreement Property Tax Requirement	
TOTAL SOURCES	\$
Use of Funds:	
Deposit to Phase #2 Improvement Account of Project Fund	\$
Deposit to Developer Improvement Account of Project Fund ⁽¹⁾	
[Deposit to Developer Public Improvement Account of the Developer Project Fund ⁽³⁾]	
[Deposit to Developer Private Improvement Account of the Developer Project Fund ⁽⁴⁾]	
Deposit to Capitalized Interest Account of Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to District Administration Account of the Administrative Fund	
Deposit to Developer Property Tax Account of the Administrative Fund	
Deposit to Costs of Issuance Account of the Project Fund ⁽⁵⁾	
TOTAL USES	\$

* Preliminary; subject to change.

- (1) Represents approximate amount of Developer's cash contribution of funds at delivery of the Bonds to pay for a portion of the costs of the Phase #2 Improvements in the amount of \$_____ (with \$_____ of such amount to be reimbursed to the Developer [pursuant to the PID Reimbursement Agreement]). See "THE PHASE #2 IMPROVEMENTS — General."
- (2) Represents approximate amount of Developer cash contribution of funds at delivery of the Bonds in the amount of \$_____ to pay for the costs of certain infrastructure improvements not eligible to be financed through the District.
- (3) Represents approximate amount of Developer cash contribution to pay for the costs of the City Improvements.
- (4) Represents approximate amount of Developer cash contribution to pay for the costs of the Private Improvements.
- (5) Includes District establishment costs and other costs of issuance and Underwriter's discount of \$_____, which discount includes Underwriter's Counsel's fee of \$_____.

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DEBT SERVICE REQUIREMENTS*

The following table sets forth the anticipated debt service requirements for the Bonds:

<u>Year Ending (September 1)</u>	<u>Principal</u>	<u>Interest⁽¹⁾</u>	<u>Total</u>
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
Total	<u>\$[PRINCIPAL]</u>		

⁽¹⁾ Assumes an interest rate for the Bonds of approximately ____% per annum.

* Preliminary; subject to change.

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Attachment: Celina-Glen Crossing PID 2018 PLOM (Phase #2) 4131-5706-3955 2 (Glen Crossing resolution approving PLOM Distribution)

OVERLAPPING TAXES AND DEBT

The land within Phase #2 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Phase #2 Assessments.

Overlapping Taxes of the District

In addition to the Phase #2 Assessments described above, the Developer anticipates that each lot owner in Phase #2 of the District will pay a maintenance and operation fee and/or a property owner's association fee to a homeowner's association (the "HOA"), which is expected to be formed by the Developer after delivery of the Bonds. In addition to the City, Collin County, the Celina Independent School District, and the Collin County Community College District may each levy ad valorem taxes upon land in Phase #2 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in Phase #2 of the District. Phase #2 of the District is located entirely within Collin County.

<u>Taxing Entity</u>	2018 Ad Valorem Tax Rate ⁽¹⁾
The City	\$ 0.6450
Collin County	0.1922
Collin County Community College District	0.0798
Celina Independent School District	<u>1.6400</u>
Total Existing Tax Rate	<u>\$ 2.5570</u>
 Estimated Average Annual Installment in Phase #2 of the District as tax rate equivalent per Equivalent Unit ⁽²⁾	 \$ 0.752
 Less Projected TIRZ Credit per parcel as tax rate equivalent	 <u>\$(0.2939)</u>
 Targeted Net Average Annual Installment as tax rate equivalent	 <u>\$ 0.4581</u>
 Net Estimated Total Tax Rate and Average Annual Installment in Phase #2 of the District as tax rate equivalent per Equivalent Unit	 <u>\$ 3.0151</u>

⁽¹⁾ As reported by the taxing entities. Per \$100 taxable appraised value.

⁽²⁾ Derived from information presented in Appendix F of the Service and Assessment Plan. Includes Phase #2 Assessments initially levied for payment of the Bonds. See "SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ Credit." Preliminary, subject to change.

Source: Collin Central Appraisal District, the City, and Assessment Consultant and Administrator.

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Overlapping Debt of the District

As noted above, Phase #2 of the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Phase #2 of the District, as of [October 1], 2018, and City debt secured by the Assessments:

<u>Taxing or Assessing Entity</u>	<u>Total Outstanding Debt</u>	<u>Estimated % Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
The City (the Bonds)	\$[PRINCIPAL]*	100.00%	\$[PRINCIPAL]*
The City (Ad Valorem Taxes)		%	
Collin County		%	
Collin County Community College District		%	
Celina Independent School District		%	
	<u>\$</u>		<u>\$</u>

* Preliminary; subject to change.

(1) Based on the Appraisal for the District's Phase #2 and on the Tax Year 2018 Net Taxable Assessed Valuations for the taxing entities.

Source: Municipal Advisory Council of Texas and the City.

If land is devoted principally to agricultural use, a landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural value. Approximately one half of the property in Phase #2 of the District is currently subject to an agricultural use valuation with respect to its ad valorem taxes. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation. The Developer expects that the agricultural use valuation within Phase #2 of the District will be terminated before the end of calendar 2018. See "BONDHOLDERS' RISKS — Agricultural Use Valuation and Redemption Rights."

If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous 5 years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the land owner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due. If the land use changes to a non-agricultural use on only a portion of a larger tract, the land owner can fence off the remaining land and maintain the agricultural valuation on the remaining land. In this scenario, the land owner would only be responsible for rollback taxes on that portion of the land for which use changed and not for the entire tract. The Developer has previously paid the rollback taxes related to the property in Phase #1 and the property in Phase #2 of the District that has already been removed from agricultural use valuation. It is expected that rollback taxes on the property remaining under agricultural use valuation will be paid by the Developer or purchasers from the Developer during development of Phase #2 of the District and prior to purchase of parcels or lots by homeowners.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in the Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Phase #2 Improvements through Phase #2 Assessments, it must adopt a resolution generally describing the Phase #2 Improvements and the land within Phase #2 of the District to be subject to Phase #2 Assessments to pay the cost therefor. The City has caused an assessment roll to be prepared (the "Phase #2 Assessment Roll"), which Phase #2 Assessment Roll will show the land within Phase #2 to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Phase #2 Assessment is divided. The Phase #2 Assessment Roll will be filed with the City

Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Phase #2 Improvements and funding a portion of the same with Assessments. The City expects to levy the Phase #2 Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Phase #2 Assessments will become legal, valid and binding liens upon the property against which the Phase #2 Assessments are made.

Under the PID Act, the Costs of Phase #2 Improvements may be assessed by the City against the assessable property in Phase #2 of the District so long as the special benefit conferred upon the assessed property by the Phase #2 Improvements equals or exceeds the Phase #2 Assessments. The costs of the Phase #2 Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on assessed property similarly benefited. The allocation of benefits and assessments to the benefitted land within Phase #2 of the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C — Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Phase #2 Improvements, provides the basis and justification for the determination that such special benefit exceeds the Phase #2 Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Phase #2 Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Phase #2 Improvements is being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues. As further set forth in the Service and Assessment Plan, the benefits received by the Phase #2 Improvements are currently spread among the existing parcels in Phase #2 of the District (the “Phase #2 Assessed Property”) based on the ratio (or Equivalent Unit Factor) of the Equivalent Units within Phase #2 of the District to the total Equivalent Units within the District. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type. As the existing parcels are subsequently divided, the Phase #2 Assessments will be further apportioned pro rata based on the Equivalent Units of the newly created parcels. “Equivalent Units” means, as to any parcel, the number of dwelling units by lot type expected to be built on the parcel multiplied by the factors shown in the tables below.

The following tables provide additional analysis with respect to special assessment methodology and certain requirements under the Amended Development Agreement relating to the issuance of the Bonds, including the value to assessment burden ratio per Lot Type, equivalent tax rate per Lot Type, and leverage per Lot Type. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan and the Appraisal. See “APPENDIX C — Service and Assessment Plan” and “APPENDIX F — Appraisal.”

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Expected Assessment per Unit - Phase #2*

<u>Type</u>	<u>Lot Width</u>	<u>Planned No. of Units</u>	<u>Assessment per Equivalent Unit</u>	<u>Equivalent Unit Factor</u>	<u>Assessment per Unit</u>	<u>Total Assessments</u>
Lot Type 1	60'	84	\$41,113.19	1.00	\$41,113.19 per dwelling unit	\$3,453,508
Lot Type 2	50'	<u>113</u>	\$41,113.19	0.83	\$34,260.99 per dwelling unit	<u>\$3,871,492</u>
[HOA Property]						
Total		197				\$7,325,000

* Preliminary; subject to change.

[How will this work with the HOA? SAP indicates that 1% of Assessment will be applied to HOA property in the future.]

Assessment Allocation - Equivalent Tax Rate per Lot Type in Phase #2 of the District*

<u>Lot Type</u>	<u>Planned No. of Units</u>	<u>Estimated Finished Lot Value per unit</u>	<u>Projected Home Value per unit</u>	<u>Average Annual Installment per unit</u>	<u>Tax Rate Equivalent (per \$100 Lot Value)</u>	<u>Tax Rate Equivalent (per \$100 Home Value)</u>
Lot Type 1	84	\$87,900	\$439,500	\$3,306	\$3.76	\$0.752
Lot Type 2	<u>113</u>	73,250	\$366,250	\$2,755	\$3.76	\$0.752
Total	197					

* Preliminary; subject to change.

The Phase #2 Assessments initially allocated to the Phase #2 Assessed Property do not include any allocation of Phase #2 Assessments to the property to be owned by the HOA (the "HOA Property"). [Following creation of the HOA and acceptance of the HOA Property, 1% of the initial total Phase #2 Assessment allocated to the Phase #2 Assessed Property shall be reallocated to such HOA Property.]

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within the District. The Phase #2 Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the special assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within the District. See "APPENDIX C — Form of Service and Assessment Plan."

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Phase #2 Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Phase #2 Assessments incur interest, penalties and attorney's fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See "BONDHOLDERS' RISKS — Assessment Limitations" herein.

In the Indenture, the City will covenant to collect, or cause to be collected, Phase #2 Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and

the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Phase #2 Assessment Roll and a calculation of the Annual Installment for each Parcel. Phase #2 Assessments for Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Phase #2 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Phase #2 Assessments. Notwithstanding the foregoing, the City shall be permitted to reduce the Phase #2 Assessments by the TIRZ Credit amount pursuant to the Amended Development Agreement and the Service and Assessment Plan; provided, however, that no such reduction shall operate to reduce the amounts levied for the payment of the Annual Collection Costs.

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Phase #2 Assessment or the corresponding Phase #2 Assessed Parcel.

The City will implement the basic timeline and procedures for Phase #2 Assessment collections and pursuit of delinquencies set forth in Exhibit C of the City's Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Phase #2 Assessments.

The City shall not be required under any circumstances to expend any funds for delinquent collection costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed on or about October 1 of each year, and become delinquent on February 1 of the following year. In the event Phase #2 Assessments are not timely paid, there are penalties and interest as set forth below:

Date Payment <u>Received</u>	Cumulative <u>Penalty</u>	Cumulative <u>Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney's collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most

cases, post-petition Phase #2 Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The maximum amounts of the Phase #2 Assessments will be established by the methodology described in the Service and Assessment Plan. The Phase #2 Assessment Roll sets forth for each year the Annual Installment for each Phase #2 Assessed Parcel consisting of (i) the annual payment allocable to the Bonds and the Phase #2 Improvements for each Parcel, which amount includes the Delinquency Component and the Prepayment Component of the interest rate component; and (ii) the annual payment allocable to Annual Collection Costs. The Annual Installments for Phase #2 may not exceed the amounts shown on the Phase #2 Assessment Roll. The Phase #2 Assessments will be levied against the parcels comprising the Phase #2 Assessed Property as indicated on the Phase #2 Assessment Roll. See “APPENDIX C — Form of Service and Assessment Plan.”

The Annual Installments shown on the Phase #2 Assessment Roll will be reduced to equal the actual costs of repaying the Bonds (which amount will include Prepayment Component and the Delinquency Component of the interest costs) and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances. The Annual Installments shall be further reduced by any offset or credit of applicable TIRZ Credit.

TIRZ Credit. Pursuant to the TIRZ Ordinance, the City has agreed to use TIRZ Revenues generated from each Parcel to offset a portion of the Assessments due as part of the Annual Installment on a parcel-by-parcel basis (the “TIRZ Credit”). The Annual Installment for each Parcel shall be calculated by deducting any TIRZ Credit applicable to such Parcel. The TIRZ Credit applicable to each Parcel shall be calculated as described under “SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ Credit” and in “APPENDIX C — Form of Service and Assessment Plan.” The TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value in the TIRZ in any year. Consequently, TIRZ Revenues are generated only if the appraised value of real property in the TIRZ in any year is greater than the base value. [The tax increment base in the District pursuant to the TIRZ Ordinance is estimated to be \$[44.69], which is the amount of tax the City collected on the property in Phase #1 of the District for calendar year 2016 plus the amount of tax the City collected on the property in Phase #2 of the District for calendar year 2018.] Any delay or failure of Developer to develop Phase #2 may result in a reduced amount of the TIRZ Revenue being available to credit the Phase #2 Assessments. **TIRZ Revenues generated from the captured appraised value for each parcel in Phase #2 during the development of such parcel will result in a TIRZ Credit which is not sufficient to achieve the Targeted Net Average Annual Installment. The TIRZ Credit may not provide for the Targeted Net Average Annual Installment until the second year that a home on such parcel is assessed. See “OVERLAPPING TAXES AND DEBT.” Such TIRZ Revenues are not pledged as Security for the Bonds under the Indenture.**

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Phase #2 Assessments shall be initially allocated to the Phase #2 Assessed Property based on the ratio (or Equivalent Unit Factor) of the Equivalent Units of each parcel to the total Equivalent Units within the District. As the existing parcels are subsequently divided, the Assessments will be further apportioned pro rata based on the Equivalent Units of the newly created parcels. See “APPENDIX C — Form of Service and Assessment Plan.” See “ASSESSMENT PROCEDURES — Assessment Methodology.”

The Phase #2 Assessment per Equivalent Unit is \$41,113.19*. See “ASSESSMENT PROCEDURES — Assessment Methodology.” The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Phase #1 Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX C — Form of Service and Assessment Plan.”

* Preliminary, subject to change.

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a “Prepayment”) all or part of any Phase #2 Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of a Phase #2 Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Phase #2 Assessments.

Mandatory Prepayments. If (i) Phase #2 Assessed Property is transferred to a party that is exempt from the payment of the Phase #2 Assessment under applicable law, or (ii) an owner of Phase #2 Assessed Property causes the Phase #2 Assessed Property to become Non-Benefited Property, the owner of such Phase #2 Assessed Property shall pay to the City the full amount of the Phase #2 Assessment, plus all Prepayment Costs, prior to any such transfer or act (a “Mandatory Prepayment”), in accordance with the Service and Assessment Plan.

Priority of Lien

The Phase #2 Assessments or any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Phase #2 Assessment is paid, and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Phase #2 Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Phase #2 Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of a Phase #2 Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Phase #2 Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment on the corresponding Phase #2 Assessed Property.

In the Indenture the City will covenant to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX B – Form of Indenture.” See also “APPENDIX E-1 – Form of Disclosure Agreement of Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Phase #2 Assessments.

In the Indenture, the City creates the Delinquency Reserve Account of the Reserve Fund and will fund such account as provided in the Indenture. The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “SECURITY FOR THE BONDS – Delinquency Reserve Account of the Reserve Fund,” “APPENDIX B – Form of Indenture” and “APPENDIX C – Form of Service and Assessment Plan.”

THE CITY

Background

The City is located in north central Collin and Denton Counties, 35 miles north of Dallas and 15 northwest of the City of McKinney. Access to the City is provided by State Highway 289 and Farm Road 455. The City covers approximately 14.2 square miles. The City’s location as part of the growing Dallas-Fort Worth Metroplex has resulted in rapid growth over the last several years. The City’s 2010 census population was 6,028. The City’s current population estimate is 14,515.

City Government

The City is a political subdivision and is a home rule municipality of the State of Texas, duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City adopted a Home Rule Charter on May 12, 2007. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members who are elected for staggered three-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administrative officer.

The current members of the City Council and their respective expiration of terms of office are as follows:

<u>Council Member</u>	<u>Term Expires</u> <u>(May)</u>
Sean Terry (Mayor)	2020
Bill Weber	2019
Wayne Nabors	2021
Andy Hopkins	2021
Carmen Roberts	2020
Mindy Koehne	2020
Chad Anderson (Mayor Pro Tem)	2019

The principal administrators of the City include the following:

<u>Name</u>	<u>Position</u>
Jason Laumer	City Manager
Vicki Faulkner	City Secretary
Jay Toutouchian	Director of Finance

General information regarding the City and the surrounding area can be found in “APPENDIX A - General Information Regarding the City and Surrounding Area.”

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement districts to pay for certain improvements. The District, originally known as G Bar 7 Public Improvement District, was created by

Resolution No. 2016-24R of the City adopted on April 12, 2016 in accordance with the PID Act (the “Creation Resolution”) for the purpose of undertaking and financing, in phases, the cost of certain public improvements within the District, including the Phase #2 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the portion of the District property being developed in a phase. On June 14, 2016, the City adopted Resolution No. 2016-31R, changing the name of the District to Glen Crossing Public Improvement District. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City’s extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Phase #2 Improvements. See “THE PHASE #2 IMPROVEMENTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain road, water, sanitary sewer, drainage, and park and open space public improvements within Phase #2 of the District and outside of the District comprising the Phase #2 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See “ASSESSMENT PROCEDURES” herein and “APPENDIX C — Form of Service and Assessment Plan.”

District Collection and Delinquency History of Phase #1 Assessments

THE ASSESSMENT HISTORY OF PHASE #1 IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. THE PHASE #1 ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

The Annual Installments of Phase #1 Assessments levied on assessable property in Phase #1 of the District were billed beginning in October of 2016. The following table shows the collection and delinquency history of the Phase #1 Assessments.

Collection and Delinquency of Phase #1 Assessments

<u>Fiscal Year</u> <u>Ending 9/30</u>	<u>Annual</u> <u>Installments</u> <u>Levied</u>	<u>Parcels</u> <u>Levied</u> ⁽¹⁾	<u>Delinquent</u> <u>Amount</u> <u>as of 3/1</u>	<u>Delinquent</u> <u>Percentage</u> <u>as of 3/1</u>	<u>Delinquent</u> <u>Amount</u> <u>as of 9/1</u>	<u>Delinquent</u> <u>Percentage</u> <u>as of 9/1</u>	<u>Annual</u> <u>Installments</u> <u>Collected</u>
2017							
2018	\$391,221	1	0	0.0%	-	-	\$391,221

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments (“Installment Payments”). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date. Owners of [] parcels have notified the County Tax Assessor-Collector that they are paying property taxes in Installment Payments.

Phase #1 Assessment Payer Concentration. The following table shows the top assessment-payers in Phase #1 for Fiscal Year [2018]:

<u>Owner</u>	<u>Parcels or Lots</u>	<u>Total Annual Installments</u>	<u>Percentage of Total Annual Installments</u>
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Phase #1 Foreclosure History. As of October 1, 2018, there has never been a foreclosure sale of any assessed property within Phase #1.

Prepayments of Phase #1 Assessments. As of October 1, 2018, there have been no prepayments of Phase #1 Assessments.

THE PHASE #2 IMPROVEMENTS

General

A portion of the costs of construction of the Phase #2 Improvements will be funded with proceeds of the Bonds and a portion will be paid by the Developer under the terms of the Amended Development Agreement. The Phase #2 Improvements will be dedicated to the City, either by fee or through a public use easement. The Developer is responsible for the completion of the construction, acquisition or purchase of the Phase #2 Improvements, and the Developer or its designee will act as construction manager. See “— Development Plan” below.

Development Plan

The Development consists of two phases. The Developer commenced development of Phase #1 in 2016 and completed the Phase #1 Improvements to serve 159 lots in Phase #1 in October 2017. The Developer plans to commence development of the Phase #2 Improvements to serve the second and final phase, Phase #2, [before the end of calendar year 2018, and to complete them in the fourth quarter of 2019]. Proceeds of the Bonds will pay for a portion of the costs of the Phase #2 Improvements.

Phase #2 Improvements. Phase #2 Improvements, a portion of which are being financed with proceeds of the Bonds, include road, water, sanitary sewer, drainage and parks and open space improvements benefitting Phase #2 of the District.

Road Improvements. The road improvements within Phase #2 include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. The road improvements will provide street access to each lot within Phase #2 as well as access to community roadways and state highways. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Distribution System Improvements. The water distribution system improvements within Phase #2 consist of construction and installation of on-site, mains, pipes, valves and appurtenances, necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Phase #2 Assessed Property. The water distribution system improvements will extend water service to the boundaries of Phase #1 and to all lots within Phase #2. The water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements. The sanitary sewer improvements within Phase #2 consist of construction and installation of on-site and off-site pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Phase #2 Assessed Property. The sanitary sewer improvements will extend wastewater service to the boundaries of Phase #2 and to all lots within Phase #2. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements. The storm drainage improvements within Phase #2 consist of construction and installation of pipes, inlets, manholes, detention ponds and appurtenances necessary to provide storm drainage to the Phase #2 Assessed Property. The storm drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Park and Open Space Improvements. The park and open space improvements within Phase #2 consist of construction and installation of trails, landscaping, walls, and entries. The park and open space improvements will be designed and constructed in accordance with City standards and specifications and will be owned by the City either by fee or through a public use easement and maintained by the HOA.

The following table reflects the total expected Budgeted Costs of the Phase #2 Improvements.

<u>Type of Improvement</u>	<u>Cost⁽¹⁾</u>
Road Improvements	\$ 2,409,192 ⁽²⁾
Water Distribution System Improvements	425,441
Sanitary Sewer Improvements	352,296
Storm Drainage Improvements	1,602,124
Park and Open Space Improvements	936,851
Other soft, Contingency and Miscellaneous Costs	<u>1,602,973</u>
TOTAL COST OF PHASE #2 IMPROVEMENTS	\$ 7,327,877 ⁽²⁾

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⁽¹⁾ See Appendix B to the Service and Assessment Plan for the detailed costs of the Phase #2 Improvements. Preliminary, subject to change.

⁽²⁾ Includes \$76,000 for street lights.

⁽³⁾ Excludes costs of issuance of the Bonds [and certain costs related to the formation of the District] in an estimated combined amount of \$1,604,742. [Should this amount be included in the Phase #2 Improvements?]

[Add foot notes to discuss Developer contribution, lockbox on certain project funds, etc.]

The expected costs of the Phase #2 Improvements are based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, and are expected to be approved by the City Council as part of the Service and Assessment Plan. See “APPENDIX C – Form of Service and Assessment Plan.”

The Appraisal (as defined below) estimates that the prospective value of the fee simple interest in the 197 residential lots in Phase #2 of the District after construction, acquisition or purchase of the Phase #2 Improvements and the City Improvements (as defined below) related to Phase #2 is \$14,470,000. See “APPRAISAL OF PROPERTY WITHIN PHASE #2 OF THE DISTRICT.” The Costs of the Phase #2 Improvements, including costs of issuance of the Bonds, is expected to be approximately \$[8,932,619]*. A portion of such costs in the amount of \$[7,325,000]* is expected to be paid with proceeds of the Bonds. The balance of the Costs of the Phase #2 Improvements is expected to be paid by the Developer, through a contribution of approximately \$[1,607,619]*. At delivery of the Bonds, the Developer expects to advance and contribute funds in the approximate amount of \$[1,607,619]* in order to pay for the balance of the costs of the Phase #2 Improvements not funded by the proceeds of the Bonds. See “SOURCES AND USES OF FUNDS.”

* Preliminary, subject to change.

Phase #1 Improvements. The Developer has completed the Phase #1 Improvements to serve Phase #1 of the District as of October 2017. The cost of the Phase #1 Improvements are shown in the following table:

<u>Type of Improvement</u>	<u>Cost⁽¹⁾</u>
Road Improvements	\$1,501,138
Water Distribution System Improvements	572,950
Sanitary Sewer Improvements	691,366
Storm Drainage Improvements	1,377,040
Park and Open Space Improvements	512,950
Other soft, Contingency and Miscellaneous Costs	<u>1,303,524</u>
TOTAL COST OF PHASE #1 IMPROVEMENTS	\$5,958,968⁽²⁾

(1) See the Service and Assessment Plan for the detailed costs of the Phase #1 Improvements.

(2) Excludes costs of issuance of the Initial Phase #1 Bonds and the Phase #1 Bonds in the approximate amount of [\$886,500].

City Improvements. Additionally, pursuant to the Amended Development Agreement, certain additional roadway improvements, water distribution system improvements, sanitary sewer improvements and trail system improvements (collectively, the “City Improvements”) were or will be designed by the City and constructed by the Developer [at the City’s expense.] *[will these be funded with TIRZ revenues?]* The costs of the City Improvements will not be funded by the Assessments, the Bonds, or the District. The estimated costs of the City Improvements are shown in the following table:

<u>Type of Improvement</u>	<u>Constructed as part of Phase #1</u>	<u>To be constructed as part of Phase #2</u>	<u>Total</u>
Road Improvements	\$ 160,000	\$ 983,420	\$ 1,143,420
Water Distribution System Improvements	280,060	0	280,060
Sanitary Sewer Improvements	753,258	250,831	1,004,089
Trail System Improvements	0	314,193	3,14,193
Other soft, Contingency and Miscellaneous Costs	<u>289,330</u>	<u>433,564</u>	<u>722,894</u>
TOTAL COST OF CITY IMPROVEMENTS	\$1,482,648	\$ 1,982,008	\$ 3,464,656

The City Improvements constructed as part of Phase #1 have been completed. The Developer anticipates that the remaining City Improvements will be completed by approximately ____.

At the time the Bonds are issued, it is anticipated that the Developer will deposit \$[1,982,008]* into the Developer Public Improvement Account of the Developer Project Fund to fund the costs of the City Improvements, in accordance with the provisions of the Amended Development Agreement [and the PID Reimbursement Agreement] to be held by the Trustee separate and apart from the other funds created and administered under the Indenture. Such funds held in the Developer Project Fund do not secure repayment of the Bonds.

Private Improvements. In 2016-2017, as part of the development of Phase #1, the Developer constructed certain private improvements at an approximate cost of \$[999,053] within the District (including grading, water and sewer services, franchise utility services, landscaping and other miscellaneous items related to the Private Improvements). The Developer is presently constructing a pool and related facilities, fencing and landscaping (collectively, the “Amenity Center”) to serve the entire District at an approximate cost of \$[800,000], and this construction is expected to be completed by [June 2018]. Additionally, the Developer plans to construct certain private improvements at an approximate cost of \$_____ within the District (including grading, water and sewer services, franchise utility services, landscaping and other miscellaneous items related to such improvements). The Developer also plans to construct fencing and landscaping and _____ to serve the entire District at

* Preliminary, subject to change.

an approximate cost of \$_____, and this construction is expected to be completed over the next 2 years. Collectively, the aforementioned items and the Amenity Center are the “Private Improvements”.

[The costs of such Private Improvements will be paid entirely by the Developer without reimbursement by the City. At the time the Bonds are issued, it is anticipated that the Developer will deposit \$_____ into the Developer Private Improvement Account of the Developer Project Fund to fund the costs of the Private Improvements, in accordance with the provisions of the Amended Development Agreement [and the PID Reimbursement Agreement] to be held by the Trustee separate and apart from the other funds created and administered under the Indenture. Such funds held in the Developer Project Fund do not secure repayment of the Bonds.]

Amended Development Agreement

The Amended Development Agreement provides for design and construction of the Phase #2 Improvements in accordance with City ordinances and regulations and the anticipated phasing for the development of all property within the District. Additionally, the Amended Development Agreement outlines each party’s rights and obligations related to development of the property within the District. The Amended Development Agreement requires that the Amenity Center be completed and a certificate of occupancy issued by the City prior to the issuance of the Bonds.

As the District lies completely within the city limits of the City, the City’s zoning and subdivision regulations provide specific land use rules and regulations for the development of the property within the District. Presently, property in the District is zoned under the City’s Planned Development District No. 23, enacted on February 10, 2015 by City Ordinance Number 2015-13 (“PD No. 23”) “Planned Development Ordinance 2015-13.” See “THE DEVELOPMENT – Zoning/Permitting.”

Ownership and Maintenance of Improvements

The Phase #2 Improvements will be dedicated to and accepted by the City either by fee or through a public use easement and will constitute a portion of the City’s infrastructure improvements. The City will provide for the ongoing operation, maintenance and repair of the road, water, sanitary sewer, and storm drainage portions of the Phase #2 Improvements constructed and conveyed and the park and open space portion of the Phase #2 Improvements will be owned by the City and maintained by the HOA, as outlined in the Service and Assessment Plan. The Private Improvements (not owned by a private utility company or a lot owner within the District) will be dedicated to and accepted by the HOA. The HOA will provide for the ongoing operation, maintenance and repair of the Private Improvements through the administration of a maintenance and operation fee and/or a property owner’s association fee to be paid by each lot owner within the District.

THE DEVELOPMENT

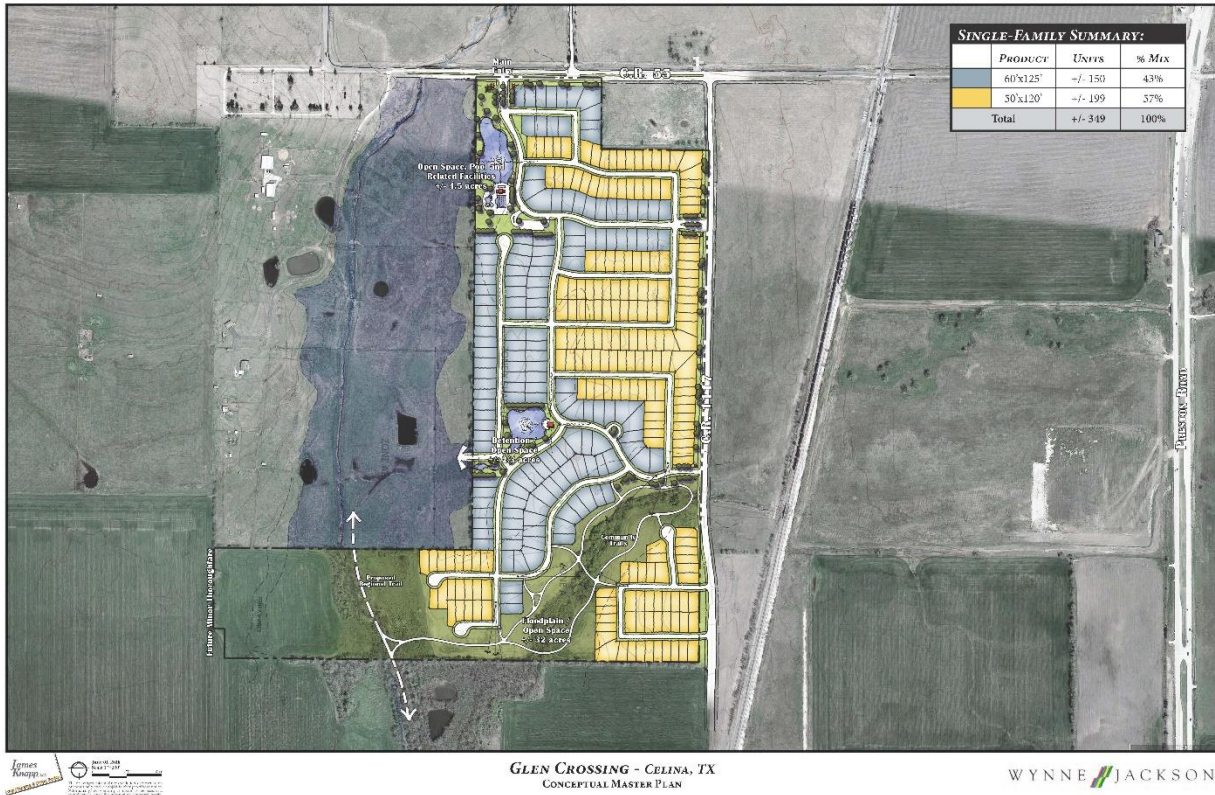
Overview

The Development is an approximately 119-acre development project, of which approximately 109 acres are located within the District, located wholly within the corporate limits of the City, in the southwest quadrant of the intersection of CR-55 and CR-117 and is in a city that is poised for significant growth as the overall DFW MSA continues its growth trajectory. The Development is located approximately 1 mile east of the Dallas North Tollroad service extension. The City is located in the north-central region of the Dallas-Fort Worth-Arlington TX Metropolitan Statistical Area (the “DFW MSA”).

The Development is located in a fast growing development area situated in the southwest quadrant of the City. Property within the District comprising the Development was purchased by the Developer on June 17, 2016. The Development is being developed by the Developer as a long-term development to consist of residential land use. See “THE DEVELOPER — History and Financing of the District.” In addition, the Development will include parks, trails, amenity center consisting of a pool and related facilities and open space areas for its residents, and others, to enjoy. This combination will provide its residents a community environment in which to live. Furthermore, the Development is located within the Celina Independent School District.

The property in the Development will be owned and developed by the Developer, as described below in “THE DEVELOPER — Description of the Developer.”

Concept Plan. Below is the current concept plan of the Development as approved by the City. The concept plan is conceptual and subject to change consistent with the City’s zoning and subdivision regulations.



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Current and Expected Buildout of the Development

The Developer expects to complete the Development in two phases over a 3 year period, and the Developer’s current expectations regarding estimated home prices in Phase #1 and Phase #2 of the District are as follows:

ESTIMATED HOME PRICES IN PHASE #1

<u>Lot Size (ft.)</u>	<u>Quantity</u>	<u>Base Lot Price</u>	<u>Average Base Home Price⁽¹⁾</u>	<u>Estimated Final Home Sales</u>
60	65	\$81,000	405,000	Q1 2020
50	94	\$67,500	337,500	Q1 2020
Total	159			

⁽¹⁾ The values provide as the Average Base Home Prices are an average value in current dollars over the life of the Bonds.

ESTIMATED HOME PRICES IN PHASE #2

<u>Lot Size (ft.)</u>	<u>Quantity</u>	<u>Base Lot Price</u>	<u>Average Base Home Price⁽¹⁾</u>	<u>Estimated Absorption Period (Months)</u>
60	84	\$87,000	\$435,000	30
50	<u>113</u>	\$72,500	\$362,500	30
Total	197			

⁽¹⁾ The values provided as the Average Base Home Prices are an average value in current dollars over the life of the Bonds.

The Developer's current expectations regarding the build-out of the entire Development and sale of lots therein are shown below.

EXPECTED BUILD-OUT SCHEDULE OF THE DISTRICT

<u>Phases</u>	<u>Single-Family Lots</u>	<u>Expected Infrastructure Completion Date</u>	<u>Expected Final Sale Date</u>
Phase #1	159	Completed (Q4 2017)	Q1 2020
Phase #2	<u>197</u>	Q4 2019	Q1 2022
Total	356		

Builder Contracts

Phase #1 Buildout. The Developer has an executed purchase contract with Horizon Homes, LLC ("Horizon Homes") for 79 lots in Phase #1 of the District and has an executed purchase contract with Perry Homes, LLC ("Perry Homes") for 78 lots in Phase #1 of the District (two lots will be held as view lots or for future model homes). Horizon Homes has made earnest money deposits totaling \$864,675, which have been released to the Developer and which are currently contracted to be credited against the lot price for the purchase of a lot by Horizon Homes commencing with the sale of the 50th lot in Phase #2 of the Development. Perry Homes has made earnest money deposits totaling \$852,525, which have been released to the Developer and which are currently contracted to be credited against the lot price for the purchase of a lot by Perry Homes commencing with the sale of the 48th lot.

Horizon Homes is a division of Highland Homes, an employee-owned company based in Texas. Horizon Homes is primarily in the Dallas-Fort Worth and Houston areas. Highland Homes was founded in 1985 and builds over 2800 homes a year in the Austin, Dallas-Fort Worth, Houston and San Antonio markets.

Perry Homes is the eighth-largest private homebuilder in the nation and has built more than 45,000 homes in Texas since its founding in 1967. Perry Homes was established over 48 years ago and has offices in Austin, Houston and San Antonio.

The build-out of Phase #1 of the District as of [September 13], 2018 is show in the following table:

BUILD-OUT OF PHASE #1 OF THE DISTRICT

<u>Builder</u>	<u>Lot Size</u>	<u>Lots</u>	<u>Lots Taken</u>	<u>Quarterly Takedown</u>	<u>Homes under Construction</u>	<u>Homes Completed</u>
Horizon Homes	60'					
	50'					
Perry Homes	60'					
	50'					
View Lots		<u>2</u>				
Total		159				

[Can be deleted once table is complete: As of April 30, 2018 the builders have taken 101 of the 159 Phase #1 lots and have 33 homes completed and an additional 33 homes construction. Per the builder contracts, the builders

are required to purchase the Phase #1 lots at a minimum pace of 24 lots per quarter (12 lots each per builder).] As of April 30, 2018 both builders are either on or ahead of their required purchase schedules. The last lots in Phase #1 are scheduled to be purchased by the builders by the end of May 2019.

Phase #2 Buildout. The Developer has an executed letter of intent with Highland Homes (“Highland Homes”) for 99 lots in Phase #2 of the District and has an executed letter of intent with History Maker Homes (“History Maker Homes”) for 98 lots in Phase #2 of the District. Highland Homes has made earnest money deposits totaling \$864,675 for Phase #1, which have been released to the Developer and will be credited against the lot price for the purchase of lots in Phase #2 by Horizon Homes commencing with the sale of the 50th lot in Phase #2. History Maker Homes per the letter of intent will make earnest money deposits totaling \$1,157,100, which will be released to the Developer and will be credited against the lot price for the purchase of lots in Phase #2 by History Maker Homes commencing with the sale of the 50th lot.

History Maker Homes is a family owned and operated company based in Texas that builds in the Dallas-Fort Worth and Houston areas. History Maker Homes is currently under its fourth generation CEO, whose great grandfather founded the family business in 1949. History Maker Homes has built over 12,500 homes since its founding, and is expected to close approximately 940 homes in 2018.

The expected build-out of Phase #2 of the District is show in the following table:

ANTICIPATED BUILD-OUT OF PHASE #2 OF THE DISTRICT

<u>Builder</u>	<u>Lot Size</u>	<u>Lots</u>	<u>Initial Lot Takedown</u>	<u>Quarterly Takedown</u>	<u>Estimated Absorption Period (months)</u>
Horizon Homes	60'	42	5		[30]
	50'	57	7		[30]
Perry Homes	60'	42	5		[30]
	50'	<u>56</u>	<u>7</u>		[30]
Total		197	24		[30]

Engineer's Report

[In connection with the issuance of the Bonds, Kirkman Engineering (the “Engineer”) prepared an engineering report dated _____, 2018 (the “Engineer’s Report”) containing the results of a preliminary study to determine the feasibility of the Development with respect to site and soils conditions; land use review and approvals, including zoning; construction permits and approvals, environmental conditions; zoning land use and proffers; and water, sewer and other utility access and availability. The Engineer’s report concludes that the District is necessary and warranted for the Development. The Development is consistent with other single-family projects in the area. The engineering required to develop the District is feasible and will provide benefits to the Celina community. The engineer has also reviewed the construction schedule for the Phase #2 Improvements and estimated cost of construction and concluded in the report that the construction costs, as shown in the report, and construction schedule are reasonable. See APPENDIX G - Engineer’s Report.”]

Photographs of the Development

[To be provided.]

Zoning/Permitting

The District is currently zoned under PD No. 23, as amended. PD No. 23 allows residential uses and establishes guidelines pertaining to purpose, height, area, and setbacks for specific single-family residential lots. PD No. 23 also regulates design and development standards and specifications regarding neighborhood regulations and the HOA. Because the District lies within the city limits of the City, the City’s zoning and subdivision regulations control all aspects of development not specifically set forth in PD No. 23.

Amenities

Pursuant to the Amended Development Agreement, the Developer agreed to construct certain Private Improvements within Phase #1 of the District at an approximate cost of \$_____ (including grading, water and sewer services, franchise utility services, landscaping and other miscellaneous items related to such Private Improvements) and the Amenity Center to serve the entire District at an approximate cost of \$800,000. The Private Improvements for Phase #1 and the Amenity Center are complete.

Current plans for Phase #2 include additional private improvements consisting of a dog park, hike and bike trails with related landscaping, a passive recreational field, and outdoor meeting space that will further enhance the overall Development. The cost of the Private Improvements will be paid entirely by the Developer without reimbursement by the City.

[At the time the Bonds are issued, it is anticipated that the Developer will deposit \$_____ into the Developer Private Improvement Account of the Developer Project Fund to fund the costs of the Private Improvements related to Phase #2 in accordance with the provisions of the Amended Development Agreement to be held by the Trustee separate and apart from the other funds created and administered under the Indenture. Such funds held in the Developer Project Fund do not secure repayment of the Bonds.]

Other City Improvements

Pursuant to the Amended Development Agreement the City has agreed to design and the Developer has agreed to construct and share in the costs of the City Improvements. While these City Improvements do not specifically benefit the District, they will benefit the City as a whole and include roadway improvements, water distribution system improvements and sanitary sewer collection system improvements. In connection with the issuance of the Initial Phase #1 Bonds, the Developer contributed \$1,482,648, which funds were held by the Trustee under the Indenture for the Initial Phase #1 Bonds in escrow for the Developer's share of a portion of the costs of the City Improvements. At the time the Bonds are issued, the Developer will make an additional contribution of \$[1,982,008]*, to fund the balance of its share of the costs of the City Improvements. The Trustee will hold the funds in the Developer Public Improvement Account of the Developer Project Fund separate and apart from the other funds created and administered under the Indenture. Funds held in the Developer Project Fund do not secure repayment of the Bonds. See "APPENDIX C — Form of Service and Assessment Plan."

Environmental

A Phase One Environmental Site Assessment (a "Phase I ESA") on approximately 118 acres, which acres included the property within the District, was completed on April 15, 2016. Based on the information presented in the Phase I ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions in connection with the site.

According to the website for the United States Fish and Wildlife Service, the Whooping Crane is an endangered species in Collin County and both the Whooping Crane and the Least Tern are endangered species in Denton County. The Developer is not aware of any endangered species located on District property.

Utilities

The City will provide both water and wastewater retail service to the property in the District. The City purchases its water wholesale from the Upper Trinity Regional Water District, and the City maintains its own water distribution system and wastewater collection and treatment system. In the Amended Development Agreement, the Developer agreed to construct certain off-site public infrastructure necessary to bring water and wastewater services to the property in the District so that the City's water distribution system and wastewater collection and treatment system will have sufficient capacity to provide water and wastewater service to the property in the District. The City and the Developer will share the costs the Off-Site Public Improvements as described in the Amended Development Agreement.

Additional utilities are being provided in Phase #1 by: (1) Phone/Data – Grayson Collin Communications; (2) Electric – Grayson Collin Electric Cooperative; (3) Cable - AT&T; and (4) Natural Gas - Atmos Energy. The Developer expects these same entities to also provide utility service to Phase #2.

THE DEVELOPER

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the revenue bonds, such as the Bonds, issued by a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

The Developer is an affiliate of Wynne/Jackson and was created by Wynne/Jackson for the purpose of acquiring and developing the property in the District. The Developer is a nominally capitalized limited partnership, the primary asset of which is unsold property within the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party or from funds drawn from the A&D Loan (defined below). The Developer's ability to make full and timely payments of Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds. See "BONDHOLDERS' RISKS — Dependence Upon the Developer."

The General Partner of the Developer is W/J Celina GP LLC, a Texas limited liability company ("W/J Celina GP"). W/J Celina GP manages the Developer; however, the Developer has contracted with Wynne/Jackson to, among other things, oversee, perform, manage, and complete (or cause to be performed and completed) the preparation, design, approval and development of the residential lots within the District. The Developer has two limited partners, one of whom is H4GC, LLC, a Texas limited liability company ("HW LP") an affiliate of Hillwood Communities, a Perot company ("Hillwood"). Pursuant to the partnership agreement of the Developer, HW LP, has made a 90% equity contribution and initially has 90% of the voting percentage decreasing to 50.4% as certain distribution and rate of return milestones are met. HW LP, as the partner with the majority voting percentage, must approve certain actions of the Developer, including the overall and annual project budgets, construction phase plans, incurrence of indebtedness by the Developer, commencement of construction of Phase #1 and the Phase #1 and lot sales contracts. For a description of past and current Hillwood projects in the Dallas/Ft. Worth Metroplex see "THE DEVELOPER — Description Past and Current Projects of Hillwood."

Wynne/Jackson was formed in the late 1970's by Mr. Clyde C. Jackson, Jr. and Mr. Toddie L. Wynne (deceased). Mr. Jackson is the Chairman and Chief Executive Officer of Wynne/Jackson. Wynne/Jackson is a real estate development firm with a diverse background and a track record of successful developments and engagements over its nearly 40 year history. Headquartered in Dallas, Texas, Wynne/Jackson has operated on a regional basis in Texas, Georgia, Oklahoma, and New Mexico. The principals have developed properties worth in excess of \$1 billion and have provided asset and property management, leasing, marketing, and consulting services on over \$1.5 billion of real estate developments and projects and over 10,000 residential lots.

Description of Past and Current Projects of Wynne/Jackson

While historically the company's investment and development activity was concentrated on residential and commercial development, it is residential land development that has proven to be its core business. Wynne/Jackson and its affiliates work closely with local municipalities, builders, commercial developers, and public school systems as part of its overall master plan. Wynne/Jackson works with top builders to deliver the latest concepts ranging from small to large residential communities as well as commercial and multi-use developments in the Dallas/Ft. Worth Metroplex. Close proximity or easy access to schools, services and shopping as well as to work, entertainment and recreation centers are the hallmarks of Wynne/Jackson communities. The following is a brief sampling of past and current development projects of Wynne/Jackson and its related entities:

Name	Location	Description	Completion
Allianz Financial Centre (Univision Centre)	Dallas, Texas	Approx. 500,000 sq ft commercial building	Completed and sold in the mid-1980's
Cottonwood Crossing	Allen, Texas	Single-phase development of approx. 13 acres into 48 single-family home lots	Land acquired in 2014; Lots developed in 2015. Final lots sold in 2016.
Country Lakes	Argyle and Denton, Texas	Approx. 640-acres acquired in 2000 for a master-planned development planned to consist of approximately 1,700 single-family lots	Phases 1 and 2 (approximately 640 lots) were developed and sold. Remaining land was deeded to the lender in 2010.
Duncan Tract	Dickinson, Texas	Approximate 490 acres acquired in 2006 in south Houston area	Land was purchased, entitled, and then sold in 2015
Grand Peninsula	Grand Prairie, Texas	Approximate 410 acre master planned community consisting of approximately 1,235 lots and some commercial land	Land was acquired in 2000; lots developed with final sell out of the lots and commercial land in 2013
The Homestead	Sunnyvale, Texas	Approximate 115 acres acquired in 2014, 2016, and 2017; planned for approximately 153 single family lots	Approximately 115 lots have been developed between 2015 and 2018; Remaining 38 lots (approximately 24 acres) planned to be developed in 2019
Live Oak Creek	Fort Worth, Texas	Approximate 255 acres acquired in 2006; planned for approximately 800 residential lots and a small retail site	Approximately 237 lots developed and sold. Remaining land sold in 2016.
Meadow Creek	Austin, Texas	Approximate 2,000-acre master planned community planned for single-family homes	Purchased, entitled, and then sold in the mid 1980's
Millennium	Addison, Texas	Approximate 360,000 sf 14 story office building	Developed and opened in 2000; leased and then transferred to principal investor
Moore Farm	Carrollton, Texas	Approximate 145 acres planned for approximately 385 residential lots	Land purchased in 2003, lots developed with sell out in 2007
Northside	Richardson, Texas	Approximate 25.5-acres mixed-use student housing, multi-family, and retail project on the campus of University of Texas Dallas; planned for 588 units/1495 beds and approximately 26,000 sf of commercial area	Construction of Phase 1 commenced in May 2015 with a certificate of occupancy in August 2016 and Phase 2 construction commenced in February 2017 with certificate of occupancy targeted in July 2018.
Plaza of the Americas	Dallas, Texas	Approximate 5.5-acre, 3.5 million sq ft mixed-use complex	Developed in 1980; sold in 1990
The Shops at Central Park	Bedford, Texas	Approximate 200,000 sq ft shopping center and approximate 80,000 sq ft office building	Developed in late 1980's; deeded to lender around 2000

Name	Location	Description	Completion
The Shores of Eastern Hills	Garland, Texas	Approximate 190 acres planned for approximate 490 single family lot multi-phased development	Land acquired in 1995; fully developed with sell out in 2006
Shores on Lake Ray Hubbard	Rockwall, Texas	Approximate 350 acres planned for single family lots	Land acquired in 1996; Ph 1 of approximately 350 lots developed and sold; Remaining land sold in 1999
Texas Commerce Bank (Chase Bank)	Hurst, Texas	Approximate 120,000 sq ft office building	Land acquired in the mid 1980's; Office building developed, leased and then sold around 2000
Towne Mill	Canton, Georgia	Approximate 430 acre master planned community planned for approximately 750 single family lots	Land acquired in 2004; First phase developed of approximately 350 lots in 2006; project conveyed to lender via Deed in Lieu in 2009 ⁽¹⁾
The Tribute	Frisco, Texas	Approximate 553 acres golf community planned for single-family and other uses	Land acquired in 2006; Approximately 480 lots developed in Ph 1; additional lots have been and are being developed by a partner in the project; Currently ongoing
Waterford Parks & Waterford Crossing	Allen, Texas	Approximate 400 acres planned for approximately 924 residential lots	Land acquired in 1999; Approximately 730 lots were developed and the remaining land sold in 2010
Waterford Trails	Allen, Texas	Approximate 80 acres planned for approximate 198 residential lots and some commercial use	Land acquired in 2000; Lots developed and remaining land sold in 2007
Waterstone	Frisco, Texas	Approximate 48 acres and 38 previously developed lots	Project acquired from home builder in 2007; Bank took title through a Deed in Lieu of Foreclosure in 2009 ⁽²⁾
The West Tract	Kaufman County (Forney area), Texas	Approximate 921 acres planned for residential lots	Land acquired in 2004; Project entitled and then sold in 2006
Westwood Shores	Rowlett, Texas	Approximate 92 acres planned for approximately 261 residential lots	Land acquired in 1993; Lots developed and sold out in 2001
Wilmeth Ridge	McKinney, Texas	Approximate 124 acres planned for approximately 302 residential lots	Land acquired in 2015; First phase of 135 lots delivered in 2017 with lots currently being sold to builders. A second phase of about 78 lots is under development; the final phase of around 89 lots is targeted to commence development in 2018.

⁽¹⁾ See "BONDHOLDERS' RISKS – Dependence on Developer – Towne Mill Loan."

⁽²⁾ See "BONDHOLDERS' RISKS – Dependence on Developer – Waterstone Loan."

Description Past and Current Projects of Hillwood

Hillwood, a Perot company, is ranked as one of the top commercial and residential real estate investors and developers in the country. Since its inception in 1988, Hillwood Communities, the residential division for Hillwood, has built more than 80 communities throughout the United States and Costa Rica, and has developed more than 23,000 lots. Currently, the company oversees 31 active communities in 23 cities and six states. Hillwood's industrial developments currently house facilities for 58 companies listed on the Fortune 500, Global 500 or Forbes List of Top

Private firms. Hillwood is best known for its Alliance brand that includes the 17,000-acre AllianceTexas, 4,474-acre AllianceFlorida at Cecil Commerce Center, and 2,000-acre AllianceCalifornia. Some of Hillwood's past and current single-family residential developments in Dallas/Ft. Worth Metroplex are shown below:

Project	City	State	Approximate Size
Harvest	Northlake	TX	3,200 Lots
Union Park	Little Elm	TX	3,200 Lots
Park Glen	Fort Worth	TX	3,000 Lots
Heritage	Fort Worth	TX	3,250 Lots
Pomona	Manvel	TX	1,900 Lots
Wells South	Celina	TX	1,236 Lots
Liberty	Melissa	TX	1,315 Lots
Russell Creek	Plano	TX	980 Lots
Saratoga	Fort Worth	TX	851 Lots
Wells North	Celina	TX	846 Lots
Twin Creeks	Allen	TX	787 Lots
Chisholm Ridge	Fort Worth	TX	748 Lots
Creek wood	Fort Worth	TX	700 Lots
Falcons Lair	Mesquite	TX	574 Lots
Oakmont	Corinth	TX	568 Lots
Hulen Heights	Fort Worth	TX	545 Lots
Willow Bay	Frisco	TX	467 Lots
Mustang Creek	Forney	TX	442 Lots
Harmony	Red Oak	TX	427 Lots
Stone Brooke Crossing	McKinney	TX	412 Lots
Gateway	Glen Heights	TX	408 Lots
Shores	Rockwall	TX	353 Lots
Meadow Oaks	Corinth	TX	301 Lots
Stonebriar	Frisco	TX	300 Lots
Brockdale	Lucas	TX	206 Lots
Sarita Valley	Leander	TX	199 Lots
Willow Bend	Plano	TX	189 Lots
Morrison	DFW	TX	171 Lots

Marketing of the Development by the Developer

The Development is being developed in two phases. The Developer expects all lots in each respective phase to be contracted for sale to two homebuilders prior to commencement of development of the lots in that phase. The lot sale contracts for Phase #1 with Horizon Homes and Perry Homes required the purchase of the lots in Phase #1 by the builders over an approximate 18 month period once the lots are developed, with minimum required lot closing each calendar quarter. Each homebuilder has constructed two model homes in Phase #1. The homebuilders are using their model homes as sales offices and offer a variety of homes for sale the in the Development. Earnest money deposits have been received from each builder and such earnest money will be returned to the builders as they fulfill their purchase obligations under the lot contracts.

Executive Biographies of Officers and Principals of Developer and Wynne/Jackson

Clyde C. Jackson, Jr., Chairman and Chief Executive Officer

Mr. Jackson is Chairman and Chief Executive Officer of Wynne/Jackson. Wynne/Jackson has been involved in multiple mixed-use developments for over 30 years. The company developed over 4 million square feet of office/hotel and retail in downtown Dallas, including the Plaza of the Americas and the Marriott Hotel. In addition, the company has been active in the development of over 10,000 acres of master planned communities in Texas and Georgia. The company also has been active in acquiring income producing properties.

Education/Qualifications: Mr. Jackson attended Southern Methodist University School of Business and Law School. There he earned a Juris Doctorate and was admitted to the Texas State Bar.

Mr. Jackson has been a member of the Urban Land Institute (ULI), an international real estate association, since 1974, a Trustee since 1987 and served as a Vice President. Among other activities for the ULI, Mr. Jackson is a ULI Governor, is Chairman of the ULI Student Housing Council, and previously served as chairman of the Urban Development Mixed-use Council for over six years. In addition, he has had the opportunity to participate in analysis and studies of many of the major mixed-use developments in North America, Canada, and select European capitals. In association with the ULI, Mr. Jackson also participated in the land use planning assignment for one of the largest remaining development tracts on the island of Oahu, Hawaii of approximately 41,000 acres. In addition, Mr. Jackson participated in the creation of a new town plan for Zoetemeer, Holland.

Frank Murphy, Senior Vice President, Chief Financial Officer/Operating Officer and Principal

In his tenure in real estate (since 1985 with Wynne/Jackson), Mr. Murphy has participated in development, asset and property management, consulting, leasing and brokerage activities for over \$1.7 billion in real estate projects. Projects have consisted of over 13,000 acres of residential and master-planned developments, 11,000 residential lots, 10,000 apartment and condominium units, 4.5 million square feet of office and retail developments, 10 hotels, and numerous mini-storage facilities, marinas and golf courses.

Mr. Murphy has led the Wynne/Jackson team on its numerous consulting projects with various institutions over many years. Mr. Murphy presently operates the development and project consulting areas for the company in addition to his role as Chief Financial Officer.

Education/Qualifications: Mr. Murphy is a 1981 graduate of the University of Oklahoma with a Bachelor of Science degree in Accounting. Immediately upon graduation, Mr. Murphy passed all parts of the Certified Public Accountants exam. In addition to his CPA license, Mr. Murphy is a licensed real estate broker in both Texas and Oklahoma.

Mr. Murphy presently serves on the Board of Directors for the National Association of Home Builders, the Texas Association of Builders, and the Dallas Builders Association (where he served as President in 2014/2015 for the latter). He has previously served as Vice President of the Irving Flood Control District III, and as a board member for the Grand Prairie Public Improvement District No. 8 (a maintenance PID) in Grand Prairie, Texas. Mr. Murphy has experience in the creation and operation of special districts such as tax increment financing districts, municipal utility districts, and public improvement districts.

Brent A. Miller, Vice President

Mr. Miller joined Wynne/Jackson in June 2000 as an officer of Wynne/Jackson his responsibilities include coordinating the due diligence and closing process, as well as, sourcing and underwriting new deals, negotiating loan documents, managing lender relations and providing asset management and financial oversight.

Education/Qualifications: Mr. Miller graduated Magna Cum Laude from Baylor University in 1999 with a BBA degree in Finance. As a junior (in the top 5% of his class), he became a member of Beta Gamma Sigma, the international scholastic honor society for students in business. Mr. Miller is a licensed real estate salesman, CCIM

designee, member of the Urban Land Institute and member of the Transit Oriented Development Council of the ULI North Texas District.

Prior to joining Wynne/Jackson, he was an Associate with Archon Group, a subsidiary of Goldman Sachs, where he asset managed numerous properties in the Whitehall Street Real Estate Fund. This included the Philadelphia market, the Whitehall Industrial portfolio and Archon's hotel portfolio.

During his career, Mr. Miller has been engaged in the acquisition, development, asset management and disposition of hotels, industrial buildings, retail centers, office buildings, self storage facilities and residential communities with an aggregate value of more than \$1 billion.

Michael C. Jackson, Vice President and Principal

Mr. Jackson joined Wynne/Jackson in 1997 following successful careers as both a tenant representative for a national corporate real estate services company and as a commercial real estate appraiser.

As an officer in Wynne/Jackson, Mr. Jackson oversees new project acquisition, asset disposition, site analysis, homebuilder relationships, market analysis and project marketing. He has been heavily involved in the acquisition, planning, financing, and sale or lease-up of Wynne/Jackson projects including numerous large master-planned communities and commercial projects.

Education/Qualifications: Mr. Jackson graduated in 1989 from the University of Oklahoma with a BA in Political Science. Mr. Jackson is a licensed real estate salesman, member of the Urban Land Institute, 2014-2015 Chairman of the ULI North Texas District Council, past Chair and current member of the ULI Small Scale Development Council, and Chairman of Sky Ranch at Ute Trail (Sky Ranch Camps - Lake City, Colorado).

Prior to joining Wynne/Jackson, Mr. Jackson worked as a tenant representative with Fischer & Company focused primarily on national accounts such as Northern Telecom, First Data Corporation, and Fujitsu. In addition to performing market studies in over twenty-five cities nationwide, Mr. Jackson was also involved in tenant space planning, portfolio analysis, and economic feasibility studies.

Prior to working with Fischer & Company, Mr. Jackson was a commercial real estate appraiser for five years doing work primarily for financial institutions and the RTC in Texas, New England, Tennessee and California.

Christopher C. Jackson, Vice President and Principal

Mr. Jackson is a principal and the Vice President of Development. He joined Wynne/Jackson after practicing law in Kerrville, Texas.

At Wynne/Jackson, Mr. Jackson has overseen the creation of several municipal utility districts, zoned several hundred acres for development, led multiple city negotiations with various departments, as well as overseen the construction of many development projects. Mr. Jackson is currently involved in zoning, due diligence, project management, engineering oversight and contract compliance.

Education/Qualifications: Mr. Jackson graduated Cum Laude with honors in the Classics from Hampden-Sydney College with a BA in Greek and Latin. Later, Mr. Jackson attended the American School of Classical Studies in Athens, Greece. Mr. Jackson graduated from Southern Methodist University Law School, where he earned a Juris Doctorate. He was admitted to the Texas State Bar in 1995. In 2003 after several years of study, Mr. Jackson graduated from Westminster Theological Seminary with a CCS degree. Mr. Jackson holds a salesperson license from the Texas Real Estate Commission, is a member of ULI and is currently on the Community Development Council. Mr. Jackson is currently completing work for his CCIM.

History and Financing of the Development

The Property Acquisition. Developer was formed on April 20, 2016, for the purpose, among other things, of

acquiring and developing the Property. Wynne/Jackson, an affiliate of the Developer, initially had the Property under contract to purchase the Property from G Bar 7, Ltd. (the “Seller”) under the terms of a purchase contract (the “Purchase Contract”) with the Seller, for an aggregate purchase price, including extension fees, of \$5,402,081 (approximately \$49,560 per acre of land). On June 17, 2016, prior to the acquisition of the Property, Wynne/Jackson assigned the Purchase Contract to the Developer. The Developer closed on the Property in the District on June 17, 2016. The Property acquired consists of approximately 119 acres, 109 of such acres constitute the District.

The Property Acquisition and Development Financing. A portion of the purchase price along with development costs for the Property was paid from the proceeds of a loan (the “A&D Loan”) made by American Bank of Texas (the “Lender”) to Developer in the stated principal amount of \$10,520,552, and secured, among other things, by a first deed of trust lien on the Property at the time of the acquisition of the Property. The A&D Loan was entered into at closing of the Property, bears interest at the rate of prime plus 1% per annum with a 4.75% floor and matures on June 17, 2019. *[Discuss financing for Phase #2]*

The PID Act provides that the Assessment Lien is a first and prior lien against the Phase #2 Assessed Parcels within Phase #2 of the District and is superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, the Lender shall consent to and acknowledge, in a certificate in recordable form, the creation of the District, the levy of the Assessments and the subordination of the lien securing its respective A&D Loan to the assessment liens on property within the District securing payment of the Assessments. As a result, the lien on the property within the Phase #2 of the District securing the Assessments will have priority over the lien on the property within Phase #2 of the District securing the A&D Loan.

THE PID ADMINISTRATOR

MuniCap, Inc. (“MuniCap”) is a public finance consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. MuniCap currently acts as the administrator for over 150 special assessment and taxing districts in 17 states, including 29 public improvement districts in Texas (including the District).

The City has entered into an agreement for administration of the District (the “MuniCap Agreement”) with MuniCap as the “Administrator” to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The MuniCap Agreement includes seven general types of services provided by MuniCap: (i) administrative support services related to the Assessments, (ii) delinquency management, (iii) prepayment of Assessments, (iv) arbitrage rebate services, (v) continuing disclosure services, (vi) accounting and audit coordination, and (vii) IRS compliance monitoring.

APPRAISAL OF PROPERTY WITHIN PHASE #2 OF THE DISTRICT

The Appraisal

General. Integra Realty Resources - DFW (the “Appraiser”), prepared an appraisal report for the City dated May 12, 2018, based upon a physical inspection of Phase #2 of the District conducted on May 1, 2018 (the “Appraisal”). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Phase #2 of the District. The Appraisal is attached hereto as APPENDIX F and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX F — Appraisal of the District.”

Value Estimates. The City requested that the Appraiser prepare an appraisal report of the market value of the property in Phase #2 of the District. The Appraiser estimated the “prospective value” of fee simple interest in the 197 residential lots within Phase #2 of the District as of August 1, 2019 upon completion of the Phase #2 Improvements and the City Improvements related to Phase #2. See “THE PHASE #2 IMPROVEMENTS.” The Appraisal does not reflect the as-is condition of Phase #2 of the District as the Phase #2 Improvements have not yet been constructed. Moreover, the Appraisal does not reflect the aggregate retail value of the Phase #2 lots of the

District; instead it reflects the value of Phase #2 of the District as if all the finished lots were sold to a single purchaser in a single transaction. See “APPENDIX F — Appraisal of the District.”

The market value estimate for the assessable property within Phase #2 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of August 1, 2019 is \$14,470,000.

None of the City, the Developer, the Financial Advisor nor the Underwriter make any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer, the Financial Advisor and the Underwriter make no representation as to the reasonableness of such assumptions.

BONDHOLDERS’ RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City’s control. These factors include, among others, (a) the ability or willingness of property owners within the District to pay Phase #2 Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Phase #2 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Phase #2 Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Phase #2 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The City has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Assessment Limitations

Annual Installments of Phase #2 Assessments are billed to property owners in Phase #2 in the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the annual collection costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Phase #2 Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Remedies and Bankruptcy" herein.

Upon an ad valorem tax lien foreclosure event of a property within Phase #2, any lien securing a Phase #2 Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Phase #2 Assessments, the liens securing such delinquent ad valorem taxes and delinquent Phase #2 Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Phase #2 Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, § 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code § 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. It is unclear under Texas law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it will own all property within the District as of the

date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Phase #2 Assessed Parcels superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE PHASE #2 ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN PHASE #2 OF THE DISTRICT.

Effects of Future Legislation

On February 27, 2017, HB 2435 was introduced into the Texas House of Representatives (the "Texas House") to modify the PID Act. The legislation's intent was to clarify and improve the PID Act, and proposed changes included requiring developers to provide more disclosure to home purchasers within public improvement districts, adding improvements that could be financed through public improvement districts and memorializing the procedure under which a local government entity could add land to a public improvement district. The bill passed the Texas House. Upon receipt of HB 2345 from the Texas House, the Intergovernmental Relations Committee of the Texas Senate proposed substitute bill that would have significantly changed the PID Act. The Senate committee proposal would have imposed certain feasibility requirements on certain municipalities and counties prior to issuance of bonds or obligations wholly or partially payable from or secured by special assessments. Specifically, prior to issuance, the governing bodies of municipalities with a population of 250,000 or less and counties with a population of 1,000,000 or less would have been required to find that (i) all underground water, wastewater, and drainage facilities and roadways necessary to serve the district were at least 95% complete and (ii) the houses or other buildings on the real property liable for assessments necessary to support payment of the bonds or obligations were at least 25% complete. Such changes, if enacted, would have fundamentally altered the use of public improvement districts by municipalities and counties as a financing mechanism for public improvements. The Senate committee proposal was not formally introduced, and no further action on HB 2345 occurred during the 2017 legislative session.

In October 2017, the Texas House and the Texas Senate issued interim charges to the Committee on Special Purpose Districts and the Intergovernmental Relations Committee (collectively, the "Interim Committees"), respectively, requesting the study of special purpose districts and public improvement districts and potential bond issuance reforms. The charges to the Interim Committees included review, hearings and testimony related to changes to and oversight of bonds secured by special assessments. Prior to the 2019 Texas legislative session, it is expected that the Interim Committees will make recommendations to the Legislature on how to regulate special assessment revenue bonds, and possibly establish parameters on the use of public improvement districts as financing vehicles. As of the date hereof, the Interim Committees have not made any recommendations pursuant to the interim charges.

It is impossible to predict what new proposals the Interim Committees may present to the Legislature regarding the PID Act and the issuance of special assessment revenue bonds, what bills may be introduced during upcoming legislative sessions, whether such new proposals or any previous proposals will be recommended by the Interim Committees or new bills regarding the same will be passed by the Texas Senate and House of Representatives and signed by the Governor, and, if enacted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Risks Related to the Current Real Estate Market

During recent years, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market

difficult. These downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of lot and home sales within the District. There have been reports of various public-private efforts to relieve the subprime mortgage crisis but as of yet no one can predict with certainty when the real estate market will rebound.

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will ever commence. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

TIRZ Credit and Marketing of the Development

The TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraisal value in the TIRZ in any year. Any delay or failure by the Developer to develop Phase #2 may result in a reduced amount of the TIRZ Revenue being available to credit the Phase #2 Assessments. TIRZ Revenues generated from the captured appraised value for each parcel in Phase #2 during the development of such parcel will result in a TIRZ Credit which is not sufficient to achieve the Targeted Net Average Annual Installment. The TIRZ Credit may not provide for the Targeted Net Average Annual Installment until the second year that a home on such parcel is assessed. See "OVERLAPPING TAXES AND DEBT."

It is uncertain what impact, if any, the TIRZ Credit application to the Annual Installments will have on the underwriting of residential mortgages. If the underwriter of a residential mortgages does not recognize the TIRZ Credit it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

Loss of Tax Exemption

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bankruptcy

The payment of Phase #2 Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Phase #2 Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Phase #2 Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Phase #2 Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within the District to pay the Phase #2 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Phase #2 Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within the District to pay the Assessments when due could result in the rapid, total depletion of Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under “SECURITY FOR THE BONDS — Reserve Account of the Reserve Fund” herein.

Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in the District. The City has not independently verified, and is not aware, that the Developer has such a current liability with respect to its property; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See “THE DEVELOPMENT – Environmental” for discussion of the Phase I ESA performed on property within the District.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such

regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

100-Year Flood Plain

Approximately 37 acres in the southern quadrant of [Phase #2 of] the District are located within an official FEMA 100 year flood plain as shown on the current Federal Emergency Management Agency's Flood Insurance Rate Map No. 48085C0120J, Collin County, Texas, effective June 2, 2009, Panel 120 of 600 (the "Flood Plain").

Portions of the floodplain within the southern quadrant of [Phase #2 of] the District will be reclaimed for development. Environmental and Hydraulic analyses will be performed to ensure the accuracy of the mitigation and to protect properties upstream and downstream of the District. Mitigation shall include excavation, fill placement and erosion control with periodic inspections as required by local, state and federal regulations. Upon completion of the floodplain mitigation, topographic surveys will be gathered to confirm the mitigation was constructed correctly. Documents and permits will be provided to the City of Celina and Federal Emergency Management Agency (FEMA) necessary to obtain a Letter of Map Revision (LOMR) for the floodplain reclamation. Once the LOMR is approved by the City and FEMA, the revised amount of floodplain within the District shall be reflected on the updated FEMA Flood Insurance Rate Maps.

Risk from Weather Events

All of Texas, including the City, is subject to extreme weather events that can cause loss of life and damage to property through weather events that include strong winds, flooding and heavy rains. It is impossible to predict such weather events and the impact they may have on the City, including land within the District.

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of at least 25% of the owners of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Phase #2 Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections

271.151-.160, Texas Local Government Code (the “Local Government Immunity Waiver Act”), which, according to the Court, waives “immunity from suit for contract claims against most local governmental entities in certain circumstances.” The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) (“Wasson”), the Texas Supreme Court (the “Court”) addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that “a city’s proprietary functions are not done pursuant to the ‘will of the people’” and protecting such municipalities “via the [S]tate’s immunity is not an efficient way to ensure efficient allocation of [S]tate resources”. While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of inception of the contractual relationship. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any Texas court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Bankruptcy Limitation to Bondholders’ Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in development projects comparable to that of the Development.

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer. Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Failure to meet the lot purchase contract's conditions allows the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposit back. See "THE DEVELOPMENT – Builder Contracts and Expected Build-Out Schedule" herein.

The Development cannot be initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each phase of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

Use of Appraisal

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in an appraisal is based on various assumptions of future expectations and while the appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

In performing its analyses, an appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the appraiser's, underwriter's and City's control, as well as to certain factual matters. Furthermore, the appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation.

Dependence Upon Developer

The Developer, as the owner of the Phase #2 Assessed Parcels in Phase #2 of the District, currently has the obligation for payment of 100% of the total Phase #2 Assessments. The ability of the Developer to make full and timely payment of the Phase #2 Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The only assets of the Developer are the land within the District, related permits and development rights and minor operating accounts.

The source of funding for future land development activities and infrastructure construction to develop the remaining lots proposed for the District consists of proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Phase #2 Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Phase #2 Improvements within the District. See "THE PHASE #2 IMPROVEMENTS — Development Plan." There can be no assurances given as to the financial ability of the Developer to complete such improvements.

During the period from 2007 to 2009, Wynne/Jackson, was a partner in two separate development ventures that due to the slowdown in the housing market and the national recession resulted in the borrower in each transaction executing a deed in lieu of foreclosure to convey the property to the respective lenders.

Towne Mill Loan: In 2004 Wynne/Jackson entered into a partnership (the "Towne Mill Partnership") to develop Towne Mill, a residential development to be located in Canton, Georgia. The first phase consisting of approximately 250 lots were completed at the end of 2005 and early 2006. Construction of Phase 2 of 102 lots commenced in the third quarter of 2006 and were completed in the first quarter of 2007. In late October, 2007, the controlling limited partner indicated that it wished to proceed with trying to sell the property instead of recapitalizing it. In December, 2007, Texas Capital Bank proposed terms for extending its loan with the Towne Mill Partnership through September 2008 to allow time market the property. Due to market conditions, and the reduced appraised value of the property, Texas Capital Bank proposed a loan extension that would have required new equity investment from the Towne Mill Partnership. In early March, 2008, the controlling limited partner made the decision not to fund the additional capital call required to sustain the project; rather, it would allow the bank to foreclose on the property. A deed in lieu of foreclosure was signed with Texas Capital Bank for the loan on April 4, 2009.

Waterstone Loan: In 2007 Wynne/Jackson entered into a joint venture (the "Waterstone Joint Venture") to develop Waterstone, a residential development to be located in Frisco, and The Colony, Texas. Due to declining lot sales and a decrease in the average lot sale price, the Waterstone Joint Venture was unable to meet its obligations under its loan agreement with Texas Capital Bank. In April of 2009, the Waterstone Joint Venture entered into a forbearance and funding agreement with Texas Capital Bank; however, in May of 2009 the value of the land appraised for less than the outstanding loan balance. Waterstone Joint Venture was unable to successfully negotiate a restructure of its loan agreement with Texas Capital Bank; therefore, Texas Capital Bank took title to the property through a deed in lieu of foreclosure at the end of September, 2009.

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds. However, the completion of the Development is dependent upon the receipt of funds from the Developer in addition to proceeds of the Bonds. In addition, payment of the Phase #2 Assessments on the Phase #2 Assessed Parcels will initially be the responsibility of the Developer as the initial owner of the Phase #2 Assessed Parcels.

Agricultural Use Valuation and Redemption Rights

Approximately half of the acreage in Phase #2 of the District is currently entitled to valuation for ad valorem tax purposes based upon its agricultural use. The remaining acreage in Phase #2 and all of the acreage in Phase #1 of the District has been removed from agricultural valuation, and the Developer has paid the property taxes and interest associated therewith. Under Texas law, an owner of land that is entitled to an agricultural valuation has the right to redeem such property after a tax sale for a period of two years after the tax sale by paying to the tax sale purchaser a 25% premium, if redeemed during the first year, or a 50% premium, if redeemed during the second year, over the purchase price paid at the tax sale and certain qualifying costs incurred by the purchaser. Although Phase #2 Assessments are not considered a tax under Texas law, the PID Act provides that the lien for Phase #2 Assessments may be enforced in the same manner as a lien for ad valorem taxes. This shared enforcement mechanism raises a possibility that the right to redeem agricultural valuation property may be available following a foreclosure of a lien for Phase #2 Assessments, though there is no indication in Texas law that such redemption rights would be available in such a case.

At closing of the Bonds, the Developer will execute an Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation (a "Redemption Agreement") with the City pursuant to which the Developer will convey to the Trustee for the benefit of the owners of the Bonds its right to redeem any agricultural valuation property and require any subsequent purchaser from the Developer to execute a similar conveyance. In addition, the Developer will deliver, and require any subsequent purchaser to deliver, into escrow with the Trustee a waiver of agricultural valuation, which the Trustee will be authorized to release to the City to be filed with the Collin County Tax Assessor/Collector in the event that the Developer or any subsequent owner has not paid ad valorem taxes or the special assessments due in respect of agricultural valuation property within 60 days of their due date. The Redemption Agreement will be enforceable by the City on behalf of the owners of the Bonds. Although the Redemption Agreement is intended to protect the City and the owners of the Bonds against potential redemption rights of the Developer and any subsequent purchaser in the context of a foreclosure proceeding, because there is currently no case law with respect to waiver of redemption rights or an agricultural valuation, it is unclear whether the Redemption Agreement is enforceable under Texas law.

As additional protection against the occurrence of a tax sale for non-payment of ad valorem taxes and the associated risk of redemption rights arising, the Developer will pay to the Trustee prior to delivery of the Bonds, and maintain at all times while there exists property in Phase #2 of the District that is entitled to valuation based on its agricultural use, an amount equal to the estimated ad valorem taxes assessed against agricultural valuation property to become due in the next two years. Such funds will be held by the Trustee and used to pay delinquent ad valorem taxes on agricultural valuation property and thereby potentially avoid the possibility of a sale for non-payment of ad valorem taxes and the associated risk of redemption rights arising. In the event such funds are used to pay delinquent ad valorem taxes, the Developer will be required to replenish such funds previously held by the Trustee. A proportionate amount of such deposit will be returned to the Developer upon termination of the Redemption Agreement.

The Developer expects that the remaining agricultural use valuation within Phase #2 of the District will be terminated before the end of calendar year 2018, affecting tax rolls beginning in 2019.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. A form of Bond Counsel's opinion is reproduced as APPENDIX C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

Interest on the Bonds owned by a corporation will be included in such corporation's adjusted current earnings for purposes of calculating the alternative minimum taxable income of such corporation, other than an S corporation,

a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust (“FASIT”). A corporation’s alternative minimum taxable income is the basis on which the alternative minimum tax imposed by Section 55 of the Code will be computed.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Indenture subsequent to the issuance of the Bonds. The Indenture contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the “Discount Bonds”) may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under “Tax Exemption.” Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation's alternative minimum tax imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by (i) the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, (ii) based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

Norton Rose Fulbright US LLP, serves as Bond Counsel and Disclosure Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special

obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and lien on the Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption “TAX MATTERS,” including the alternative minimum tax consequences for corporations. A copy of the opinion of Bond Counsel is attached hereto as “APPENDIX C —Form of Opinion of Bond Counsel.”

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions “PLAN OF FINANCE — The Bonds” (except for the last paragraph thereof), “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS” (except for the last paragraph under the subcaption “General”), “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings,” “LEGAL MATTERS — Legal Opinions,” “SUITABILITY FOR INVESTMENT,” “CONTINUING DISCLOSURE” (except for the subcaption “The City’s Compliance with Prior Undertakings” and “The Developer’s Compliance with Prior Undertakings”), “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS” and APPENDIX B and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Phase #2 Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Amended Development Agreement, [the PID Reimbursement Agreement], the Redemption Agreement or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”). In the past, certain affiliated entities of Wynne/Jackson have been parties to litigation related to their commercial and real estate development

activities. Such litigation occurred in the ordinary course of business and is not expected to have a Material Adverse Effect.

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Issuer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of the Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of the Issuer. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Issuer. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Issuer or from any statement made pursuant to the Disclosure Agreement of the Issuer.

The City's Compliance with Prior Undertakings

City: Except as hereinafter described, during the last five years, the City has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule.

The ratings on municipal bond insurers have changed with frequency at various times in recent years and information about such changes has been publicly reported. While notices of certain rating changes of bond insurers were filed by the City on EMMA, no assurances can be made that all City filings with respect to changes in the ratings of municipal bond insurers have been made as required by the Rule or the City's prior continuing disclosure undertakings.

The City has implemented additional policies and procedures to ensure that in the future it fully complies with its continuing disclosure undertakings made under the Rule.

Prior Developers: Creeks of Legacy Public Improvement District. CTMGT Frontier 80, LLC, a Texas limited liability company ("CTMGT"), a developer of the project financed in part by the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2014 (Creeks of Legacy Public Improvement District Phase #1 Project) (the "Creeks of Legacy PID Bonds"), did not file a required quarterly report for the quarter ending September 30, 2014 with the MSRB until October 31, 2014. In connection with the Creeks of Legacy PID Bonds, CTMGT entered into an undertaking to file quarterly reports on behalf of the CTMGT with the Municipal Securities Rulemaking Board (the "MSRB"). CTMGT's failure was due to an administrative oversight. CTMGT is not an "obligated person" under the Rule under the Bonds or the Phase #1B Bonds.

The Developer

The Developer, MuniCap, Inc. (the "Administrator"), and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Developer") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding the Development and the Phase #2 Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Disclosure Agreement of the Developer." Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Disclosure Agreement of the Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Developer has agreed to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of the Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Developer or from any statement made pursuant to the Disclosure Agreement of the Developer.

The Developer Compliance with Prior Undertakings

Except as hereinafter described, during the last five years, the Developer has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule. [UPDATE]

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less a reoffering discount of \$_____ less an underwriting discount of \$_____, which includes Underwriter’s Counsel’s fee of \$_____). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “NO RATING” above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

INVESTMENTS

The City invests its funds in investments authorized by Texas law in accordance with investment policies approved by the City Council. Both Texas law and the City’s investment policies are subject to change.

Under Texas law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letter of credit, of the United States or its agencies and instrumentalities; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized

investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) certificates of deposit and share certificates meeting the requirements of the PFIA that are issued by or through an institution that either has its main office or a branch office in Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (7) or in any other manner and amount provided by law for City deposits, or are invested by the City through a broker or depository institution that has its main office or a branch office in the State and otherwise meet the requirements of the PFIA; (9) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State; (10) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (11) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission (the “SEC”) and that comply with SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7); and (13) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) as a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. If specifically authorized in the authorizing document, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAA-m” or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than eight years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than “A” or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a

requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the officers of the City; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed U.S. Bank National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at www.usbank.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Phase #2 Improvements, the Development and the Developer generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — Development Plan" and "– Status of Builder Contracts," "THE PHASE #2 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Phase #2 Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "CONTINUING DISCLOSURE — The Developer Compliance with Prior Undertakings" has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by MuniCap, Inc. and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by Integra Realty Resources - DFW, and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering

Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

AUTHORIZATION AND APPROVAL

The City Council has approved by ordinance the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

CITY OF CELINA, TEXAS

Mayor

ATTEST:

City Secretary

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

Historical Employment in Collin County (Average Annual) ⁽¹⁾

Collin County

	Average Annual				
	2018 ⁽²⁾	2017	2016	2015	2014
Civilian Labor Force	542,982	527,317	512,119	488,234	474,119
Total Employed	523,567	509,347	494,019	470,529	452,567
Total Unemployed	19,415	17,970	18,100	17,705	21,552
Unemployment Rate	3.6%	3.4%	3.5%	3.6%	4.5%

⁽¹⁾ Source: Texas Workforce Commission.

⁽²⁾ Source: Data through June 2018.

Major Employers

The major employers in the City are set forth in the table below.

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Celina Independent School District	Education	329
City of Celina	Government	124
Celina Ready-Mix Concrete	Cement Manufacturing	69
Fini Enterprises Inc.	Chemical Manufacturing	68
Brookshire	Retail Grocery	67
Dickerson Construction	Construction	23
Independent Bank	Banking	18

Source: City Officials.

Surrounding Economic Activity

The major employers in municipalities surrounding the City are set forth in the table below.

City of McKinney, TX		City of Frisco, TX		City of Plano, TX		City of Denton, TX	
Approximately 15 Miles from Celina		Approximately 10 Miles from Celina		Approximately 25 Miles from Celina		Approximately 25 Miles from Celina	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
Raytheon Space & Airborne Systems	2,725	Frisco ISD	6,970	Capital One Finance	5,500	University of North Texas	8,738
McKinney ISD	2,548	City of Frisco	1,508	Bank of America Home Loans	3,400	Denton ISD	4,417
Collin County	1,922	Amersource Bergen Specialty Group	1,450	HP Enterprise Services	3,250	Peterbilt Motors-Headquarters & Plant	2,314
Encore Wire Corp.	1,350	Conifer	1,150	Ericsson	3,200	Denton State Supported Living Center	1,700
Globe Life/Torchmark	1,250	T-Mobile USA	760	Toyota Motor North America, Inc.	2,900	Texas Woman's University	1,672
City of McKinney	1,200	Baylor Medical Center	642	Frito-Lay	2,500	City of Denton	1,630
Medical Center of McKinney	850	Mario Sinacola & Sons Excavating	603	J.C. Penny Co., Inc.	2,420	Denton County	1,581
Baylor Medical Center	715	Oracle	500	Dell Services	2,250	Federal Emergency Management Agency	1,100
Collin College	635	Centennial Hospital	490	Texas Health Presbyterian Hospital Plano	1,680	Texas Presbyterian Hospital	1,076
Timber Blinds	450	Collin County College	429	Medical Center of Plano	1,600	Columbia Medical Center of Denton	950



City of Lewisville, TX	
Approximately 25 Miles from Celina	
Employer	Employees
JP Morgan Chase	3,478
Lewisville ISD	2,919
Vista Ridge Mall	1,500
Wal-Mart	900
Xerox	823
Medical Center of Lewisville	815
City of Lewisville	763
TIAA-CREG	600
SYSCO	563
Med-Fusion	483

City of Carrollton, TX	
Approximately 30 Miles from Celina	
Employer	Employees
Halliburton Energy Services	1,300
Thomson Reuters	1,000
McKesson Corporation	999
General Aluminum Corporation	700
Western Extrusions Corporation	600
Baylor Medical Center	565
Brandt	550
Rudy's Tortillas	500
Realpage	500
Hilton Reservations World Wide LLC	450

Source: Municipal Advisory Council of Texas

APPENDIX B
FORM OF INDENTURE

Attachment: Celina-Glen Crossing PID 2018 PLOM (Phase #2) 4131-5706-3955 2 (Glen Crossing resolution approving PLOM Distribution)

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APPENDIX C
FORM OF SERVICE AND ASSESSMENT PLAN

Attachment: Celina-Glen Crossing PID 2018 PLOM (Phase #2) 4131-5706-3955 2 (Glen Crossing resolution approving PLOM Distribution)

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

Attachment: Celina-Glen Crossing PID 2018 PLOM (Phase #2) 4131-5706-3955 2 (Glen Crossing resolution approving PLOM Distribution)

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APPENDIX E-1
FORM OF DISCLOSURE AGREEMENT OF ISSUER

Attachment: Celina-Glen Crossing PID 2018 PLOM (Phase #2) 4131-5706-3955 2 (Glen Crossing resolution approving PLOM Distribution)

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APPENDIX E-2
FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

Attachment: Celina-Glen Crossing PID 2018 PLOM (Phase #2) 4131-5706-3955 2 (Glen Crossing resolution approving PLOM Distribution)

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APPENDIX F
APPRAISAL OF THE DISTRICT

Attachment: Celina-Glen Crossing PID 2018 PLOM (Phase #2) 4131-5706-3955 2 (Glen Crossing resolution approving PLOM Distribution)

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Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Catherine Oduro, Engineer
CC: Catherine Oduro, Engineer
Date: October 9, 2018
Re: Reject Bid submitted for the Decommission of the Lucy's Lift Station

Action Requested:

Reject the bid received for the Decommission of the Lucy's Lift Station and approving the re-advertising of the request for bids for the project. (Brawner)

Background Information:

The recent Wastewater modeling indicated the Lucy's Lift Station to be decommission. The exiting force main runs through the property of the Bongo Beaux restaurant

Board Review/Citizen Input:

N/A

Alternatives:

City Council could chose to not proceed with the project.

Financial Considerations:

Funds are available within the 2018 bond funds.

Legal Review:

Per the Texas Purchasing law the governing body has the authority to reject a bid and no provision is made to delegate such power to a staff.

Supporting Documents:

Location Map; Bid

Staff Recommendation:

Rejection of Bid



City Secretary
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Vicki Faulkner, City Secretary
CC: Jason Laumer, City Manager
Date: October 9, 2018
Re: Appointment to the Celina Library Board

Action Requested:

Consider and act upon appointing Kelly Butler to the Celina Library Board. (Faulkner)

Background Information:

A resignation from the Library Board was received in September. Ms. Butler has applied for that vacancy.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

Application

Staff Recommendation:



Public Service opportunities are offered by the City of Celina without regard to race, color, national origin, religion, sex or disability.

BOARD/COMMISSION APPLICATION

Please submit your application and a statement of why you wish to serve on a particular board or commission

Date: 9-25-18

Name: Kelly Butler
(please print name as you wish it to appear)

Please choose from the list below of up to three (3) boards you are interested in serving. Please list your choices in order of preference.

Library Board
(Board/Commission)

Board of Adjustment
Building and Standards Commission
Community Development Corp
Economic Development Corp
Historic Preservation Commission

Parks & Recreation Board
Planning & Zoning Commission
Library Board
Main Street Advisory Board
Upper Trinity Regional Water District Rep

PERSONAL INFORMATION

Home Address: 413 Mustang Trail

City: Celina State: Texas Zip Code: 75009

e-mail: [REDACTED] Telephone: 214-585-8193

Celina Resident for 12 years

Attachment: Library Board (Board Appointment)

STATEMENT OF INTENT

I am aware of the requirements of the City regarding conflicts of interest to the City of Celina Boards/Commissions. I am aware of the meeting dates and times of the Board/Commission for which I have applied. I am also aware that my attendance at these meetings is imperative to the function of the Board/Commission. If appointed, I agree to serve on the Board/Commission for which I have applied. I affirm that I am qualified to vote.

Kelly Butler 9-25-19
 Signature Date

STATEMENT OF INTEREST

(Why I wish to serve on the Board/Commission)

The Library is a great resource for many of the students that I work with in my role as the ESL representative for Celina Junior High and High School. I would be excited to be a part of the growth of the library as the city grows.

Attachment: Library Board (Board Appointment)

BUSINESS INFORMATION

Business Name: Celina ISD Business Owner? Yes ☐ No ☒

Business Address: Celina 205 S. Colorado

City: Celina State: Texas Zip Code: 75009

Telephone: 469-742-9101 or 9102 Fax: _____

e-mail: Kellybutler@celinaisd.com Occupation: ESL Teacher

Please indicate any knowledge or personal experience applicable to the Board/Commission
You are applying for:

I have experience working for both
public and school libraries. I was
employed by the Melissa Public Library
and as a library aide at the Junior High
my first year in Celina ISD

Please list any business or personal relationships with the City of Celina, which might create
a conflict of interest that would affect your ability to serve.

There are none that I am aware
of.



Finance Department
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Vicki Faulkner, City Secretary
CC: Jason Laumer, City Manager
Date: October 9, 2018
Re: Collin County Animal Services

Action Requested:

Consider and act upon interlocal agreements by and between the City of Celina and Collin County for Animal Control Services and Animal Shelter Use. (Toutounchian)

Background Information:

This action extends Animal Control Services and Animal Shelter Use Agreements with Collin County for one year.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

Agreements

Staff Recommendation:



Contract Amendment TWELVE (12)

Office of the Purchasing Agent
Collin County Administration Building
2300 Bloomdale Rd, Ste 310
McKinney, TX 75071
972-548-416

Vendor: City of Celina
142 N. Ohio St.
Celina, TX 75009

Effective Date 10/01/2018
Contract No. 01357-09
Contract Interlocal Agreement for Animal Control Services

Awarded by Court Order No.:		2006-879-09-26
Contract Amendment No.:	<u>1</u>	Court Order No. <u>2007-902-10-09</u>
Contract Amendment No.:	<u>2</u>	Court Order No. <u>2009-056-01-27</u>
Contract Amendment No.:	<u>3</u>	Court Order No. <u>2009-553-07-27</u>
Contract Amendment No.:	<u>4</u>	Court Order No. <u>2010-917-11-08</u>
Contract Amendment No.:	<u>5</u>	Court Order No. <u>2011-561-08-15</u>
Contract Amendment No.:	<u>6</u>	Court Order No. <u>2012-901-12-10</u>
Contract Amendment No.:	<u>7</u>	Court Order No. <u>2013-938-11-11</u>
Contract Amendment No.:	<u>8</u>	Court Order No. <u>2014-989-12-15</u>
Contract Amendment No.:	<u>9</u>	Court Order No. <u>2016-017-01-04</u>
Contract Amendment No.:	<u>10</u>	Court Order No. <u>2017-031-01-23</u>
Contract Amendment No.:	<u>11</u>	Court Order No. <u>2012-821-10-09</u>
Contract Amendment No.:	<u>12</u>	Court Order No. _____

YOU ARE DIRECTED TO MAKE THE FOLLOWING AMENDMENT TO THIS CONTRACT

Extension of agreement for a one (1) year period as provided for in section 5.0 of the contract documents.
Agreement shall be in effect from October 1, 2018, continuing through and including September 30, 2019.

Total amount for fiscal year 2019: \$ 30,035.00

Except as provided herein, all terms and conditions of the contract remain in full force and effect and may only be modified in writing signed by both parties.

ACCEPTED BY:

CITY OF CELINA

142 N. Ohio St.
Celina, TX 75009

SIGNATURE

TITLE:

DATE:

ACCEPTED AND AUTHORIZED BY
AUTHORITY OF COLLIN COUNTY
COMMISSIONERS' COURT

Collin County Administration Building
2300 Bloomdale Rd, Ste 3160
McKinney, Texas 75071

Michalyn Rains, CPPO, CPPB

Purchasing Agent

DATE:

Attachment: FY19 CONTROL SERVICES CITY OF CELINA AMENDED (Animal Services)



Contract Amendment TWELVE (12)

Office of the Purchasing Agent
Collin County Administration Building
2300 Bloomdale Rd, Ste 316
McKinney, TX 7507
972-548-4165

Vendor: City of Celina
142 N Ohio St.
Celina, TX 75009

Effective Date 10/01/2018
Contract No. 06668-09
Contract Interlocal Agreement for the Facility
Construction and Use of an Animal Shelter
in Collin County

Awarded by Court Order No.:			<u>2006-891-09-26</u>
Contract Amendment No.:	<u>1</u>	Court Order No.	<u>2007-903-10-09</u>
Contract Amendment No.:	<u>2</u>	Court Order No.	<u>2009-012-01-12</u>
Contract Amendment No.:	<u>3</u>	Court Order No.	<u>2009-556-07-27</u>
Contract Amendment No.:	<u>4</u>	Court Order No.	<u>2010-918-11-08</u>
Contract Amendment No.:	<u>5</u>	Court Order No.	<u>2011-562-08-15</u>
Contract Amendment No.:	<u>6</u>	Court Order No.	<u>2012-902-12-10</u>
Contract Amendment No.:	<u>7</u>	Court Order No.	<u>2013-942-11-11</u>
Contract Amendment No.:	<u>8</u>	Court Order No.	<u>2014-990-12-15</u>
Contract Amendment No.:	<u>9</u>	Court Order No.	<u>2016-016-01-04</u>
Contract Amendment No.:	<u>10</u>	Court Order No.	<u>2017-032-01-23</u>
Contract Amendment No.:	<u>11</u>	Court Order No.	<u>2017-826-10-09</u>
Contract Amendment No.:	<u>12</u>	Court Order No.	

YOU ARE DIRECTED TO MAKE THE FOLLOWING AMENDMENT TO THIS CONTRACT

Agreement shall be in effect from October 1, 2018, continuing through and including September 30, 2019 at the below rate:

Total amount for fiscal year 2019: \$ 17,036.00

Except as provided herein, all terms and conditions of the contract remain in full force and effect and may only be modified in writing signed by both parties.

ACCEPTED BY:

CITY OF CELINA

142 N. Ohio St.
Celina, TX 75009

SIGNATURE

TITLE:

DATE:

ACCEPTED AND AUTHORIZED BY
AUTHORITY OF COLLIN COUNTY
COMMISSIONERS' COURT

Collin County Administration Building
2300 Bloomdale Rd, Ste 3160
McKinney, Texas 75071

Michalyn Rains, CPPO, CPPB

Purchasing Agent

DATE:

Attachment: FY19 SHELTER SERVICES CITY OF CELINA AMENDED (Animal Services)



Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Kim Brawner, Director of Engineering
 CC: Lance Vanzant, City Attorney
 Date: October 9, 2018
 Re: Dunham Engineering

Action Requested:

Consider and act upon a Master Services Agreement (MSA) contract by and between the City of Celina and Dunham Engineering for Engineering Services. (Brawner)

Background Information:

This agreement shall provide Professional Engineering Services for various City of Celina Departments in compliance with the “Texas Engineering Practice Act and Rules Concerning the Practice of Engineering and Professional Engineering Licensure” of the Texas Board of Professional Engineers, and all applicable laws. The scope of services which may vary from Project to Project shall be determined by City personnel or by mutual agreement between the City and Engineer. The contract term shall commence on the date of execution by the City Council, or their authorized representative, and extend for a period of up to twelve (12) months thereafter with automatic annual renewals for up to five (5) years. The contract term may be extended by mutual agreement of the parties.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

None

Legal Review:

The City Attorney will review the proposed agreement for content and form.

Supporting Documents:

Master Services Agreement

Staff Recommendation:

Approved the proposed Master Services Agreement

MASTER SERVICES AGREEMENT Miscellaneous Professional Engineering Services

This agreement for Professional Consulting Services (the "Agreement"), made effective as of the date executed, is made between **Dunham Engineering, Inc.**, a Texas corporation, (hereinafter referred to as "CONSULTANT") whose mailing address is **6102 Imperial Loop, College Station, Texas 77845**, and the **City of Celina, Texas**, a municipal corporation, (hereinafter referred to as "OWNER"), whose mailing address is 142 North Ohio Street, Celina, Texas 75009.

Recitals:

WHEREAS, OWNER desires to engage the services of CONSULTANT as an independent contractor and not as an employee in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, CONSULTANT desires to render miscellaneous professional engineering and related services for OWNER on an indefinite delivery, indefinite quantity ("IDIQ") basis and in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in exchange for the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

Article 1 Scope of Services

- 1.1 In consideration of the mutual covenants contained herein, CONSULTANT shall perform Professional Engineering Services to OWNER on an as-needed, Project assignment basis. The specific scope of services, and basis for payment, for each Project assignment shall be determined by OWNER and defined in a Request for Proposal from OWNER TO CONSULTANT.
- 1.2 This Agreement shall also allow CONSULTANT to provide related professional services to OWNER as appropriate including, but not limited to, Land Surveying, Landscape Architecture, Land Planning, and CADD services.
- 1.3 All designs, drawings, specifications, documents, and other work products of CONSULTANT, whether in hard copy or in electronic form, are instruments of service for this Project, whether the Project is completed or not. Reuse, change, or alteration by the OWNER or by others acting through or on behalf of OWNER of any such instruments of service without the written permission of CONSULTANT will be at OWNER's sole risk. CONSULTANT shall own the final designs, drawings, specifications and documents.

Article 2

Term of Contract

- 2.1 The contract term shall commence on the date of execution by OWNER and shall extend for a period of five (5) years thereafter.
- 2.2 The contract term may be extended by mutual agreement of the parties.

Article 3

Compensation and Method of Payment

- 3.1 CONSULTANT will submit a written fee proposal to OWNER for each Project prior to starting work.
- 3.2 For each Project, OWNER shall compensate CONSULTANT for services on either (a) Time & Expense basis with a Not-to-Exceed Total Fee, or (b) on a Lump Sum basis, as directed by OWNER.
- 3.3 The unit prices to be used for Time & Expense basis shall be set forth in Exhibit "A", attached hereto, and made a part hereof for all purposes.
- 3.4 During the term, or any extension to the term, of this contract, the unit prices contained in Exhibit "A" shall remain the same unless revised per mutual agreement of the parties.
- 3.5 Unless otherwise provided herein, payment to CONSULTANT shall be monthly based on CONSULTANT's monthly invoice that shows the total amount of fees earned to date and the amount due and payable as of the current statement, in a form reasonably acceptable to OWNER.
- 3.6 Payment shall be made by OWNER within 30 days after receipt of the invoice.
- 3.7 OWNER shall provide written notification to CONSULTANT within 15 days of receipt of the invoice should OWNER object to all or any part of charges appearing on the invoice. The portion of the invoice that is not in dispute shall be paid by OWNER within 30 days of receipt of said invoice.

Article 4

Personnel and Equipment

- 4.1 To the extent reasonably necessary for CONSULTANT to perform the services under this Agreement, CONSULTANT shall be authorized to engage the services of any subcontractors, agents, assistants, persons, or corporations that CONSULTANT may deem proper to aid or assist in the performance of the services under this Agreement with the prior written approval of OWNER. The cost of such personnel and assistance shall be included in the compensation to CONSULTANT as described in Article 2.
- 4.2 CONSULTANT shall furnish the facilities, equipment, and personnel necessary to perform the services required under this Agreement unless otherwise provided herein.
- 4.3 CONSULTANT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or disability.

Article 5

Delays and Termination

- 5.1 OWNER or CONSULTANT may terminate this Agreement upon thirty (30) days written notice to the other party. In the event of such termination, the CONSULTANT shall be entitled to compensation for any services completed to the reasonable satisfaction of OWNER in accordance with this Agreement prior to such termination.
- 5.2 If OWNER suspends the Project, CONSULTANT shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, CONSULTANT shall be compensated for expenses incurred in the interruption and resumption of CONSULTANT's services. CONSULTANT's fees for the remaining services and the time schedules shall be equitably adjusted.
- 5.3 OWNER's failure to make payment to CONSULTANT in accordance with the payment terms herein shall constitute a material breach of this Agreement and shall be cause for termination by CONSULTANT.

Article 6

Right of Entry

- 6.1 OWNER shall provide for CONSULTANT's right to enter from time to time, property owned by OWNER and/or others, the entry upon which is necessary for CONSULTANT to fulfill the scope of services included hereunder.
- 6.2 Should the project property not be owned by OWNER, OWNER shall obtain and provide written right of entry from the property owner(s) unless otherwise stated in Exhibit "A".

Article 7

Information Provided by Others

- 7.1 CONSULTANT shall indicate to OWNER the information needed for rendering of services hereunder, and OWNER shall provide to CONSULTANT such information as is available to OWNER. OWNER recognizes it is impossible for CONSULTANT to assure the sufficiency of such information, either because it is impossible to do so, or because of errors or omissions, which may have occurred in assembling the information. OWNER shall be responsible for, and CONSULTANT may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by OWNER to CONSULTANT pursuant to this Agreement. CONSULTANT may use such requirements, programs, instructions, reports, data, and information in performing or furnishing services under this Agreement.
- 7.2 Subject to the standard of care set forth here within, CONSULTANT and its subconsultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.

Article 8 Construction Activities

- 8.1 OWNER agrees that CONSULTANT shall not have any control over, nor shall it be responsible for, job site safety or for construction means, methods, sequence, techniques and procedures necessary for performing, superintending and/or coordination of all construction activities as such responsibilities are the sole responsibility of the general contractor or OWNER. Accordingly, OWNER warrants that this intent shall be made evident in OWNER's agreement with the general contractor.
- 8.2 CONSULTANT shall have no responsibility for discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

Article 9 Jurisdiction and Applicable Law

- 9.1 This Agreement is to be governed by the laws of the State of Texas.
- 9.2 In compliance with Sec. 29 of the Professional Land Surveying Act, as enacted by the Legislature of the State of Texas, CONSULTANT is required to inform OWNER that land surveying services in the State of Texas are under the jurisdiction of the Texas Board of Professional Land Surveying, 12100 Park 35 Circle, Bldg. A, Suite 156, MC-230, Austin, Texas 78753, (512) 239-5263. Complaints regarding surveying services rendered may be addressed to that agency. The firm registration number is TBPLS No. 10008000.

Article 10 Indemnification

- 10.1 **CONSULTANT SHALL INDEMNIFY AND HOLD HARMLESS OWNER FROM AND AGAINST LAWSUITS, CLAIMS, LIABILITIES, CAUSES OF ACTION, LOSSES, DAMAGES, FORFEITURES, PENALTIES, FINES, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO, REASONABLE ATTORNEY'S FEES AND EXPENSES, BY WHOMEVER ASSERTED, TO THE EXTENT THE SAME ARE CAUSED BY THE NEGLIGENT OR INTENTIONAL ACTS OF CONSULTANT OR ITS EMPLOYEES OR SUBCONSULTANTS IN THE PERFORMANCE OF THE SERVICES IN THIS AGREEMENT.**

Article 11 Conflicts of Interest

- 11.1 CONSULTANT represents that no official or employee of OWNER has any direct or indirect pecuniary interest in this Agreement.

Article 12 Insurance

- 12.1 CONSULTANT shall, during the term hereof, maintain in full force and effect the following insurance: (1) a policy of insurance for bodily injury, death and property damage insuring against all claims, demands or actions relating to the CONSULTANT's performance of services pursuant to this Agreement with a minimum combined single limit of not less than \$1,000,000 Dollars per occurrence for injury to persons (including death), and for property damage; (2) a policy of automobile liability insurance covering any vehicles owned and/or operated by CONSULTANT, its officers and employees, and used in the performance of this Agreement; (3) statutory Worker's Compensation Insurance covering all of CONSULTANT's employees involved in the provision of services under this Agreement; and (4) Professional Liability Insurance covering damages arising out of the negligent acts, errors or omissions.
- 12.2 All insurance and certificate(s) of insurance shall contain the following provisions: (1) name OWNER, its officers and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance and Professional Liability Insurance; (2) provide for at least thirty (30) days prior written notice to the OWNER for cancellation or non-renewal of the insurance; (3) provide for a waiver of subrogation against the OWNER for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.
- 12.3 All insurance companies providing the required insurance shall be authorized to transact business in Texas and be rated at least "A" by AM Best or other equivalent rating service.
- 12.4 A certificate of insurance evidencing the required insurance shall be submitted to the OWNER prior to commencement of services.

Article 13 Assignment

- 13.1 Unless otherwise noted, neither CONSULTANT nor OWNER shall assign this Agreement in whole or in part without the prior written consent of both parties. CONSULTANT shall not subcontract any portion of the work to be performed hereunder, except that CONSULTANT may use the services of persons and entities not in the employ of CONSULTANT when it is appropriate and customary to do so. Such persons and entities include, but are not necessarily limited to, surveyors, specialized consultants, and testing laboratories. CONSULTANT's use of others for additional services shall not be unreasonably restricted by OWNER provided CONSULTANT notifies OWNER in advance.
- 13.2 Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

Article 14 Notices

- 14.1 Any notice given hereunder shall be deemed served when hand-delivered in writing to an officer or other duly appointed representative of the party to whom the notice is directed or, if sent by commercial courier service, upon delivery to the address specified in the notice or, if sent by registered or certified mail to the business address identified below, upon the deposit of such notice in a properly addressed and postage paid envelope in the United States Mail.

If intended for OWNER:

City of Celina Engineering Department
ATTN: Kimberly Brawner, PE, PTOE
Director of Engineering
142 N Ohio Street
Celina, TX 75009
972-382-2682 x 1081

If intended for CONSULTANT:

Dunham Engineering, Inc.
Wesley Oatman
Vice President
6102 Imperial Loop
College Station, Texas 77845
979-690-6555

Article 15 Standard of Care

- 15.1 The standard of care for all professional consulting services performed or furnished by CONSULTANT under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. CONSULTANT makes no warranties, express or implied, under this Agreement or otherwise, in connection with CONSULTANT's services.

Article 16 Entire Agreement

- 16.1 The Agreement (including attached schedules) constitutes the sole and entire agreement between CONSULTANT and OWNER. This Agreement replaces and supersedes all prior discussions and agreements between the OWNER and CONSULTANT with respect to the matters contained herein. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument signed by both OWNER and CONSULTANT.

Article 17

Independent Contractor

- 17.1 It is understood and agreed by and between the parties that CONSULTANT, in satisfying the conditions of this Agreement, is acting independently and that OWNER assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by CONSULTANT pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of OWNER. CONSULTANT shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. There is no intended third-party beneficiary to this agreement.

Article 18 Audits and Records

- 18.1 CONSULTANT agrees that, during the term hereof, OWNER and its representatives may, during normal business hours and as often as deemed necessary, inspect, audit, examine and reproduce any and all of CONSULTANT's records relating to the services provided pursuant to this Agreement for a period of one (1) year following the date of completion of services as determined by OWNER or date of termination if sooner.

Article 19 Miscellaneous Provisions

- 19.1 All waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.
- 19.2 Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONSULTANT, which agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- 19.3 OWNER shall not rely in any way on any document unless it is issued in final form, signed or sealed by CONSULTANT or one of its subconsultants.
- 19.4 A party's non-enforcement of any provision shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.
- 19.5 To the fullest extent permitted by law, all causes of action arising under this Agreement shall be deemed to have accrued, and all statutory periods of limitation shall commence, no later than the date of Substantial Completion.

The following Appendices and/or Exhibits are attached to and made a part of this Agreement:

- Exhibit A – Unit Price Schedule

Executed in two (2) counterparts, each of which is deemed to be an original and as of the day and date first written in this Contract.

EXECUTED the ____ day of _____, 2018.

OWNER:

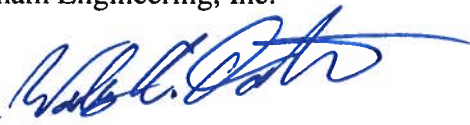
City of Celina, Texas

By:

Sean Terry, Mayor

CONSULTANT:

Dunham Engineering, Inc.

By: 

Wesley Oatman, P.E., Vice President

Attest:

City Secretary

Attest: _____

APPROVED AS TO FORM:

City Attorney

Attachment: Master Services Agreement-Dunham (MSA Dunham Engineering)

EXHIBIT "A"**UNIT PRICE SCHEDULE**

<u>Description</u>	<u>Billing Rate</u>	
<u>Engineering Services:</u>		
Principal	\$ 225.00	per hour
Associate Principal, Director	\$ 200.00	per hour
Senior Project Manager, Senior Project Coordinator	\$ 160.00	per hour
Project Manager, Project Coordinator	\$ 120.00	per hour
Project Engineer	\$ 95.00	per hour
Senior Technician	\$ 110.00	per hour
Technician	\$ 80.00	per hour
Drafter	\$ 75.00	per hour
Research Manager	\$ 80.00	per hour
Technical Assistant	\$ 50.00	per hour
Administrative Assistant	\$ 80.00	per hour
Certified Coating/Welding Inspector	\$ 100.00	per hour

UNIT PRICE SCHEDULE

<u>Description</u>	<u>Billing Rate</u>
<u>Other Direct Expenses:</u>	
Mileage	\$0.545 per mile



Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Kim Brawner, Director of Engineering
Date: October 9, 2018
Re: MSA with Halff & Associates

Action Requested:

Consider and act upon a Master Services Agreement (MSA) contract by and between the City of Celina and Halff and Associates for Engineering and Surveying Services. (Brawner)

Background Information:

This agreement shall provide Professional Engineering Services for various City of Celina Departments in compliance with the "Texas Engineering Practice Act and Rules Concerning the Practice of Engineering and Professional Engineering Licensure" of the Texas Board of Professional Engineers, and all applicable laws. The scope of services may vary from Project to Project shall be determined by City personnel or by mutual agreement between the City and Engineer. The contract term shall commence on the date of execution by the City Council, or their authorized representative, and extend for a period of up to twelve (12) months thereafter with automatic annual renewals for up to five (5) years. The contract term may be extended by mutual agreement of the parties.

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

None

Legal Review:

The City Attorney will review the proposed agreement for content and form.

Supporting Documents:

Master Services Agreement

Staff Recommendation:

Approval of MSA.

MASTER SERVICES AGREEMENT

Miscellaneous Professional Engineering Services

This agreement for Professional Consulting Services (the "Agreement"), made effective as of the date executed, is made between **Halff Associates, Inc.**, a Texas corporation, (hereinafter referred to as "CONSULTANT") whose mailing address is **1201 N. Bowser Road, Richardson, Texas 75081**, and the **City of Celina, Texas**, a municipal corporation, (hereinafter referred to as "OWNER"), whose mailing address is 142 North Ohio Street, Celina, Texas 75009.

Recitals:

WHEREAS, OWNER desires to engage the services of CONSULTANT as an independent contractor and not as an employee in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, CONSULTANT desires to render miscellaneous professional engineering and related services for OWNER on an indefinite delivery, indefinite quantity ("IDIQ") basis and in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in exchange for the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

Article 1

Scope of Services

- 1.1 In consideration of the mutual covenants contained herein, CONSULTANT shall perform Professional Engineering Services to OWNER on an as-needed, Project assignment basis. The specific scope of services, and basis for payment, for each Project assignment shall be determined by OWNER and defined in a Request for Proposal from OWNER TO CONSULTANT.
- 1.2 This Agreement shall also allow CONSULTANT to provide related professional services to OWNER as appropriate including, but not limited to, Civil Engineering, Land Surveying, Landscape Architecture, Land Planning, Environmental Consulting, Architecture, ROW Acquisition and CADD services.
- 1.3 All designs, drawings, specifications, documents, and other work products of CONSULTANT, whether in hard copy or in electronic form, are instruments of service for this Project, whether the Project is completed or not. Reuse, change, or alteration by the OWNER or by others acting through or on behalf of OWNER of any such instruments of service without the written permission of CONSULTANT will be at OWNER's sole risk. CONSULTANT shall own the final designs, drawings, specifications and documents.

Article 2

Term of Contract

- 2.1 The contract term shall commence on the date of execution by OWNER and shall extend for a period of five (5) years thereafter.
- 2.2 The contract term may be extended by mutual agreement of the parties.

Article 3

Compensation and Method of Payment

- 3.1 CONSULTANT will submit a written fee proposal to OWNER for each Project prior to starting work.
- 3.2 For each Project, OWNER shall compensate CONSULTANT for services on either (a) Time & Expense basis with a Not-to-Exceed Total Fee, or (b) on a Lump Sum basis, as directed by OWNER.
- 3.3 The unit prices to be used for Time & Expense basis shall be set forth in Exhibit "A", attached hereto, and made a part hereof for all purposes.
- 3.4 During the term, or any extension to the term, of this contract, the unit prices contained in Exhibit "A" shall remain the same unless revised per mutual agreement of the parties.
- 3.5 Unless otherwise provided herein, payment to CONSULTANT shall be monthly based on CONSULTANT's monthly invoice that shows the total amount of fees earned to date and the amount due and payable as of the current statement, in a form reasonably acceptable to OWNER.
- 3.6 Payment shall be made by OWNER within 30 days after receipt of the invoice.
- 3.7 OWNER shall provide written notification to CONSULTANT within 15 days of receipt of the invoice should OWNER object to all or any part of charges appearing on the invoice. The portion of the invoice that is not in dispute shall be paid by OWNER within 30 days of receipt of said invoice.

Article 4

Personnel and Equipment

- 4.1 To the extent reasonably necessary for CONSULTANT to perform the services under this Agreement, CONSULTANT shall be authorized to engage the services of any subcontractors, agents, assistants, persons, or corporations that CONSULTANT may deem proper to aid or assist in the performance of the services under this Agreement with the prior written approval of OWNER. The cost of such personnel and assistance shall be included in the compensation to CONSULTANT as described in Article 2.
- 4.2 CONSULTANT shall furnish the facilities, equipment, and personnel necessary to perform the services required under this Agreement unless otherwise provided herein.
- 4.3 CONSULTANT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or disability.

Article 5

Delays and Termination

- 5.1 OWNER or CONSULTANT may terminate this Agreement upon thirty (30) days written notice to the other party. In the event of such termination, the CONSULTANT shall be entitled to compensation for any services completed to the reasonable satisfaction of OWNER in accordance with this Agreement prior to such termination.
- 5.2 If OWNER suspends the Project, CONSULTANT shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, CONSULTANT shall be compensated for expenses incurred in the interruption and resumption of CONSULTANT's services. CONSULTANT's fees for the remaining services and the time schedules shall be equitably adjusted.
- 5.3 OWNER's failure to make payment to CONSULTANT in accordance with the payment terms herein shall constitute a material breach of this Agreement and shall be cause for termination by CONSULTANT.

Article 6

Right of Entry

- 6.1 OWNER shall provide for CONSULTANT's right to enter from time to time, property owned by OWNER and/or others, the entry upon which is necessary for CONSULTANT to fulfill the scope of services included hereunder.
- 6.2 Should the project property not be owned by OWNER, OWNER shall obtain and provide written right of entry from the property owner(s) unless otherwise stated in Exhibit "A".

Article 7

Information Provided by Others

- 7.1 CONSULTANT shall indicate to OWNER the information needed for rendering of services hereunder, and OWNER shall provide to CONSULTANT such information as is available to OWNER. OWNER recognizes it is impossible for CONSULTANT to assure the sufficiency of such information, either because it is impossible to do so, or because of errors or omissions, which may have occurred in assembling the information. OWNER shall be responsible for, and CONSULTANT may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by OWNER to CONSULTANT pursuant to this Agreement. CONSULTANT may use such requirements, programs, instructions, reports, data, and information in performing or furnishing services under this Agreement.
- 7.2 Subject to the standard of care set forth here within, CONSULTANT and its subconsultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.

Article 8 Construction Activities

- 8.1 OWNER agrees that CONSULTANT shall not have any control over, nor shall it be responsible for, job site safety or for construction means, methods, sequence, techniques and procedures necessary for performing, superintending and/or coordination of all construction activities as such responsibilities are the sole responsibility of the general contractor or OWNER. Accordingly, OWNER warrants that this intent shall be made evident in OWNER's agreement with the general contractor.
- 8.2 CONSULTANT shall have no responsibility for discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

Article 9 Jurisdiction and Applicable Law

- 9.1 This Agreement is to be governed by the laws of the State of Texas.
- 9.2 In compliance with Sec. 29 of the Professional Land Surveying Act, as enacted by the Legislature of the State of Texas, CONSULTANT is required to inform OWNER that land surveying services in the State of Texas are under the jurisdiction of the Texas Board of Professional Land Surveying, 12100 Park 35 Circle, Bldg. A, Suite 156, MC-230, Austin, Texas 78753, (512) 239-5263. Complaints regarding surveying services rendered may be addressed to that agency. The firm registration number is TBPLS No. 10008000.

Article 10 Indemnification

- 10.1 **CONSULTANT SHALL INDEMNIFY AND HOLD HARMLESS OWNER FROM AND AGAINST LAWSUITS, CLAIMS, LIABILITIES, CAUSES OF ACTION, LOSSES, DAMAGES, FORFEITURES, PENALTIES, FINES, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO, REASONABLE ATTORNEY'S FEES AND EXPENSES, BY WHOMEVER ASSERTED, TO THE EXTENT THE SAME ARE CAUSED BY THE NEGLIGENT OR INTENTIONAL ACTS OF CONSULTANT OR ITS EMPLOYEES OR SUBCONSULTANTS IN THE PERFORMANCE OF THE SERVICES IN THIS AGREEMENT.**

Article 11 Conflicts of Interest

- 11.1 CONSULTANT represents that no official or employee of OWNER has any direct or indirect pecuniary interest in this Agreement.

Article 12

Insurance

- 12.1 CONSULTANT shall, during the term hereof, maintain in full force and effect the following insurance: (1) a policy of insurance for bodily injury, death and property damage insuring against all claims, demands or actions relating to the CONSULTANT's performance of services pursuant to this Agreement with a minimum combined single limit of not less than \$1,000,000 Dollars per occurrence for injury to persons (including death), and for property damage; (2) a policy of automobile liability insurance covering any vehicles owned and/or operated by CONSULTANT, its officers and employees, and used in the performance of this Agreement; (3) statutory Worker's Compensation Insurance covering all of CONSULTANT's employees involved in the provision of services under this Agreement; and (4) Professional Liability Insurance covering damages arising out of the negligent acts, errors or omissions.
- 12.2 All insurance and certificate(s) of insurance shall contain the following provisions: (1) name OWNER, its officers and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance and Professional Liability Insurance; (2) provide for at least thirty (30) days prior written notice to the OWNER for cancellation or non-renewal of the insurance; (3) provide for a waiver of subrogation against the OWNER for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.
- 12.3 All insurance companies providing the required insurance shall be authorized to transact business in Texas and be rated at least "A" by AM Best or other equivalent rating service.
- 12.4 A certificate of insurance evidencing the required insurance shall be submitted to the OWNER prior to commencement of services.

Article 13

Assignment

- 13.1 Unless otherwise noted, neither CONSULTANT nor OWNER shall assign this Agreement in whole or in part without the prior written consent of both parties. CONSULTANT shall not subcontract any portion of the work to be performed hereunder, except that CONSULTANT may use the services of persons and entities not in the employ of CONSULTANT when it is appropriate and customary to do so. Such persons and entities include, but are not necessarily limited to, surveyors, specialized consultants, and testing laboratories. CONSULTANT's use of others for additional services shall not be unreasonably restricted by OWNER provided CONSULTANT notifies OWNER in advance.
- 13.2 Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

Article 14 Notices

- 14.1 Any notice given hereunder shall be deemed served when hand-delivered in writing to an officer or other duly appointed representative of the party to whom the notice is directed or, if sent by commercial courier service, upon delivery to the address specified in the notice or, if sent by registered or certified mail to the business address identified below, upon the deposit of such notice in a properly addressed and postage paid envelope in the United States Mail.

If intended for OWNER:

City of Celina Engineering Department
ATTN: Kimberly Brawner, PE, PTOE
Director of Engineering
142 N Ohio Street
Celina, TX 75009
972-382-2682 x 1081

If intended for CONSULTANT:

Halff Associates, Inc.
L. Daniel Tanksley
Vice President / General Counsel
1201 N. Bowser Road
Richardson, TX 75081
214/346-6200

Article 15 Standard of Care

- 15.1 The standard of care for all professional consulting services performed or furnished by CONSULTANT under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. CONSULTANT makes no warranties, express or implied, under this Agreement or otherwise, in connection with CONSULTANT's services.

Article 16 Entire Agreement

- 16.1 The Agreement (including attached schedules) constitutes the sole and entire agreement between CONSULTANT and OWNER. This Agreement replaces and supersedes all prior discussions and agreements between the OWNER and CONSULTANT with respect to the matters contained herein. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument signed by both OWNER and CONSULTANT.

Article 17

Independent Contractor

- 17.1 It is understood and agreed by and between the parties that CONSULTANT, in satisfying the conditions of this Agreement, is acting independently and that OWNER assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by CONSULTANT pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of OWNER. CONSULTANT shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. There is no intended third-party beneficiary to this agreement.

Article 18 Audits and Records

- 18.1 CONSULTANT agrees that, during the term hereof, OWNER and its representatives may, during normal business hours and as often as deemed necessary, inspect, audit, examine and reproduce any and all of CONSULTANT's records relating to the services provided pursuant to this Agreement for a period of one (1) year following the date of completion of services as determined by OWNER or date of termination if sooner.

Article 19 Miscellaneous Provisions

- 19.1 All waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.
- 19.2 Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONSULTANT, which agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- 19.3 OWNER shall not rely in any way on any document unless it is issued in final form, signed or sealed by CONSULTANT or one of its subconsultants.
- 19.4 A party's non-enforcement of any provision shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.
- 19.5 To the fullest extent permitted by law, all causes of action arising under this Agreement shall be deemed to have accrued, and all statutory periods of limitation shall commence, no later than the date of Substantial Completion.

The following Appendices and/or Exhibits are attached to and made a part of this Agreement:

- Exhibit A – Unit Price Schedule

Executed in two (2) counterparts, each of which is deemed to be an original and as of the day and date first written in this Contract.

EXECUTED the ____ day of _____, 2018.

OWNER:

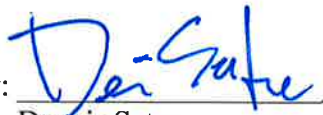
City of Celina, Texas

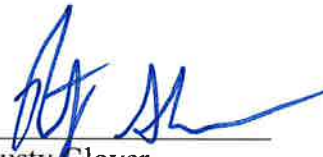
By: _____
Sean Terry, Mayor

Attest: _____
City Secretary

CONSULTANT:

Halff Associates, Inc.

By: 
Dennis Satre
Vice President

Attest: 
Rusty Glover
Vice President

APPROVED AS TO FORM:

City Attorney

Attachment: Master Services Agmt Halff (MSA - Halff)

EXHIBIT "A"

UNIT PRICE SCHEDULE

<u>Description</u>	<u>Billing Rate</u>
<u>Engineering Services:</u>	
Principal	\$ 275.00 per hour
Associate Principal, Director	\$ 250.00 per hour
Senior Project Manager, Senior Project Coordinator	\$ 220.00 per hour
Project Manager, Project Coordinator, PE	\$ 170.00 per hour
Project Engineer, EIT	\$ 130.00 per hour
Senior Technician	\$ 120.00 per hour
Technician/Drafter	\$ 95.00 per hour
Two-Man Survey Crew	\$ 150.00 per hour
Utility Coordinator	\$ 140.00 per hour
Environmental Scientist	\$ 125.00 per hour
Administrative Assistant	\$ 80.00 per hour

UNIT PRICE SCHEDULE

<u>Description</u>	<u>Billing Rate</u>
<u>Other Direct Expenses:</u>	
<u>Print - Letter and Legal / B&W</u>	\$0.10 Per sheet
<u>Print - Letter and Legal / Color</u>	\$0.20 Per sheet
<u>Print - Oversize (11x17) / B&W</u>	\$0.75 Per sheet
<u>Print - Oversize (11x17) / Color</u>	\$1.50 Per sheet
<u>Plot - Full Size / B&W</u>	\$1.00 Per plot
<u>Plot - Full Size / Color</u>	\$15.00 Per plot
<u>Mileage</u>	Standard IRS rate Per mile

Attachment: Master Services Agmt Half (MSA - Half)



Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Kim Brawner, Director of Engineering
CC: Andy Glasgow, Asst Director of Engineering
Date: October 9, 2018
Re: S Kentucky Drive and W Elm Street Reconstruction

Action Requested:

Consider and act upon a contract by and between the City of Celina and TRC Engineering for the reconstruction of S Kentucky Drive from W Walnut Street to W Elm Street and the reconstruction of W Elm Street from S Kentucky Drive to S Arizona Drive in the amount of \$66,750. (Brawner).

Background Information:

Board Review/Citizen Input:

N/A

Alternatives:

City Council could chose to not proceed with this project.

Financial Considerations:

Funding for the design and construction of Kentucky Road is available in the 2018 bond funds.

Legal Review:

Contract will follow the standard work order format. A Master Services Agreement was executed by and between the City of Celina and TRC Engineers on November 14, 2017.

Supporting Documents:

- Location Map

Staff Recommendation:

Approve.

LEGEND

-  WATER TO BE REPLACED
 SAN. SWR. TO BE REPLACE
 EXISTING UTILITIES

PROP. 2-70 LF
OF 8" BORE.

FM 455 (W WALNUT ST)

REPLACE WATER WITH
APPROX. 1,700 LF
OF 8" PVC PIPE.

REHABILITATE APPROX. 3,670 SY
OF EX. ASPHALT PAVEMENT WITH
CEMENT TREATED FDR.

REPLACE SANITARY SEWER
WITH APPROX. 1,655 LF
OF 8" PVC PIPE.



200 100 0 200 400
SCALE : 1" = 200'



TRC ENGINEERS, INC.
700 HIGHLANDER BLVD., SUITE 210, ARLINGTON, TEXAS 76015
T.B.P.E. FIRM REGISTRATION # F-8632
(817) 522 - 1000

CELINA, TX
S. KENTUCKY UTILITY IMPROVEMENT
PRELIMINARY EXHIBIT

8/31/18

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Attachment: Kentucky Location Map (TRC - Kentucky)



T.B.P.E. #F-8632

700 Highlander Blvd., Suite 210
Arlington, TX 76015

817.522.1014 PHONE
www.TRCSolutions.com

September 10, 2018

Mrs. Kimberly Brawner, P.E., P.T.O.E.
Assistant Director of Engineering
142 N. Ohio Street
Celina, TX 75009

Re: Kentucky Drive Utility Replacement
Engineering Services Proposal

Dear Mrs. Brawner:

The City of Celina has requested that TRC Engineers, Inc. (TRC) provide this engineering proposal for design services related to the above referenced project. The overall project consists of replacing existing water and sanitary sewer lines along Kentucky Drive and Elm Street, as shown in the attached exhibit. This task order will provide the engineering design for the water, sanitary sewer, and pavement repair. A preliminary construction cost estimate is attached for the City's use. Based on the attached Scope of Work, the cost to provide these services is \$66,750 lump sum.

This work would be provided as a task order under the Master Service Agreement (MSA) executed between the City and TRC.

The opportunity to provide this proposal is greatly appreciated. If you have any questions regarding this information, please feel free to contact this office.

Sincerely,

Justin Thomas, P.E.
Arlington CES Practice Leader
TRC Engineers, Inc.

Jason Laumer, P.E.
City Manager
City of Celina

Attachments

Attachment: Kentucky Dr Proposal_Rev 180910 (TRC - Kentucky)

CITY OF CELINA, TEXAS
KENTUCKY DRIVE WATER AND SANITARY SEWER DESIGN
TRC SCOPE OF WORK
SEPTEMBER 10, 2018

TASK 1 - DESIGN SERVICES

- A. Survey – Provide topographical data as required to complete the preliminary engineering design. Survey data will include locations of property lines, drainage easements, trees, fences, and other pertinent existing features within the project area; and providing control points for use during construction.
- B. Civil Engineering - TRC will prepare detailed plans and specifications for approximately 1,700 linear feet of water and 1,650 linear feet of sanitary sewer line replacement for connection to the existing utility mains. The project will also include replacing the existing roadway along the water and sanitary sewer lines with cement stabilized base and 2-inches of asphalt.

Civil plan sheets for construction will include:

- Demolition plan.
- Paving plan.
- Water line plan and profile.
- Sanitary sewer line plan and profile.
- Erosion control plan and details.
- City's general notes and details sheets.

It is anticipated that TRC will submit a 60%, 90% and 100% set of construction plans for the City to review. TRC will attend design progress meetings and provide updated engineer's opinion of probable construction costs with each submittal.

Design Schedule:

TRC is prepared to commence with the Scope of Work immediately upon receipt of the executed Task Order from the City. The chart below outlines our anticipated schedule for the design completion.

<u>Task</u>	<u>Duration (Days)</u>
Topographic Survey	30
60% Design Plans	21
City Review of 60% Design Plans	14
90% Design Plans	14
City Review of 90% Design Plans	14
100% Design Plans and Specifications	7
City Review of 100% Design Plans	14
Final Sealed Plans and Specifications for Bidding	7
<i>Total Number of Design Days</i>	<i>121</i>



TASK 2 - CONSTRUCTION ADMINISTRATION

- A. Bidding and Construction Administration - TRC will assist the City in the bid process including preparation of bid advertisement document, attendance at a pre-bid meeting if necessary, respond to contractor questions, preparation of addenda, assist the City in the opening and tabulation of bids, prepare award recommendation letter and prepare construction contract documents. After the bidding is completed, TRC will provide updated construction plans and specifications to include the bid addenda for use during construction.

Throughout construction, TRC will assist the City with contractor correspondence, materials submittal review, respond to contractor requests for information (RFI), contractor pay request reviews, attendance at one construction preconstruction meeting, attendance at monthly progress meetings (maximum of five) with the contractor, periodic site visits (maximum of two), final inspection with the contractor and City staff, preparation of punch list and record drawing preparation based on the contractor's as-built plans.

ASSUMPTIONS

The following assumptions apply to the basis of costs for this project:

- Plan and bid documents will be per TRC's and the City's standards.
- Construction cost estimates will be based on current construction costs.
- The entire project as shown in the attached exhibit will be bid as one package and awarded to one general contractor for construction. If the project is separated and constructed in multiple phases, TRC will provide a scope of work for additional services under separate cover.
- City will be responsible for arranging ROW, easement, and/or property access prior to commencement of fieldwork.
- Water and sanitary sewer alignments will be similar as shown in the attached exhibit.
- No new properties will be acquired. Water and sanitary sewer mains will remain within the current street Right-of-Way or existing utility easements.
- Traffic control plan during construction will be provided by the contractor to be approved by the City and TRC showing traffic phasing throughout construction.

EXCLUSIONS

The following items are excluded from the Scope of Work:

- Drainage design or hydrologic studies.
- Traffic control plan.
- Geotechnical investigation.
- Construction staking.
- Continuous construction inspection or services other than those listed above.
- Franchise utility coordination.
- Detailed title search or title policy.
- Preparation of final plats, Right-of-Way or easement documents.
- Property Appraisals or Acquisition.
- Attendance at or preparation for condemnation hearings.
- Landowner contact or easement negotiations.
- Environmental or permitting services.

COMPENSATION FOR SERVICES

The cost to provide the design engineering services under Task 1 will be invoiced as a lump sum project. This lump sum fee includes labor and material costs associated with the Scope of Work identified above. The estimated cost to provide engineering services under Task 2 will be invoiced on a time and materials basis, not to exceed the amount below without prior authorization from the City, based on the attached billing rates. A breakdown of the costs for the City's review is shown below.

Task 1 – Design Services (Lump Sum)

A. Topographic Survey	\$ 17,900
B. <u>Civil Engineering</u>	<u>\$ 34,200</u>
Sub-Total:	\$ 52,100

Task 2 – Construction Administration (Time and Materials)

A. <u>Bidding and Construction Administration</u>	<u>\$ 14,650</u>
Sub-total:	\$ 14,650

SUMMARY:

Task 1 – Design Services	\$ 52,100
Task 2 – Construction Administration	\$ 14,650
TOTAL CONTRACT AMOUNT:	\$ 66,750

TRC's fees above are based on a continuous flow of work. Any delays or restrictions, caused by customer or customer's sub consultants, which result in idle-time or inefficiencies, could be cause for additional compensation.

The payment schedule will be via progress billing (percent complete for each task).

**Billing Rate Schedule
TRC Engineers, Inc.**

A. RECORDS

Accurate and daily records of all labor, equipment, and materials furnished by TRC Engineers, Inc. on a project will be kept. Daily records will be summarized on a weekly and/or monthly basis and submitted for review upon customer's written request.

B. WAGE RATES

3.24 times salary cost

C. REIMBURSABLE EXPENSES

- **Project Expenses** – will be invoiced at a 6% of Labor (includes in-house reproduction, office materials, telecommunications, standard software, postage, computer expenses and field expendables).
- **Customer Requested Expenses** - outside services such as, but not limited to outside reprographic services, materials, and equipment will be invoiced at **cost plus 10%**.
- **Mileage** - Travel pay from portal to portal or between locations will be charged at \$0.575 cents per mile.
- **Per Diem Expenses** - Hotels and Meals will be charged per US government specification see www.perdiemrates.html.
- **Travel Expense** - Airfare, car rental, taxi, parking and tolls will be invoiced at **Cost +10%**.

D. SUBCONTRACTS

An administrative fee of 10% will be added to the invoice cost of subcontracts administered by TRC Engineers, Inc.

E. TERMS

Customer will make payment to Contractor within **thirty (30) days** after receipt of invoice and are subject to TRC Engineers, Inc. standard general terms and conditions.

The above rates are subject to periodic adjustments based on market conditions.

LEGEND

-  WATER TO BE REPLACED
 SAN. SWR. TO BE REPLACE
 EXISTING UTILITIES

PROP. 2-70 LF
OF 8" BORE.

FM 455 (W WALNUT ST)

REPLACE WATER WITH
APPROX. 1,700 LF
OF 8" PVC PIPE.

REHABILITATE APPROX. 3,670 SY
OF EX. ASPHALT PAVEMENT WITH
CEMENT TREATED FDR.

REPLACE SANITARY SEWER
WITH APPROX. 1,655 LF
OF 8" PVC PIPE.



200 100 0 200 400
SCALE : 1" = 200'



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700 HIGHLANDER BLVD., SUITE 210, ARLINGTON, TEXAS 76015
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CELINA, TX
S. KENTUCKY UTILITY IMPROVEMENT
PRELIMINARY EXHIBIT

8/31/18

Packet Pg. 362

TRC ENGINEERS INC.

700 Highlander Blvd., Suite 210

Arlington, TX 76015

TEL: (817) 522-1000 FAX: (512) 454-2433

PRELIMINARY ENGINEER'S ESTIMATE OF ANTICIPATED CONSTRUCTION COSTS

PROJECT Kentucky Dr. Water and Sewer

CLIENT: City of Celina

JOB NUMBER: 313667

PREPARED BY: J. Orrell

DATE: 8/24/2018

Water

ITEM	DESCRIPTION	UNIT	QUANTITY	\$/UNIT	TOTAL COST
W.1	8" PVC Water	LF	1,700	\$50.00	\$85,000.00
W.2	6" PVC Water	LF	40	\$50.00	\$2,000.00
W.3	Bore 8" Water with 16" Steel Encasement	LF	70	\$290.00	\$20,300.00
W.4	Connection to Existing Water Main	EA	8	\$2,000.00	\$16,000.00
W.5	8" Gate Valve	EA	12	\$1,800.00	\$21,600.00
W.6	6" Gate Valve	EA	4	\$1,500.00	\$6,000.00
W.7	1" Water Service With Meter	EA	25	\$2,000.00	\$50,000.00
W.8	Ductile Iron Fittings	TON	0.5	\$6,000.00	\$3,000.00
W.9	Fire Hydrant	EA	4	\$4,000.00	\$16,000.00
W.10	Trench Safety	LF	1,740	\$2.00	\$3,480.00
Water					\$223,380.00

Sanitary Sewer

ITEM	DESCRIPTION	UNIT	QUANTITY	\$/UNIT	TOTAL COST
S.1	8" PVC Sanitary Sewer	LF	1,655	\$60.00	\$99,300.00
S.2	Connection to Existing Sewer	EA	5	\$2,000.00	\$10,000.00
S.3	4" Sewer Lateral Service	EA	25	\$2,500.00	\$62,500.00
S.4	4' Sanitary Sewer Manhole	EA	3	\$4,000.00	\$12,000.00
S.5	Bore 8" Sanitary with 16" Steel Encasement	LF	70	\$290.00	\$20,300.00
S.6	Trench Safety	LF	1,655	\$2.00	\$3,310.00
Sanitary Sewer					\$207,410.00

Paving

ITEM	DESCRIPTION	UNIT	QUANTITY	\$/UNIT	TOTAL COST
P.1	Cement Treated FDR (Pulverize/Mix with Ex. Asphalt)	SY	3,670	\$12.00	\$44,040.00
P.2	2" HMA Paving	SY	3,670	\$35.00	\$128,450.00
Paving					\$172,490.00

Miscellaneous

ITEM	DESCRIPTION	UNIT	QUANTITY	\$/UNIT	TOTAL COST
M.1	Silt Fencing	LF	1,800	\$3.00	\$5,400.00
M.2	Temporary Fencing	LF	690	\$15.00	\$10,350.00
M.3	Wood Fencing	LF	345	\$75.00	\$25,875.00
M.4	Sod (Bermuda)	SY	6,330	\$7.50	\$47,475.00
M.5	Construction Entrance	EA	2	\$2,500.00	\$5,000.00
M.6	Inlet Protection for Culverts	EA	14	\$100.00	\$1,400.00
Misc.					\$95,500.00

Summary

Water	\$223,380.00
Sanitary Sewer	\$207,410.00
Paving	\$172,490.00
Miscellaneous	\$95,500.00
Sub-Total	\$698,780.00
Contingency(20%)	\$139,756.00
TOTAL	\$838,536.00

Attachment: Kentucky Dr Proposal_Rev 180910 (TRC - Kentucky)



MASTER SERVICE AGREEMENT (MSA) TASK ORDER

Work Authorization No. ____

Pursuant and subject to the above captioned MSA dated November 14, 2017 between the City of Celina, Texas and TRC Engineers, Inc., the City of Celina hereby requests that CONSULTANT performs the work described below upon the terms set forth:

Work Site: S. Kentucky Drive – from Pecan Street to Elm Street
Elm Street – from Kentucky Drive to Arizona Drive

Work to be performed: See attached proposal for Engineering Services.

Date and Time to Commence: Immediately upon execution of this work order.

Date and Time to Complete: Within 120 days of execution of contract.

Invoice Mailing Instructions:

City of Celina
Attn: Kimberly Brawner, P.E.
Director of Engineering
142 N Ohio
Celina, TX 75009
kbrawner@celina-tx.gov

Other Requirements or Variance from MSA (if any): None

CONSULTANT PROVIDED INFORMATION:

Compensation: \$66,750

ACCEPTANCE:

The foregoing TASK ORDER is accepted on the terms set forth as indicated by the signatures below.

Consultant:

Via attached contract

Justin Thomas, PE
Arlington CES Practice Leader

City Representative:

Jason Laumer
City Manager

Attachment: 2018 Task Order - Kentucky Utility (TRC - Kentucky)



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Brooks Wilson, Planning Consultant
 CC: Jason Laumer, City Manager
 Date: October 9, 2018
 Re: Dallas North Tollway Overlay District

Action Requested:

The Celina City Council will conduct a public hearing and consider testimony regarding the Comprehensive Zoning Ordinance, Chapter 14: Zoning, by adopting a new Article 14.03.032 DNTD, Dallas North Tollway Overlay District. (Dallas North Tollway Overlay District) (McAfee)

Background Information:

As Celina continues to grow, it is likely that the two major north/south corridors will become centers of commercial activity. These important corridors will develop quickly as the Metroplex economy shifts northward. It is therefore practical and prudent to anticipate the high intensity growth that will occur over the next decade and to prepare for that growth now.

The Preston Road Overlay District was established in 2001 and amended twice since then. Preston Road has already seen an addition of roadway lanes from the southern border of Celina to near the Celina High School. At the present time, the Dallas North Tollway has only two lanes of traffic (the future northbound service lanes) open to FM 428 (future Glendenning Parkway). The southbound lanes in this same location are currently under construction. However, the Dallas North Tollway is designed to continue northward to the Celina city limits. It is in the interest of the City to plan now for the type of development that would be most beneficial to the continued growth and prosperity of Celina.

The attached document lays out a means for the City to anticipate and address the kind of growth and density seen in Plano in the 1980s-1990s and in Frisco in the last two decades. With the rapid influx of new home developments, the commercial businesses will follow. The Dallas North Tollway Overlay District (DNTD) would encourage high-density growth patterns that the City prefers along major regional corridors and discourage single-family residential development located close to the noise and traffic of the future tollroad.

City of Celina Strategic Plan:

The goals of the DNTD support the second stated goal of the City of Celina 2018-2020 Strategic Plan, which is to "Plan the City." It is imperative that the City take action now to ensure that the growth that comes to Celina is managed to the best interest of the City and its citizens.

Board Review/Citizen Input:

The public hearing notice for this proposed ordinance change was published in *The Celina Record* on August 31, 2018. The Planning & Zoning Commission discussed aspects of the DNT Overlay at the meeting held on

September 18, 2018, but asked for additional time to review the standards. A second Planning & Zoning Commission public hearing notice for this proposed ordinance change was published in *The Celina Record* on September 28, 2018. No comments either for or against the proposed ordinance change have been received by staff. However, one person commented on the Overlay concept during the public hearing held on September 18, 2018. The Planning & Zoning Commission will revisit this ordinance amendment at the regular meeting on October 16, 2018.

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

- Draft Dallas North Tollway Overlay District Document

Staff Recommendation:

No action be taken tonight.

Proposed Dallas North Tollway Overlay District (DNTO)
Prepared for City Council Discussion - October 9, 2018

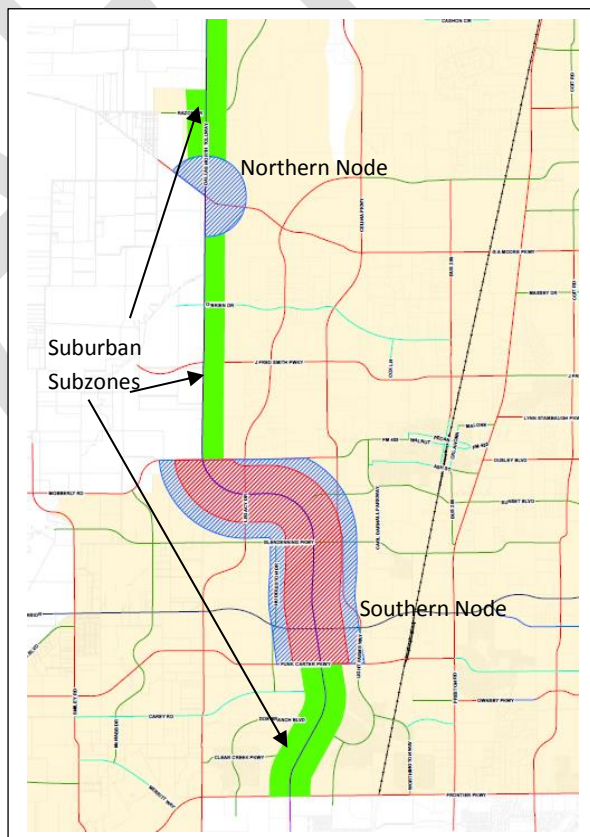
Sec. 14.03.032 DNTO, Dallas North Tollway Overlay District

(a) *General Purpose and Description.* The Dallas North Tollway Overlay District (DNTO) is intended to substantially advance a legitimate governmental interest that includes enhancing the quality of life in Celina, to regulate the character of growth, determine the highest and best use for valuable land situated adjacent to the future Dallas North Tollway, and to ensure the careful and orderly growth of a major regional thoroughfare that crosses the City of Celina. Higher development standards in this significant corridor can effectively enhance the City's image as a desirable place to live, work, and shop. The DNTO provides development standards within an anticipated high traffic zone and allows greater height for buildings than would otherwise be allowed by the established base zoning districts. The DNTO district standards recognize that major regional highways act as an economic development engine that will be utilized to leverage a diverse and sustainable non-residential tax base for the City.

(b) *Intent.* It is not the intent of the DNTO district to replace the zoning regulations governing the use on any individual parcel of property. Instead, these regulations are meant to supplement the existing zoning district regulations on individual parcels of property within the overlay district and to encourage high value development with an urban character.

(c) *Official Boundaries.*

- (1) Linear measurement. The DNTO's boundaries shall be measured 1,000 feet from the right-of-way boundary line of the service roads along the Dallas North Tollway (also known as the "Dallas Parkway") that are not designated as a high-rise or mid-rise subzone. These areas shall be designated as "suburban subzones."
- (2) Northern node. From the intersection box of the Dallas North Tollway and G.A. Moore Parkway (FM 455), a circle shall be drawn with a 2,500 foot radius in all directions within the city limits. This shall be designated as a "mid-rise subzone."
- (3) Southern node (high-rise subzone). From the northern limit of Mobberly Road (CR 8) to the southern limit of Punk Carter Parkway (CR 7), a 1,500 foot width shall be drawn from the Dallas North Tollway right-of-way line outward within the city limits. This shall be designated as the "high-rise subzone."
- (4) Southern node (mid-rise subzone). From the northern limit of Mobberly Road (CR 8) to the southern limit of Punk Carter Parkway (CR 7), beyond the high-rise subzone described above, a 2,500 foot width shall be drawn from the Dallas North Tollway right-of-way line outward within the city limits (or an additional 1,000 feet beyond the high-rise subzone). However, this subzone will follow the rights-of-way of future Huddleston Parkway as the western boundary and the Light Farms Way extension as the eastern boundary. This shall be designated as a "mid-rise subzone."



The corridor and its subsequent regulations apply to all land within the corridor, as defined above, and properties beyond the official boundary lines with ingress and egress (access) to the Dallas North Tollway.

However, the district boundaries exclude all single family subdivisions platted prior to the date of this ordinance. The official boundaries of the DNT overlay district and its three subzones shall be as delineated on the City of Celina Official Zoning Map.

(d) Permitted Uses.

Schedule of Permitted Uses for Dallas North Tollway Overlay District						
Land Use	High-Rise Subzone		Mid-Rise Subzone		Suburban Subzone	
Full Service Hotels	P		P		P	
Office High-Rise Buildings	P		P		P	
Mixed use high-rise buildings ¹	P		P		P	
Entertainment venues	P		P		P	
Retail malls with structured parking permitted	P		P		P	
Shopping malls ²		C	P		P	
Retail strip centers		C	P		P	
Stand-alone urban living multi-family with structured parking		C	P		P	
Stand-alone garden style multi-family with both structured & surface parking		C		C		C
Amusement park				C		C
Anchor store ³ (also known as “big box”)			P		P	
Armed services recruiting center					P	
Assisted living facility				C		C
Auto repair (minor)						C
Auto supply store for new & rebuilt parts					P	
Bakery or confectionery (retail)			P		P	
Bank/credit unions			P		P	
Church/place of worship			P		P	
Community center (municipal)	P		P		P	
Concrete or asphalt batching plant (temporary)				C		C
Convenience store						C
Food or grocery store			P		P	
Food or grocery store (with beer & wine sales)			P		P	
Funeral home				C		C
Garden shop (inside storage)				C	P	
General retail store			P		P	
Governmental building			P		P	
Laundry/dry cleaning (drop off/pick up)				C	P	
Light industrial uses						C
Medical facilities			P		P	
Micro brewery				C		C
Mini Storage or self-storage						C
Municipal facility	P		P		P	
Nursing/convalescent home				C		C

Offices			P		P	
Parking lot structure			P		P	
Personal services shop			P		P	
Pet and animal grooming shop				C	P	
Restaurant (with drive-through service)				C		C
Restaurant (with no drive-through service)			P		P	
Seasonal business				C		C
Studio for radio or television (without tower)			P		P	
Theater or playhouse (indoor)			P		P	
Veterinarian (indoor kennels)			P		P	

1. Mixed use with retail (at a minimum on the ground floor, but may occupy additional floors) and multi-family on subsequent floors permitted;
2. "Shopping Malls" are defined as a one or more story building containing shops either with an air-conditioned court/walkways (examples are Stonebriar Mall or The Galleria Mall) or with outdoor walkable areas (such as Fire Wheel Center or Fairview Town Center).
3. An "anchor store" is defined as a major department store, a full-service grocery store, entertainment venue, or similarly sized business

(e) Prohibited Uses.

Prohibited Uses for Dallas North Tollway Overlay District						
Land Use	High-Rise Subzone		Mid-Rise Subzone		Suburban Subzone	
Dwelling, single-family attached	X	X	X	X	X	X
Dwelling, single-family detached	X	X	X	X	X	X
Dwelling, two-family	X	X	X	X	X	X
Living quarters on site with a business	X	X	X	X	X	X
Group day care home or community home	X	X	X	X	X	X
Patio home	X	X	X	X	X	X
Manufactured home subdivision	X	X	X	X	X	X
Auto laundry or carwash	X	X	X	X	X	X
Auto repair (major)	X	X	X	X	X	X
Auto sales and service	X	X	X	X	X	X
Batch plants (permanent)	X	X	X	X	X	X
Bed and breakfast inn	X	X	X	X	X	X
Caretaker/guard residence	X	X	X	X	X	X
Cemetery and/or mausoleum	X	X	X	X	X	X
Check cashing service	X	X	X	X	X	X
Commercial parking yards	X	X	X	X	X	X
Day camp for children	X	X	X	X	X	X
Family home (adult or child care)	X	X	X	X	X	X
Heavy Industrial Uses	X	X	X	X	X	X
Kiosk (providing a service)	X	X	X	X	X	X
Kiosk (recycling)	X	X	X	X	X	X
Landfill	X	X	X	X	X	X
New or used boat or motorcycle sales	X	X	X	X	X	X
New or used car sales	X	X	X	X	X	X
Pawn shop	X	X	X	X	X	X
Salvage yards	X	X	X	X	X	X
Sexually oriented business	X	X	X	X	X	X
Tire dealer, with or without open storage	X	X	X	X	X	X
Wastewater treatment plant	X	X	X	X	X	X
Water treatment plant	X	X	X	X	X	X

(f) Conflicts.

- (1) Permitted land uses and all development standards in the City's Zoning Ordinance, Subdivision Ordinance, building codes, and other applicable development-related codes and ordinances that apply to the base zoning district in which any property is located shall apply unless otherwise provided specifically herein, unless the land use is specifically prohibited in the list of prohibited uses, above.
- (2) In cases where another overlay district requirements conflict with base zoning requirements or with the requirements of this overlay district, the more stringent requirements shall apply. Unless specifically provided otherwise herein, the base zoning of a property (including permitted uses and development standards) shall not be affected by the applicable DNTO district.
- (3) The City Manager shall have the authority to approve minor modifications to development plans. Any major modification must be approved by the City Council.
- (4) Notwithstanding the prohibition of single family uses within the DNTO, a Planned Development that incorporates the majority of the overall tract in retail, office, and commercial development with vertically integrated residential development along with a minor component of detached single family uses, may be considered by the City Council and become an approved Planned Development use within the DNTO Suburban Subzone.

(g) Development Standards.

(1) Character and intent:

- i. *High-rise subzone:* The intent of the high-rise subzone is to create an urban character within the subzone, with minimal front yard setbacks that are primarily comprised of walkable sidewalks or plazas, especially on interior streets with more narrow travel lanes and on-street parking. Parking lots at the front of buildings is discouraged; although a drop-off zone with a porte cochere may be allowed. Parking should be structured or placed at the rear of buildings to provide minimum intrusion into the public pedestrian realm. Designs and site plans will be considered during the zoning process and approved as a function of the Concept Plan submitted with the zoning application.
- ii. *Mid-rise subzone:* The intent of the mid-rise subzone is to act as a transition from the more urban character of the high-rise subzone and the more typical suburban development found throughout north Texas. The mid-rise zone allows limited parking in front of the building with the majority of parking being located at the side or rear of the building. Site design should consider the pedestrian connections to both the high-rise subzone and the suburban subzone in addition to providing vehicle access.
- iii. *Suburban subzone:* The intent of the suburban subzone is to allow most commercial, office, and light industrial uses and to allow greater latitude with design of individual sites than in the high-rise or mid-rise subzones. The suburban subzone prohibits single-family residential development, but may be located adjacent to such developments.

(2) Height of non-residential buildings:

<i>Subzone:</i>	<i>Maximum height</i>	<i>Minimum height</i>
High-rise subzone	12 stories*	4 stories
Mid-rise subzone	6 stories	3 stories
Suburban subzone	**	1 story

*Additional height may be allowed by City Council.

**The maximum building heights as specified by the property's governing zoning district shall be applicable. More specifically, this overlay district shall not allow any increase in building height beyond the maximum heights as prescribed by the property's governing zoning district.

- (h) Building Facade Standards. Requirements are applicable to all structures. A facade concept plan of the entire proposed project shall be submitted with the zoning request.

- (1) Masonry requirement. Every elevation of each building shall be finished with masonry as specified below. Acceptable masonry finishing materials are brick, stone and/or synthetic stone materials including, but not necessarily limited to, slate, flagstone, granite, limestone, glass, and marble. Three-step stucco may be used as a masonry product on all floors excluding one through three, unless used as an accent material on those floors and not to exceed twenty-five percent (25%) of the façade of the floors including stucco (each floor's percentage will be calculated independently).
 - i. Floors one through three shall be finished with a minimum of seventy-five percent (75%) masonry;
 - ii. Floors four through six shall be finished with a minimum of twenty-five percent (25%) percent masonry;
 - iii. Masonry materials are not required, but may be used, on floors seven and above.
 - iv. Tilt wall construction is allowed for industrial uses. Synthetic stucco, such as exterior finish and insulation system (EIFS), may be utilized as an architectural accent material, not to exceed ten percent (10%) of the exterior surface of any building facade. Textured paint/EIFS skim coat on masonry construction will be excluded in the EIFS maximum percentages.
 - v. Metal or wood (other than engineered wood) exterior construction is allowed as an accent material to enhance the overall architectural design.
 - vi. The Director of Development Services may approve deviations from a strict interpretation of the exterior standards to accommodate specific "signature design aesthetic."
 - vii. No single building material shall cover more than eighty-five percent (85%) of any facade.
- (2) The balance of any exterior finishing materials shall be masonry, three-step stucco, EIFS, architectural concrete masonry units (CMU), concrete tilt wall construction, architectural metal panels (not including corrugated metal), treated engineered wood, and/or glass curtain wall systems.
- (3) If an architectural design or percentage of materials differs from the requirements for minimum masonry percentages listed above, the City Council may consider reducing or waiving the masonry requirement if the elevations/materials proposed are equal to or better than the required masonry in quality.
- (4) All nonresidential buildings shall be architecturally finished with similar exterior materials on all four sides with a higher level of finish and articulation on the primary façade, especially at the primary entrance.
- (5) The entrance or entrances on all buildings shall be articulated and defined with strong architectural features. All buildings shall be designed to incorporate no less than three (3) of the following architectural elements. Buildings over 50,000 square feet must include a minimum of five (5) of the following elements.
 - i. Canopies (drive-through canopies are not counted), awnings, valances or porticos;
 - ii. Overhangs (5 feet minimum);
 - iii. Recesses or projections (3 feet minimum);
 - iv. Architectural arcades;
 - v. Patterned brick designs;
 - vi. Peaked roof forms;
 - vii. Arches;
 - viii. Outdoor patios;
 - ix. Recessed or "popped-out" display windows (2 feet minimum);
 - x. Visible and noticeable architectural details, such as tile work or moldings, integrated into building facade;
 - xi. Integrated planters or wing walls that incorporate landscape and sitting areas; or

- xii. Other architectural features with similar visual impact.
- (6) Ground floor facades facing the Dallas North Tollway and any intersecting thoroughfare must incorporate articulated entry areas, arcades, display windows, awnings, or other architectural variety features along no less than sixty percent (60%) of the facade.
- (7) In addition to the above architectural requirements, all buildings shall incorporate a basic level of design variety as follows:
 - i. Horizontal articulation. Facades greater than 100 feet in length that are visible from the right-of-way shall incorporate wall projections or recesses of five (5) feet or greater. Projections, inserts, or recesses shall be at least twenty percent (20%) of the length of the facade. No uninterrupted length of facade may exceed 100 feet in length.
 - ii. Vertical articulation. Facades greater than 100 feet in length shall provide variations in elevation to prevent a straight or uninterrupted building line to discourage a bulk or box-type look to a building. Offsets, reveals, or projecting ribs shall be used to express architectural or structural bays.
- (8) Windows shall not be glazed or reglazed with mirrored or reflective glass.
- (9) Minimum roof pitch shall be at least 4:12, except for flat-roofed structures that shall have a highly articulated parapet that conceals the roof and any roof-mounted equipment.
- (i) Loading and Service Areas.
 - (1) Loading and service areas shall be located at the side or rear of buildings. Horizontal articulation described in Section 14.03.032(h)(7) is not required on the façade of buildings containing a loading dock and/or service area, provided that such area is located to not be readily visible from the Dallas North Tollway or any intersecting thoroughfare.
 - (2) Trash and recycling receptacles shall be screened with a eight (8) foot solid masonry wall on three (3) sides with a solid metal gate (primed and painted) and located outside buffer yards, and to the side or rear of the principal building.
- (j) Convenience Stores and Gas Stations. For the purpose of encouraging the safe, healthy, attractive and convenient location and development of convenience stores and gas stations, the following supplementary standards apply:
 - (1) Convenience stores and gas stations shall be prohibited from Mid-Rise and High-Rise subzones;
 - (2) Canopies on such sites should not exceed twenty (20) feet in total height;
 - (3) The roofs of convenience store buildings shall be 4:12 pitched or include a parapet;
 - (4) Canopies and its supporting structures should be architecturally integrated with the convenience store building and all other accessory structures on the site through the use of the same or complementary materials, design motif and colors. Canopy columns shall be fully encased with masonry;
 - (5) Canopy support columns shall not include any non-architectural additions to the columns;
 - (6) Canopy band face shall be a color consistent with the main structure or an accent color and may not be backlit or used as signage, with the exception that illuminated buttons (circular or nearly circular in shape, with the diameter not to exceed one-half (½) the height of the canopy) may be used to display the company logo;
 - (7) Lighting fixtures (LED only) or sources of light that are a part of the underside of the canopy should be recessed into the underside of the canopy;
 - (8) The materials and color used on the underside of the canopy should not be highly reflective, with the intent of minimizing the amount and intensity of light that reaches beyond the site boundaries;
 - (9) Materials and colors used on both structural and architectural surfaces shall be subdued, earth-tone colors, with the intent of promoting a harmonious appearance of the structures and the natural surroundings, as well as with appearance themes or guidelines of surrounding

- development. Brick, stone and other high-quality masonry type elements are required as a major component of the exterior of all structures;
- (10) Bright accent colors, intended to express corporate or business logos, may be used only on a limited basis. These accent color areas should not be internally illuminated, except as allowed by the City's sign regulations.
- (k) Access. Access and off-street parking shall be provided in conformance with the City standards, as they exist or may be amended.
- (1) Developments shall incorporate a twenty-four (24) foot wide shared access drive (via platted or properly recorded easements) through neighboring property(s), such that each lot or development site has at least two points of access to public roads. The width of this access drive may be increased if required for access by fire safety apparatus.
 - (2) The required shared access drive shall be located adjacent to the required landscape buffer, and/or adjacent to the first bay of parking.
 - (3) Rights-of-way may be considered as fire lanes for purposes of meeting fire coverage requirements in the City's adopted fire code.
- (l) Landscaping Standards for High-rise Subzone. In addition to the requirements in the Subdivision and Zoning Ordinances, the following are required:
- (1) *When a Build-to line is used*. Most mixed-use, retail, and office buildings in the high-rise subzone will be built adjacent to the sidewalk and not provide a landscape buffer. In these cases, the following regulations apply:
 - i. Trees located within sidewalks. When buildings are built to the sidewalk without a landscape buffer at the front façade, street trees shall be required to produce shaded areas within the sidewalk. One large canopy tree, appropriate for urban conditions, shall be planted in tree-wells for each thirty (30) linear feet of street frontage.
 - ii. Other landscape requirements. When buildings are built to the sidewalk without a landscape buffer at the front façade, planters with seasonal flowers/grasses/plants shall be provided adjacent to entrances of buildings. These planters may be freestanding pots or permanent fixtures designed to also accommodate seating.
 - iii. Street furniture. Seating shall be provided and outdoor café seating is encouraged. Any restaurant that faces the street shall provide outdoor seating.
 - (2) *When a Build-to line is not used*. Typical development allows for a wide landscaped buffer between a major roadway and both the pedestrian sidewalks and the building facades/entrances. When the site is designed in this manner, the following regulations apply:
 - i. Landscape buffer adjacent to DNT. A minimum forty (40) foot wide front yard landscape buffer shall be required of all properties located adjacent to the Dallas North Tollway. The landscaping within the buffer shall consist of grass and shallow-rooted shrubs. Driveways and sidewalks may cross the buffer area to provide access to the site. The required landscape buffers shall be exclusive of detention facilities.
 - ii. Landscape buffer adjacent to arterial streets. Corner lots of intersecting streets designated as an arterial street, or greater, shall provide for a forty (40) foot landscape buffer. The buffer shall extend the distance of the lot frontage and transition within fifty (50) feet to the adjacent required landscape buffer.
 - iii. Landscape buffer adjacent to collector streets. Corner lots of intersecting streets designated as a collector street shall provide a twenty (20) foot landscape buffer.
 - iv. Street trees. Large canopy trees shall be required in the landscaped buffer along any roadway or access drive at a rate of one canopy tree for every fifty (50) linear feet of frontage and evergreen trees shall be planted in a double staggered line, one tree for each fifty (50) linear feet of street frontage, exclusive of drives, which will result in one tree of different types for every fifty (50) linear feet.

- v. Required interior site landscaping. For surface parking lots, one landscape island with one large canopy tree and appropriate ground cover shall be provided for every ten (10) parking spaces.
 - vi. Parking lot screening. A landscape planting of sixteen (16) evergreen shallow-rooted shrubs, a minimum three-gallon size at the time of planting, shall be planted for each fifty (50) linear feet of street frontage, exclusive of drives, in groupings or hedgerow style on sites that have a minimum three-foot-wide bed shall be provided for the planting of such shrubs. Shallow-rooted shrubs may be placed if located over a water or sewer easement.
 - vii. Adjacent to a single-family use or zoning district. When a nonresidential development is established on a tract of land that is adjacent to a single-family development or to property zoned for single-family use, there shall be a fifty (50) foot wide landscaped buffer along the property line that is adjacent to such use or district. The landscaped buffer shall remain open and unobstructed (i.e., no parking, detention areas, driveways, or other active use of the buffer area), and shall be planted with ground cover, such as grass or ivy. Large canopy trees or evergreen trees shall be required in this landscaped buffer at a rate of one tree for every thirty (30) linear feet of residential adjacency.
- (3) Parking lots.
- i. Divided entrance drives. Parking lots containing more than 200 parking spaces shall construct a divided driveway with medians for landscaping. A sidewalk shall be provided within the median for protected access from parking to the commercial site.
 - ii. Earthen berms. Landscaped earthen berms in height of three (3) feet are encouraged as parking lot screening, along with shrubs planted along the peak of the berm.
- (m) Landscaping Standards for Mid-rise and Suburban Subzones. In addition to the requirements in the Subdivision and Zoning Ordinances, the following are required:
- (1) Landscape buffer. A minimum forty (40) foot wide front yard landscape buffer shall be required of all properties located within this DNTTO subzone. This landscape buffer may include water and sewer easements. The landscaping within the easement shall consist of grass and shallow-rooted shrubs. Driveways and sidewalks may cross the buffer area to provide access to the site. The required landscape buffers shall be exclusive of detention facilities.
 - i. Corner lots of intersecting streets designated as an arterial street, or greater, shall provide for a forty (40) foot landscape buffer. The buffer shall extend the distance of the lot frontage and transition within fifty (50) feet to the adjacent required landscape buffer.
 - ii. Corner lots of intersecting streets designated as a collector street shall provide a twenty (20) foot landscape buffer.
 - (2) Landscaping requirements.
 - i. Large trees. One large tree, a minimum three-inch caliper in size, shall be planted for each one tree for every twenty-five (25) linear feet of frontage and evergreen trees shall be planted in a double staggered line, one tree for each fifty (50) linear feet of street frontage, exclusive of drives, which will result in six trees of different types for every 100 linear feet.
 - ii. Small trees. A minimum of three (3) small trees a minimum two-inch caliper in size, shall be planted for each fifty (50) linear feet of street frontage, exclusive of drives in the required front yard. Small trees may be clustered for visual effect.
 - iii. Trees located within sidewalks. When buildings are built to the sidewalk without a landscape buffer at the front façade, street trees shall be required to produce shaded areas within the sidewalk. One canopy tree suitable for containers shall be planted in tree-wells for each thirty (30) linear feet of street frontage.

- iv. Shrub requirements. A landscape planting of evergreen shallow-rooted shrubs, a minimum three-gallon size at the time of planting, shall be planted in groupings or hedgerow style to screen parking lots facing rights-of-way. A minimum three-foot-wide bed shall be provided for the planting of such shrubs. Shallow-rooted shrubs may be placed within the water/sewer easement.
 - v. Required interior site landscaping. For surface parking lots, one landscape island with one large canopy tree and appropriate ground cover shall be provided for every ten (10) parking spaces.
 - vi. Adjacent to a single-family use or zoning district. When a nonresidential development is established on a tract of land that is adjacent to a single-family development or to property zoned for single-family use, there shall be a twenty-five (25) foot wide landscaped buffer along the property line that is adjacent to such use or district. The landscaped buffer shall remain open and unobstructed (i.e., no parking, detention areas, driveways, or other use of the buffer area), and shall be planted with ground cover, such as grass or ivy. This landscaped buffer may be located within the required yard/setback area. The tree requirements in (n)(2)i and ii, above, shall apply in this buffer.
- (3) *Parking lots.*
- i. Divided driveways. Parking lots containing more than 200 parking spaces shall construct divided driveways with medians for landscaping. A sidewalk shall be provided within the median for protected access from parking to the commercial site. Monument signs for the development are encouraged to be placed within the median of this divided drive entranceway.
 - ii. Earthen berms. Landscaped earthen berms in height of three (3) feet are encouraged as parking lot screening.
- (n) Screening Standards.
- (1) *Site elements required to be screened.* The following site elements shall be screened from the public view from the Dallas North Tollway:
 - i. Mechanical and utility equipment.
 - a. Screening shall consist of a solid decorative wall or architectural element of the building.
 - b. Roof-mounted equipment shall be screened with solid materials that are compatible and enhance the architecture of the building. Appropriate screening includes an extension of a wall, such as a parapet wall, on which the equipment is mounted.
 - ii. Vehicle loading/unloading and service areas.
 - a. Screens shall incorporate shrubbery having year-round foliage and/or a solid wall or architectural element of the building that is a minimum of six (6) feet in height.
 - b. Areas shall be screened from view of any public rights-of-way.
 - iii. Refuse and recycling containers. Screening shall consist of a solid masonry wall or architectural element of the building that is a minimum six (6) feet in height.
 - (2) *Manner of screening.* All screening walls visible from a public street shall be:
 - i. Constructed of a minimum of a six (6) foot masonry wall with materials that are consistent with the color and design of the primary on-site structure;
 - ii. Consistent in color and design with the building architecture;
 - iii. Uniform in style and materials along the entire length of the screen within a single development.
 - (3) *Prohibited screening elements.* No screening wall shall be:
 - i. Greater than eight (8) feet in height;
 - ii. Located within any required visibility triangle;

- iii. Constructed with any of the following materials: surface painted or coated concrete, chain link, concertina wire, barbed wire, corrugated metal, or fiberglass panels.

(o) Sidewalk and Parking Location Standards.

- (1) *Location.* The required sidewalk in the DNTTO district may be located within the front yard building and parking setbacks as well as the parkway area from the back of curb to the right-of-way line.
- (2) *Easement required.* A public use easement shall be provided for the required sidewalk when placed outside of street right-of-way and on private property.
- (3) *Construction and location of sidewalks and parking.* Sidewalks in the DNTTO must adhere to the following standards:
 - i. High-rise Subzone - Minimum ten (10) foot wide sidewalks adjacent to buildings facing or siding streets, with buildings built to the sidewalk edge. Parking shall be structured with limited surface parking at the sides of buildings that do not face a street or at the rear of the building.
 - ii. Mid-rise Subzone – Minimum ten (10) foot wide sidewalks adjacent to buildings, with buildings either built to the sidewalk edge or separated from the sidewalk by a minimum six (6) foot wide landscaped buffer. One parking row and/or an access drive may also be placed between the sidewalk and the façade of a building that faces a street, provided that the landscape buffer is provided to screen the parking row. Additional parking shall be structured or provided as surface parking at the sides of buildings that do not face a street or at the rear of the building.
 - iii. Suburban Subzone - Minimum six (6) feet wide (unless adjacent to a four-lane or six-lane roadway), with buildings set back from the sidewalk by a landscape buffer of at least six (6) feet in width. Parking rows and/or an access drive may also be placed between the sidewalk and the façade of a building that faces a street or at the rear of the building.
 - iv. Sidewalks must be a minimum width of ten (10) feet wide adjacent to any four-lane or six-lane roadway. All other roadways may allow a six (6) foot wide sidewalk.
 - v. In all subzones, regardless of width of sidewalk, a minimum of six (6) feet of clear walkable space shall be provided, free of street furniture, other seating, trees within tree wells, shrubbery or landscaped containers.
 - vi. Sidewalk approaches to street and driveway intersections shall be straight and parallel to the adjacent street for a minimum of ten (10) feet, constructed with appropriate handicapped access ramps.
 - vii. Detailed construction plans shall be submitted to the City Manager or his designee for approval prior to construction of the sidewalk.
 - viii. Deviations from these criteria may be approved by the City Manager or his designee for good cause such as cases of unusual or unique topography or to preserve desirable natural features.
 - ix. A minimum six (6) foot wide, paved pedestrian sidewalk shall connect the perimeter sidewalk to the building entry, if the building is set back from the perimeter sidewalk. This connecting sidewalk shall be handicapped accessible.
 - x. Notwithstanding the above regulations, all sidewalks shall conform to the requirements of the Subdivision Ordinance and the *Engineering Design Standards* of the City of Celina, as they exist or may be amended.



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Brooks Wilson, Planning Consultant
 CC: Jason Laumer, City Manager
 Date: October 9, 2018
 Re: Public Hearing and Discussion - Accessory Structures and Use Regulations

Action Requested:

The Celina City Council will conduct a public hearing and consider testimony to amend existing Article 14.04.002, Accessory Structures and Use Regulations. (Accessory Structures and Use Regulations) (McAfee)

Background Information:

Section 14.04.002, Accessory Buildings and Use Regulations, was adopted by Ordinance No. 2013-11 on June 11, 2013. The regulations have been amended from time to time. This is the first comprehensive consideration of the entire ordinance and replaces the current ordinance in its entirety.

The current accessory structure ordinance addresses the size, number, location, and type of accessory structure that can lawfully be constructed in Celina. In addition, for structures greater than 250 square feet, a percentage of masonry materials must be used, in the form of wainscoting. Residents have requested that the number and size of accessory structures be increased. Barns are allowed only on properties that are two acres in size or larger and must be used for agricultural purposes - in other words, not as a garage, workshop, home business, event space or residence. Accessory dwelling units are restricted to AG, Agricultural, SF-E, Single Family Estate, and OT-R, Old Town Residential zoning districts. Accessory dwelling units may not be rented or sold.

The proposed ordinance more clearly defines the permit process for accessory structures and details the masonry requirements by size and type of structure. Permits will not be required for sheds or small backyard structures under 120 square feet in size, although setback, siting, and safety issues must be addressed. All structures greater than 120 square feet in size will require a building permit, inspections, and final approval. Each accessory structure type defines the application process, the regulations that apply and the method of approval.

Board Review/Citizen Input:

The public hearing notice for this proposed ordinance change was published in *The Celina Record* on August 31, 2018. The Planning & Zoning Commission discussed aspects of the Accessory Structures Ordinance at the meeting held on September 18, 2018, but asked for additional time to review the standards. A second Planning & Zoning Commission public hearing notice for this proposed ordinance change was published in *The Celina Record* on September 28, 2018. No comments either for or against the proposed ordinance change have been received by staff. The Planning & Zoning Commission will revisit this ordinance amendment at the regular meeting on October 16, 2018.

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

- Executive Summary
- Current Accessory Structures Ordinance
- Draft Accessory Structures Ordinance

Staff Recommendation:

No action be taken tonight.

PROPOSED ACCESSORY BUILDINGS ORDINANCE
Prepared for City Council Discussion – October 9, 2018

Executive Summary

The overall purpose of the revised accessory building ordinance is to clarify the regulations that relate to buildings that can be constructed that are subordinate to the main structure on the lot, whether a residence (as in most cases) or a non-residential use.

The proposed article of the Subdivision Ordinance is divided into two parts – the first with general information that relates to most accessory structures and the second which gives regulations for specific accessory structures that vary somewhat from the norm.

PART ONE. This part of the ordinance includes definitions, when a permit is required, and the allowed use of an accessory building. It further describes what types of storage is prohibited. The number and size of allowed accessory structures in residential neighborhoods has been substantially increased – from 1 to 2 accessory structures on lots less than one acre; from 2 to 3 accessory structures on lots less than three acres, plus a barn, and from 2 to an unlimited number of accessory structures on lots that are three acres or larger. In addition, barns remain allowed only on lots greater than one acre, but are considered to be in addition to any other accessory structure, and have separate size, height and exterior finishing regulations.

Permits are still necessary for accessory structures that are less than or equal to 120 square feet. The requirement for an engineered or permanent slab/foundation refers to the adopted Building Code for that department's interpretation.

Exterior finishes are proposed as follows:

MASONRY REQUIREMENTS FOR ACCESSORY STRUCTURES	
Less than or equal to 120 square feet	Not subject to architectural standards for exterior materials.
Between 121 and 200 square feet	Required to be constructed of wood, treated engineered wood, metal, cementitious fiberboard (such as Hardiboard®), brick, stone, or stucco that is generally similar to the materials and color of the main structure.
Between 201 and 600 square feet	1. Required to be constructed of treated engineered wood, cementitious fiber board (such as Hardiboard®), brick, stone, or stucco that is generally consistent with the architecture, materials, and color of the main structure and 2. shall incorporate a brick or stone wainscot (36" in height for structures ≤ 12 feet in height; 48" in height for structures >12 feet in height) in an exterior material that is generally similar to or blends with the masonry material of the main structure, as applicable.
601 square feet or greater	Shall generally match the exteriors of the main structure in terms of types of materials, percentages of materials, and color

PART TWO. These regulations supersede any general regulations listed in Part One. However, if a standard is not specifically mentioned within the Specific Accessory Structure regulations in Part Two, the regulations from Part One apply. The following types of accessory structures have specific regulations: Accessory Dwelling Units; Accessory Buildings for Schools and/or Churches; Swimming Pools, Spas, and Hot Tubs; Detached Garages; Carports; Patio Covers or Outdoor Rooms; Patios, Flatwork (Concrete or Pavers); Barns and Farm Accessory Structures; and Greenhouse Structures.

Barns may be constructed of any suitable all-weather material as listed in the adopted International Building Code and are only allowed on lots that are greater than one acre.

COMMENTS FROM PLANNING & ZONING COMMISSION:

Staff received an email from Commission Barley, who had concerns regarding the requirement of an engineered foundation costing homeowners an unnecessary expense. After discussion with the Building Official, staff

determined that the engineered foundation could be required as written in the adopted Building Codes and the ordinance language reflects that change.

In addition, Commissioner Barley was concerned that requiring a high percentage of masonry would not always produce a structure that was compatible with the main structure, due to different subdivisions having different architectural standards. Staff has revised the standards by adding the phrase “generally similar to the material and color of the main structure.” In the case of the medium sized accessory structures (201-600 square feet), the overall material must be “generally similar” to that of the main structure and incorporate a masonry wainscot that is “generally similar” to the masonry material of the main structure, if the main structure has a masonry component. Large accessory structures (those that are 601 square feet and larger, are required to be “generally similar” to not only the masonry materials, but also to the percentages of materials and color. These standards are described in the Table on page 1 of the Executive Summary.

CURRENT CELINA ACCESSORY BUILDING ORDINANCE

14.04.002 Accessory buildings and use regulations

(a) An accessory building that is less than or equal to 100 square feet in size shall not be required to have a building permit. Galvanized metal buildings are prohibited.

(b) An accessory building that is greater than 100 square feet in size shall be required to have a building permit, be inspected by the city, and meet the following requirements:

(1) Residential districts. In a single-family or multiple-family district, an accessory building is a subordinate or incidental building not used for commercial purposes and not rented. Accessory buildings shall be located toward the rear portion of the property, and shall be constructed of either brick, stone, stucco, wood siding, cementitious fiber board, or metal (see subsection (B) below). All accessory buildings with walls up to 12 feet in height must have a minimum of 36 inch masonry wainscot along all facades. All accessory buildings with walls over 12 feet in height must have a minimum of 48 inch masonry wainscot along all facades. All accessory structures must be of an earth toned color pallet and/or a color pallet which complements the main structure. Galvanized metal buildings are prohibited.

(A) Greenhouses are exempt from the architectural design requirements.

(B) Metal buildings must meet the following standards to be permitted:

(i) Must have a pre-installed finish (paint).

(ii) Must have raised or standing seams.

(iii) Must be a minimum of 26 gauge steel.

(iv) Must have a corner trim.

(C) Accessory buildings less than 250 square feet are exempt from the wainscoting requirements.

(D) The following items are required in order to be approved for an accessory building permit.

(i) A scaled site plan, detailing property lines, building and OSSF (if applicable) setbacks.

(ii) Scaled building elevations, detailing the materials, and colors being used.

(iii) Sites containing an OSSF (septic system) may need the approval of their county OSSF inspector prior to permit approval.

(2) Nonresidential districts. In nonresidential districts, an accessory building is a subordinate building, the use of which is secondary to and supportive of the main building. Accessory buildings shall not be permitted without a main building or primary use being in existence. Accessory buildings should, whenever possible, be located toward the rear portion of the property, and shall be constructed of the same percentage of masonry material and in the same architectural design as that of the main building. Metal buildings are prohibited.

(c) Accessory buildings per lot.

(1) Lots less than one acre in area. No more than one accessory building per lot.

(2) Lots greater than one acre in area. No more than two accessory buildings per lot.

(d) Maximum size of an accessory building.

(1) Residential districts.

(A) Lots less than one acre in area. The maximum square footage of permitted accessory buildings shall not exceed 600 square feet.

(B) Lots greater than one acre and up to three acres in area. The maximum combined square footage of permitted accessory buildings shall not exceed 1,200 feet.

(C) Lots greater than three acres and up to five acres in area. The maximum combined square footage of permitted accessory buildings shall not exceed 1,800 feet.

CURRENT CELINA ACCESSORY BUILDING ORDINANCE

- (D) Lots that are greater than five acres in area. The maximum combined square footage of permitted accessory buildings shall not exceed 2,400 square feet.
- (E) The maximum square footage allowances may be increased by up to twenty-five (25) percent upon the approval of a conditional use permit.
- (2) Nonresidential districts. In nonresidential districts, the maximum size of an accessory building shall be not more than 50% of the floor area of the main building.
- (e) Right-of-way. Accessory buildings shall not be located within an easement or right-of-way.
- (f) Barns. Barns shall not be considered accessory buildings and shall be allowed on lots or tracts in excess of two (2) acres only and shall conform to the following:
- (1) Barns on lots greater than five acres.
 - (A) No maximum size.
 - (B) Shall be allowed without a main building.
 - (C) No limit to the number of barns per lot or tract.
 - (2) Barns on lots three to five acres.
 - (A) Maximum size shall be 1,300 square feet.
 - (B) Shall be allowed without a main building.
 - (C) A limit of one (1) barn per lot or tract.
 - (3) Barns on lots less than three acres.
 - (A) Maximum size shall be 750 square feet.
 - (B) Shall not be allowed without a main building.
 - (C) A limit of one (1) barn per lot or tract.
 - (4) Facade materials. Any barn facade shall be constructed from wood, masonry or steel materials.
 - (5) Maximum height. Barns shall not exceed the height of the main building, as defined in the applicable zoning district.
- (g) Specific district standards for accessory dwellings. Accessory dwelling units in the AG or SF-E districts shall be allowed as an incidental residential use of a building on the same lot as the main dwelling unit and used by the residents or residents of the main building, and shall meet the following standards:
- (1) An accessory dwelling is only allowed on lots that are a minimum of one acre in area;
 - (2) An accessory dwelling unit must be constructed to the rear of the main dwelling, separate from the main dwelling;
 - (3) An accessory dwelling unit shall be no larger than 50% of the floor area of the main building;
 - (4) An accessory dwelling unit may be constructed only with the issuance of a building permit, and shall be constructed of the same percentage of masonry material and in the same architectural design as that of the main building. Metal buildings are prohibited;
 - (5) An accessory dwelling unit may not be sold separately from sale of the entire property, including the main dwelling unit, and shall not be sublet;
 - (6) Setback requirements shall be the same as for the main structure;
 - (7) An accessory dwelling is not permitted without the main or primary structure.

CURRENT CELINA ACCESSORY BUILDING ORDINANCE

(h) Accessory dwellings. Accessory dwellings, including garage accessory dwellings and detached units, may be permitted in residential zoning districts, as designated in this article, and shall conform to the height limitations of the main structure. See regulations for the specific district, and the use charts, [section 14.04.001](#). No such accessory dwelling or quarters shall be used or occupied as a place of abode or residence by anyone other than a bona fide caretaker, servant or farm worker actually and regularly employed by the landowner or occupant of the main building, or is a guest or family member of the owner/occupant. Only one accessory dwelling unit, including a garage accessory dwelling, or servant's/caretaker's quarters, shall be allowed on any lot within a residential zoning district, and they shall be clearly incidental to the primary use. These accessory living structures shall not, in any case, be leased or sold.

(i) Area regulations for accessory buildings in residential and multifamily districts.

(1) Size of yards.

(A) Front yard. Detached accessory buildings shall be prohibited in front of the main building.

(B) Side yard. For accessory buildings that are separated from the main building by a minimum distance of ten feet the following regulations shall apply: a side yard of not less than three feet shall be required from any side lot line or alley line for any accessory building that is less than 250 square feet in size. All accessory buildings with an area of 250 square feet or larger shall be setback a minimum of five feet from any side lot line or alley line. Accessory buildings located closer than ten feet to the main building, shall observe the same minimum side yard requirements as those required for the main building. Accessory buildings adjacent to a side street shall have a side yard not less than 15 feet. Garages or carports accessed from the side yard shall be located a minimum distance of 25 feet from the side lot line, alley line, alley easement line or street. Carports or garages accessed from the side yard and facing a public street, shall be located a minimum distance that is equal to the required yard for the main building or 25 feet, whichever is greater.

(C) Rear yard. Accessory buildings less than 250 feet in size shall be set back a minimum of three feet from any rear lot line, alley line, or alley easement line. Accessory buildings that are 250 square feet or larger in size shall observe a rear yard setback of not less than five feet from any rear lot line, alley line, or alley line easement. These regulations shall apply to all accessory buildings, with the following exceptions:

(i) Carports, garages, or other accessory buildings, located within the rear portion of a lot as heretofore described, constructed closer than ten feet to the main building, shall have a rear yard equivalent to the rear yard requirement for the main building;

(ii) Garages or carports accessed by a motor vehicle from an alley or rear alley easement shall be set back from the rear property line or alley easement line a minimum distance of 25 feet;

(iii) Accessory buildings constructed ten feet or more from the main building shall have a minimum rear yard setback of three feet;

(iv) If an alley exists, accessory buildings may be located within three feet of a rear lot line provided the maximum (or ridge) height of the building is no greater than eight feet and if a solid fence or wall of the same height is built on the rear lot line to screen the building from the adjacent property.[:]

(v) Carport setbacks shall be measured from the posts supporting the roof nearest to the street or alley.

(D) Adjacent to Greenways. An accessory building which is proposed for a lot or tract of land which is directly adjacent to a public or private greenway, golf course, park, playground or other community open space amenity shall observe a setback requirement equal to the setback requirement for the main structure on the same lot.

(2) Accessory buildings are not permitted on a lot without a main structure.

CURRENT CELINA ACCESSORY BUILDING ORDINANCE

(3) Accessory buildings shall not exceed one story in height, unless otherwise allowed in the specific zoning district.

(Ordinance 2013-11 adopted 6/11/13)

DRAFT ACCESSORY BUILDINGS ORDINANCE
Prepared for City Council Discussion – October 9, 2018

Sec. 14.04.002 Accessory buildings and use regulations

PART ONE – GENERAL INFORMATION

- (a) Definition. An accessory building is defined as any structure, either attached or detached from the main dwelling or commercial building, the use of which is incidental to that of the main structure and located on the same lot. Accessory structures include, but are not limited to, detached garages and carports, patio covers, arbors, gazebos, cabanas, outdoor kitchens, recreational fire-pits, sheds, and other enclosures. Agricultural accessory buildings include barns, stables, coops, or any enclosure designed to accommodate farming or ranching supplies, livestock or fowl. Fences are not included in this definition of “accessory structure.”
- (b) Permit required. An accessory building that is less than or equal to 120 square feet (approximately 10’ X 12’) in size shall not be required to obtain a building permit, but shall meet all height and setback requirements of this article. An accessory building that is greater than 120 square feet in size OR any size structure that is attached to the main building shall be required to have a building permit, be inspected by the City, and meet the requirements of this article.
- (c) Allowed Accessory Building Uses. Allowed accessory uses are listed in the requirements for each zoning district provided for by this Chapter. However, in general, no commercial uses are allowed in an accessory building. In addition, an accessory unit may only be used for dwelling purposes in the AG, Agricultural or SF-E, Single Family Estate zoning districts and in no case may be rented to a person other than a family member of permanent member of the household staff. Home occupations shall not be conducted within an accessory building.
- (d) General Provisions.
- (1) Attached structures. Any structure that is attached to the principal building shall be considered a part thereof and shall comply with all the requirements for the principal structure, unless otherwise provided herein. Unenclosed structures, such as patio covers and gazebos, may encroach into the rear yard setback so long as a five (5) foot setback is maintained from all property lines.
 - (2) Detached structures. Detached structures shall comply with the requirements set out in this article and may not be located in the front yard or between the primary structure and the street.
 - (3) Easements. Accessory buildings shall not be located within or over an easement or right-of-way, unless approved in writing by the holder of the easement.
 - (4) Prohibited storage. Containerized storage, cargo storage, and/or trailer storage shall not be permitted. Notwithstanding the above, temporary storage pods may be placed within a private driveway (but not blocking any portion of the right-of-way or sidewalk) for a period not to exceed seven (7) days for the purposes of loading or unloading furnishings or other goods.
 - (5) Not allowed in front yard. Accessory structures shall not be located in the front yard area. This excludes temporary uses such as basketball hoops, bike or skateboard ramps or other moveable recreational devices. However, any such device shall be located entirely within the boundaries of the private property and shall not be placed in the right-of-way, the street, the sidewalk, or the parkway (defined as the grassy area between the sidewalk and the curb).
 - (6) Approval. Building permits are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.
- (e) General Development Standards for Accessory Buildings.

MAXIMUM NUMBER, TYPE, AND SQUARE FOOTAGE PER LOT SIZE			
Residential Districts			
	Less than one acre	One acre or greater, but less than 3 acres	Three acres or greater
Max number of accessory structures	2	3, plus barn	No limit

Max square footage of all accessory structures	600 or 25% of house square footage, whichever is greater	4,000	10,000
Max height of accessory structures, measured at eave of structure (other than barns)	10 feet	15 feet	20 feet
Barns allowed (includes other agricultural structures)	No	Yes	10,000
Max square footage of barns	N/A	4,000	No limit
Max height of barns	N/A	35 feet	35 feet

- (f) Architectural Standards for Accessory Buildings (barn structures and greenhouses excluded – see Section 14.04.002, Part Two, (h) and (i) for specific regulations related to barns and greenhouses).
- (1) Permits are required for all accessory structures that are greater than 120 square feet.
 - (2) Permanent and/or engineered foundations may be required per the adopted International Code.
 - (3) Accessory structures less than or equal to 120 square feet are not subject to architectural standards for exterior materials, but must be properly anchored to the ground per the International Residential Code (IRC).
 - (4) Accessory structures that are between 121 and 200 square feet shall be constructed of wood, treated engineered wood, metal, cementitious fiberboard, brick, stone, or stucco that is generally similar to the materials and color of the main structure. Materials from the approved list may be combined.
 - (5) Accessory structures that are between 201 and 600 square feet shall be constructed of treated engineered wood, cementitious fiber board, brick, stone, or stucco that blend and compliment the main structure. In addition, accessory structures between 201 and 600 square feet shall incorporate a brick or stone wainscot (36" in height for structures $\leq$ 12 feet in height; 48" in height for structures $>$ 12 feet in height, measured at the eave) in an exterior material that is generally similar to or blends with the masonry material of the main structure, if applicable. Materials from the approved list may be combined.
 - (6) Accessory structures that are greater than 600 square feet shall generally match the exteriors of the main structure in terms of types of materials, percentages of materials, and color.
 - (7) All accessory structures shall be earth tones in color.
 - (8) Metal buildings require raised or standing seams, minimum 26" gauge, corner trim, pre-installed finish.
- (g) Setback and Siting Regulations for Most Accessory Structures (see Part Two for specific accessory structure types).
- (1) No accessory structures shall be located in front yards and may not be located in the front yard or between the primary structure and the street.
 - (2) Accessory structures that are attached to a residence or non-residential building shall abide by the side and rear yard setbacks of the governing zoning district.
 - (3) Detached accessory structures in residential zoning districts shall observe the following side yard setbacks:
 - i. Typical side yard setback shall be three (3) feet.
 - ii. Side yard setback when also facing a street shall be fifteen (15) feet.
 - (4) Detached accessory structures in residential zoning districts shall observe the following rear yard setbacks:
 - i. Rear yard setback for structures that are less than 250 square feet in size, no greater than eight (8) feet. at the eave line, and screened from the alley or adjacent property by a solid fence shall be three (3) feet.
 - ii. Rear yard setback for structures that are 250 square feet in size or greater OR that do not meet the height or fence requirement cited above shall be five (5) feet.
 - iii. Accessory Structures adjacent to greenways (parks, golf courses, playground or community open space) shall be the same setback as the main structure in the governing zoning district.

PART TWO –REGULATIONS FOR SPECIFIC ACCESSORY STRUCTURES

These regulations supersede any general regulations listed in Part One. However, if a standard is not specifically mentioned within the Specific Accessory Structure regulations, below, then the regulations from Part One apply.

(a) Accessory Dwelling Units (ADUs).

- (1) Application. All ADUs require a building permit that includes a site plan indicating the proposed placement of the accessory dwelling unit.
- (2) Definition. An ADU is a subordinate building/structure intended for habitation. ADUs shall not be permitted without a main building or primary use in existence and are subject to zoning district limitations.
- (3) Zoning. ADUs are prohibited in all zoning districts other than the AG, Agricultural zoning district, SF-E, Single-Family Estate zoning district, or OT-R, Old Town Residential zoning district. ADUs shall be allowed as an incidental residential use of a primary residential structure, located on the same lot as the primary residential structure, may be occupied only by the residents or guests of the primary residential structure, and shall meet the following standards:
- (4) Regulations. The following area regulations shall be observed for all ADUs whether located on the ground or erected over a private garage:
 - i. An ADU may not be sold separately from sale of the entire property, including the primary residential structure, and shall not be sublet;
 - ii. An ADU is not permitted without the primary residential structure;
 - iii. Utility services shall be metered by the same meter as that which serves the main structure on the premises;
 - iv. ADUs shall abide by the same setback, height, and architectural regulations as detached garages, except that the rear yard setback shall be twenty (20) feet;
 - v. The total conditioned square footage of an ADU is limited to 800 square feet for lots that are less than one-half ($\frac{1}{2}$) acre in size. Lots that are one-half ($\frac{1}{2}$) acre or greater in area may construct an ADU up to 1,200 square feet if all other regulations are met. An ADU must be constructed to the rear of the primary residential structure, and may be attached to or separate from the main dwelling (note that ADUs that are attached to the main structure that cause the overall structure to be greater than the threshold set by the Fire Codes may require the entire structure to be sprinklered);
 - vi. No ADU or living quarters shall be used or occupied as a place of abode or residence by anyone other than a family member or guest of the owner/occupant of the primary residential structure or a bona fide caretaker, servant or farm worker actually and regularly employed by the landowner or occupant of the main building; and
 - vii. Only one ADU, including an above-garage ADU, or servant's/caretaker's quarters, shall be allowed on any lot, and the ADU shall be clearly incidental to the primary residential structure.
- (5) Architectural requirements. ADUs require the following design elements:
 - i. The exterior facades of a ADU shall be constructed of a masonry material (brick, stone, stucco) or materials that are generally similar to the materials used on the main building or structure.
 - ii. Cementitious fiberboard or treated engineered wood may be used to fulfill masonry requirements for an accessory building or structure of 200 square feet or less.
- (6) Approval. Building permits for ADUs are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.

(b) Accessory Buildings for Schools and/or Churches.

- (1) Application. All accessory buildings used for schools or churches require a building permit.
- (2) Regulations. The following regulations apply to school and church accessory buildings:
 - i. Churches, regardless of the zoning district, may have no more than two (2) accessory buildings. The total floor area of all accessory buildings shall not exceed thirty (30%) of the square footage of the first floor of the main building or 3,000 square feet, whichever is less. Accessory buildings utilized by churches are exempt from the Architectural Standards listed in this section.

- ii. Schools, regardless of the zoning district, may utilize accessory/temporary buildings only as approved by the Planning and Zoning Commission and the City Council. Accessory buildings utilized by schools are exempted from the Architectural Standards listed in this section.
- (3) Approval. Building permits are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.
- (c) Swimming Pools, Spas, and Hot Tubs.
 - (1) Application. All swimming pools and spas/hot tubs require a building permit.
 - (2) Regulations. The following regulations apply to swimming pools and spas/hot tubs:
 - i. Shall not be located in the front yard area;
 - ii. Shall comply with the minimum side yard and corner lot requirements for accessory structures;
 - iii. The setback from any building line to the water's edge shall be a minimum five (5) feet; and
 - iv. The setback from any building line to decking or flatwork shall be a minimum three (3) feet.
 - (3) Approval. Building permits are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.
- (d) Detached Garages.
 - (1) Application. All detached garages require a building permit.
 - (2) Regulations. The following regulations apply to detached garages:
 - i. Front yard setback for front-loading garages shall be twenty (20) feet;
 - ii. Rear yard setback for alley access garages shall be twenty (20) feet;
 - iii. Side yard setback for garages with access to a side street shall be twenty (20) feet.
 - iv. Typical side yard setback shall be five (5) feet;
 - v. The size (i.e. area), height, and architectural restrictions are the same as for accessory structures, except that a minor height waiver for associated pitched roofs may be discretionarily granted by the Building Official.
 - (3) Architectural requirements. The exterior facades of detached garages shall be constructed of materials that generally match the main building in percentage of masonry and other exterior products.
 - (4) Approval. Building permits are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.
- (e) Carports.
 - (1) Application. All carports require a building permit which includes a site plan indicating the proposed placement of the carport.
 - (2) Regulations. The following regulations apply to carports:
 - i. Support poles metal;
 - ii. Carports shall have a pitched roof, be attached to the primary residence, and meet the same building setbacks as garages;
 - iii. Carports are prohibited in any front yard;
 - iv. Setbacks for carports shall be the same as for the primary structure in the governing zoning district.
 - v. Manufactured homes may install a carport, which shall be designed to shelter a maximum of two (2) vehicles, shall not exceed ten (10) feet in height, and shall not be located closer than three (3) feet to any side or rear lot line.
 - (3) Approval. Building permits are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.
- (f) Patio Covers or Outdoor Rooms.
 - (1) Application. All enclosed or covered patios require a building permit for the above-ground structure.
 - (2) Regulations. The following restrictions shall apply to all covered patios, enclosed patios or partially enclosed patios, patio covers, outside rooms and other similar installations.
 - i. Patio covers or outside rooms that are attached to the primary structure and are less than or equal to 250 square feet are allowed within three (3) feet of any property line;

- ii. Patio covers or outside rooms that are attached to the primary structure and are greater than 250 square feet are allowed within five (5) feet of any property line or the same setback for the primary structure, whichever is greater;
 - iii. Metal or wood may be used as support structures, but the wood must be treated or otherwise impervious to rotting;
 - iv. Open roofing on patio covers and/or outdoor rooms may be constructed of wood beams that have been treated or otherwise impervious to rotting; and
 - v. Covered or partially enclosed patios may be connected to the primary structure, however, should the applicant wish to convert the partially enclosed patio into a fully functioning room, the setbacks for the zoning district in which the residence is located shall apply.
- (3) Approval. Building permits are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.

(g) Patios, Flatwork (Concrete or Pavers).

- (1) Application. All patios and other residential flatwork require a building permit.
- (2) Regulations. The following restrictions shall apply to all impervious surface, concrete, grading, and other similar installations.
 - i. All new parking, drives, and approaches must be constructed with concrete to the City's engineering design criteria.
 - ii. Any flatwork, foundation, or slab greater than 200 square feet must be drawn to City standards by a licensed engineer and display the engineer's seal.
 - iii. No flatwork is allowed within three (3) feet of any property line, nor in the front yard area, unless the flatwork is for a driveway to a front-loading garage. This shall not be interpreted to allow for enlarged driveways, whose width should match the width of the enclosed garage and not be expanded into the side yard setback.
 - iv. Nothing within this section allows the creation of a drainage hazard or issue, and all flatwork must be sloped or graded to drain.
 - v. Paving is limited to twenty percent (20%) of total lot coverage, including the driveway but not including any patio, walkway, pool deck, sports courts or other interior paved feature.
 - vi. A residential property shall continue to maintain the majority of each of its yards in living landscape, as required by the Landscape ordinance and administered by the Director. Mulch, gravel, rock gardens, decorative stone, and similar material may be used for patterns, beds, erosion control, and in other limited application with adequate associated landscaping; however, their use shall not be the predominant groundcover.
- (3) Approval. Building permits are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.

(h) Barns and Farm Accessory Structures.

- (1) Application. All farm accessory structures require a building permit regardless of the size of the structure.
- (2) Regulations. The following regulations apply to barns, sheds or livestock shelters:
 - i. A barn, shed or shelter for the keeping of livestock, crops or equipment related to the operation of a farm.
 - ii. Barns are not allowed on lots that are less than one (1) acre in size.
 - iii. The site must be currently classified and in operation as an agricultural enterprise.
 - iv. Barns may be constructed of any suitable all-weather material as listed in the adopted International Building Code.
 - v. The height of barns or other farm accessory structures shall not exceed thirty-five (35) feet, measured from the ground to the ridge line.
- (3) Approval. Building permits for farm accessory structures are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.

(i) Greenhouse Structures.

(1) Application. Greenhouse structures require a building permit if 120 square feet or greater.

(2) Regulations. The following regulations apply to greenhouses:

- i. Greenhouses may be constructed of glass, opaque plastic, and other all-weather material as listed in the adopted International Building Code.
 - ii. Typical side yard setback shall be three (3) feet.
 - iii. Side yard setback when also facing a street shall be fifteen (15) feet.
 - iv. Rear yard setback for structures that are less than 250 square feet in size, no greater than eight (8) feet at the eave line, and screened from the alley or adjacent property by a solid fence shall be three (3) feet.
 - v. Rear yard setback for structures that are 250 square feet in size or greater OR that do not meet the height and fence requirement cited above shall be five (5) feet.
- (3) Approval. Building permits for greenhouses are approved by the Building Official, following review and approval of the site plan by the Director of Development Services.



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Brooks Wilson, Planning Consultant
 CC: Jason Laumer, City Manager
 Date: October 9, 2018
 Re: Hawthorn Creek Office Warehouse Planned Development Rezoning

Action Requested:

The City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning of an approximately 5.00 acre tract of land situated in the Freeman Wilkerson Survey, Abstract No. 1411, Denton County, Texas, from AG, Agricultural zoning district to PD, Planned Development Zoning District No. 94 (PD-94) with an underlying zoning designation of L1, Light Industrial zoning district. The tract is located on the north side of Parvin Road approximately 2,500 feet east of FM 1385. (Hawthorn Creek Planned Development) (McAfee)

Owner:

Travadi Investments, LLC
 7165 Rawlins Lane
 Frisco, Texas, 75034

Background Information:

This property was annexed into Celina's corporate city limits on November 21, 2017 (Ordinance No. 2017-74). The applicant is requesting a zoning change from an AG, Agricultural zoning district to a Planned Development zoning district, PD-94. The PD will have a base zoning designation of L1, Light Industrial to accommodate the office-warehouse development along Parvin Road.

The applicant had begun the development of the site as an ETJ project and the site is currently functioning on a septic system until City water lines are extended to the site. Four permits for buildings were issued in September 2017 prior to the annexation into the City. Because of the timing, staff is recommending a modification in the masonry standards for this development. The first floor of the buildings will be constructed of brick facing with the second story being prefinished vertical metal panels. Bay doors will be cast iron and the roof will be metal.

There will be two access points into the site and a long east/west interior driveway with parking on both sides to accommodate the fourteen buildings that are planned. A retention pond is included on the site, adjacent to Parvin Road. Screening will be provided adjacent to the single-family residential properties located north of the subject property. A thirty (30) foot landscaped buffer will be provided along Parvin Road and right-of-way is being reserved for future widening of Parvin Road.

Conformance with the Comprehensive Plan:

The City's Comprehensive Plan shows this property to be within the Suburban Moderate-High Residential or "Suburban Mix." This includes residential developments and the services and businesses that support the citizens. This future land use accounts for sixty-four percent (64%) of the land area in Celina. The rezoning request conforms with the Comprehensive Plan in that office-warehousing and small, leased spaces are critical to the expansion of services in Celina.

Board Review/Citizen Input:

At the regular meeting held on September 18, 2018, the Planning & Zoning Commission voted unanimously to recommend approval of the planned development, as presented by staff.

A notice of the public hearing was published in *The Celina Record* on August 31, 2018. Notices of the public hearing have been sent to all owners of property residing within the city limits, as indicated by the most recently approved Denton County tax rolls, who are located within 200 feet of the subject property. As of the time of packet preparation, staff had received no comments either for or against the proposal.

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

The City Attorney has reviewed the ordinance and deemed it acceptable.

Supporting Documents:

- Location Map
- Proposed Ordinance

Staff Recommendation:

Staff recommends approval.



Attachment: Hawthorn Location Map (Hawthorn Creek Office Warehouse Zoning)

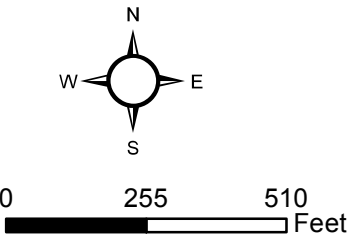


Hawthorn Creek Business Park Location Map

Date: 9/13/2018

Legend

- Roads
- Hawthorn Business Park



CITY OF CELINA, TEXAS

ORDINANCE 2018-____

HAWTHORN CREEK OFFICE-WAREHOUSE – PD-94

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, AMENDING ORDINANCE NO. 2006-57, AS HERETOFORE AMENDED, THE SAME BEING THE COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY DESIGNATING THE ZONING OF LAND THAT IS AN APPROXIMATELY 5.00 ACRE TRACT OF LAND SITUATED IN THE FREEMAN WILKERSON SURVEY, ABSTRACT NO. 1411, DENTON COUNTY, TEXAS, AND GENERALLY LOCATED ON THE NORTH SIDE OF PARVIN ROAD AND APPROXIMATELY 2,500 FEET EAST OF FM 1385, DENTON COUNTY, TEXAS; AS DESCRIBED IN EXHIBIT “A” AND DEPICTED IN EXHIBIT “B” ATTACHED HERETO AND INCORPORATED HEREIN TO BE ZONED “PD” PLANNED DEVELOPMENT DISTRICT NO. 94; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FINDINGS; PROVIDING FOR AMENDMENT OF ZONING CLASSIFICATION; PROVIDING FOR ZONING DESIGNATION AND DEVELOPMENT STANDARDS; PROVIDING FOR REVISION OF ZONING MAP; PROVIDING FOR COMPLIANCE; PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00 AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES AND INCLUDING PROVISIONS FOR THE AUTHORIZATION TO SEEK INJUNCTIVE RELIEF TO ENJOIN VIOLATIONS WHICH CONSTITUTE AN IMMINENT HAZARD OR DANGER TO PUBLIC HEALTH AND SAFETY; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SAVINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a home rule municipality located in Collin and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code, The Texas Constitution and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the City Council of the City of Celina, Texas is empowered under Local Government Code 54.001 to do all acts and make all regulations which may be necessary or expedient for the promotion of the public health, safety and general welfare; and

WHEREAS, Title 7 Chapter 211.003 of the Texas Local Government Code, empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

WHEREAS, the establishment of a zoning classification has been requested for the property more specifically described in Exhibit “A” attached hereto and incorporated herein; and

WHEREAS, the property has been depicted in detail in Exhibit “B” attached hereto; and incorporated herein; and

WHEREAS, the concept plan and development regulations set forth in Exhibit “C” and Exhibit “D” attached hereto and incorporated herein define the base zoning districts and provide for certain modifications to such district regulations.

WHEREAS, the City Council has considered, among other things, the character of the property and

its suitability for particular uses, with a view of encouraging the most appropriate use of land in the City, and is in the interest of public health, safety, and welfare, and does hereby find that the requested zoning accomplishes such objectives and is consistent with the provisions of the 2030 Comprehensive Plan of the City of Celina; and

WHEREAS, the Planning and Zoning Commission of the City of Celina and the City Council of the City of Celina, in compliance with the laws of the State of Texas and the ordinances of the City of Celina, have given the requisite notices by publication and otherwise, and have held public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof; and

WHEREAS, the City Council, in the exercise of its legislative discretion has concluded that the zoning classification on the tract of land described herein should be changed and the zoning map so amended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS

SECTION 1 **INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2 **FINDINGS**

After due deliberations the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Celina, Texas and of the public health, safety and welfare.

SECTION 3 **AMENDMENT OF ZONING CLASSIFICATION**

That the zoning classification is hereby established as “PD” Planned Development District No. 94 on a certain tract of land described in in Exhibit “A” and depicted in Exhibit “B.”

SECTION 4 **ZONING DESIGNATION AND DEVELOPMENT STANDARDS**

That Ordinance No. 2006-57 of the City of Celina, Texas, as heretofore amended, the same being the City’s Comprehensive Zoning Ordinance, is hereby amended by designating the zoning on the land, depicted in Exhibit “A” attached hereto and incorporated herein as PD-94, and incorporates the concept plan attached hereto as Exhibit “C” and the development standards attached hereto as Exhibit “D.”

SECTION 5 **REVISION OF ZONING MAP**

That the City Manager for the City of Celina is hereby directed to mark and indicate on the official Zoning District Map of the City the zoning change herein made.

SECTION 6 **COMPLIANCE REQUIRED**

That the property depicted on Exhibit “A” hereto shall be used only in the manner and for the purposes provided for in this ordinance and the Comprehensive Zoning Ordinance, of the City of Celina as amended.

SECTION 7 **PENALTY**

7.01 Any person, firm or corporation violating any of the provisions or terms of this ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Celina, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

7.02 If the governing body of the City of Celina determines that a violation of this Ordinance has occurred, the City of Celina may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

SECTION 8 **CUMULATIVE REPEALER CLAUSE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 9 **SAVINGS CLAUSE**

All rights and remedies of the City of Celina, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting zoning regulation which have secured at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 10 **SEVERABILITY**

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority's decisions or enactment.

SECTION 11 **PUBLICATION CLAUSE**

The City Secretary of the City of Celina is hereby directed to publish in the Official Newspaper of the City of Celina the Caption, and Effective Date of this Ordinance as required by Section 52.013 of the Local Government Code.

SECTION 12 **ENGROSSMENT AND ENROLLMENT**

The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive Caption in the minutes of the City Council and by filing this Ordinance in the Ordinance records of the City.

SECTION 13 **EFFECTIVE DATE**

This Ordinance shall become effective from and after its date of passage and publication as required by law.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas this 9th day of October, 2018.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Faulkner, City Secretary
City of Celina, Texas

[SEAL]

APPROVED AS TO FORM:

City Attorney
City of Celina, Texas

Attachment: Hawthorn Zoning Ordinance (Hawthorn Creek Office Warehouse Zoning)

Exhibit A Legal Description

Situated in the County of Denton, State of Texas, being a part of the Freeman Wilkerson Survey, Abstract No. 1411, and being the same tract of land described as a 5.000 acres conveyed by Sarah L. Jones to John M. Cospier et ux by deed dated August 8, 1971, recorded in Volume 626, Page 706, Deed Records, Denton County, Texas, and being more particularly described by metes and bounds as follows:

Beginning at a point for the southeast corner of the said Cospier tract 4 feet north of the centerline of the pavement of a public road locally known as Parvin Road, said point being in a west line of the same tract of land described as 97.547 acres conveyed by Ok Kyun Kim and Youngmoo Kim to a west line of the same tract of land described as 97.547 acres conveyed by Ok Kyun Kim and Youngmoo Kim, Trustees by deed dated June 16, 2005, recorded in Document No. 2005-86220, said Deed Records:

Thence south 89°24'31" west along said road a distance of 820.00 feet to a ½" steel rod found maintaining the southwest corner of the said Cospier tract, said rod lying 6.6 feet north of said center of pavement and in an east line of the said Kim tract;

Thence north 00°27'24" west passing a 1/2 " steel rod in concrete found on the north side of said road at 21.06 feet and continuing for a total distance of 265.61 feet to a point for the northwest corner of the said Cospier tract and an inside "L" corner to the said Kim tract from which a ½" steel rod (not in concrete) lies north 82° west a distance of 1 foot;

Thence south 89°24'31" east a distance of 820 feet to a ½" steel rod in concrete found maintaining the northeast corner of the said Cospier tract and an inside "L" corner to the said Kim tract;

Thence south 00°27'24" east passing a ½" steel rod in concrete found on the said north side of road at 240.4 feet and continuing for a total distance of 265.61 feet to the Point-of-Beginning and containing 5.00 acres of land.

Exhibit B Zoning Exhibit

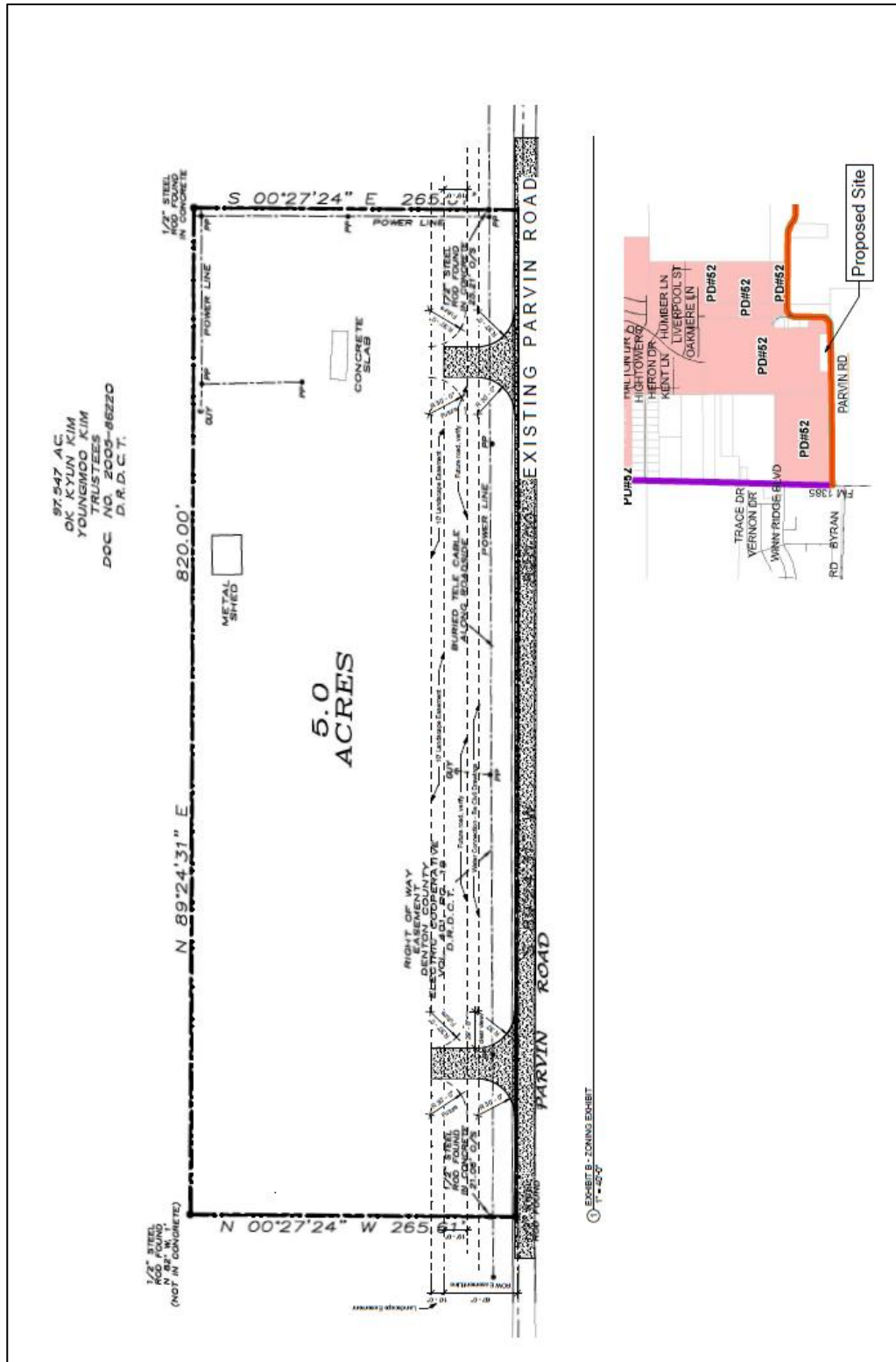
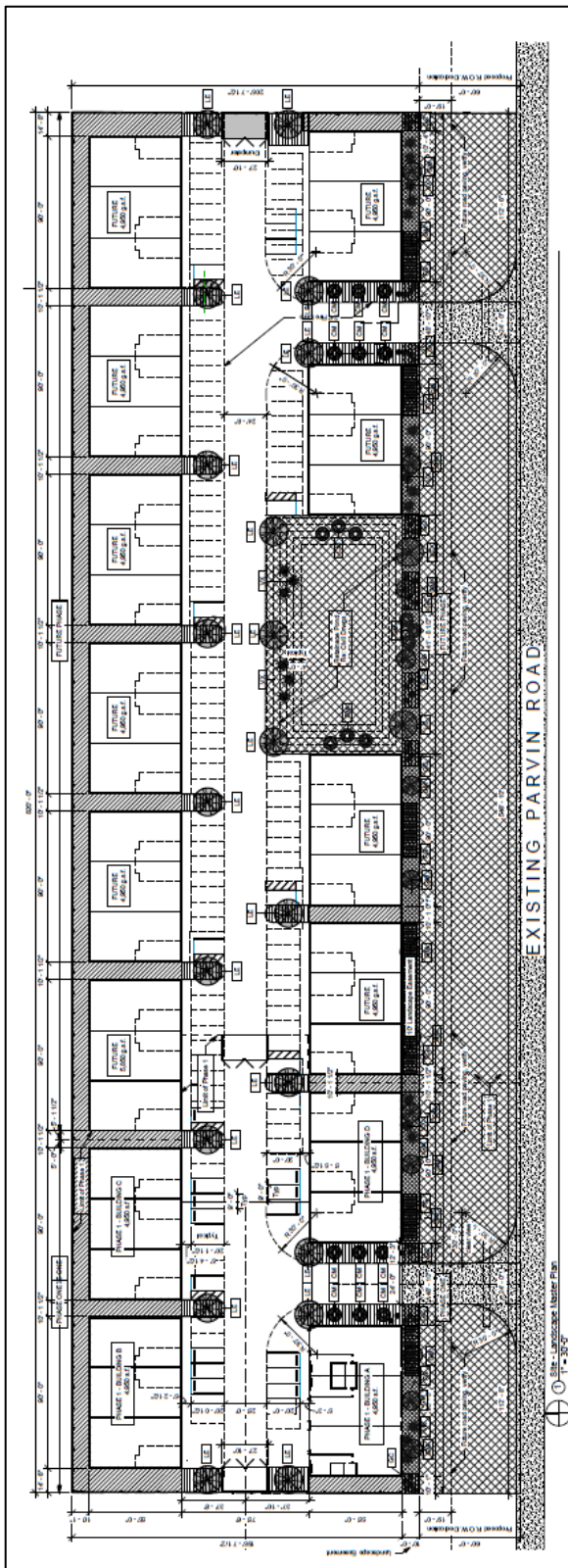


Exhibit C

Concept Plan and Elevations



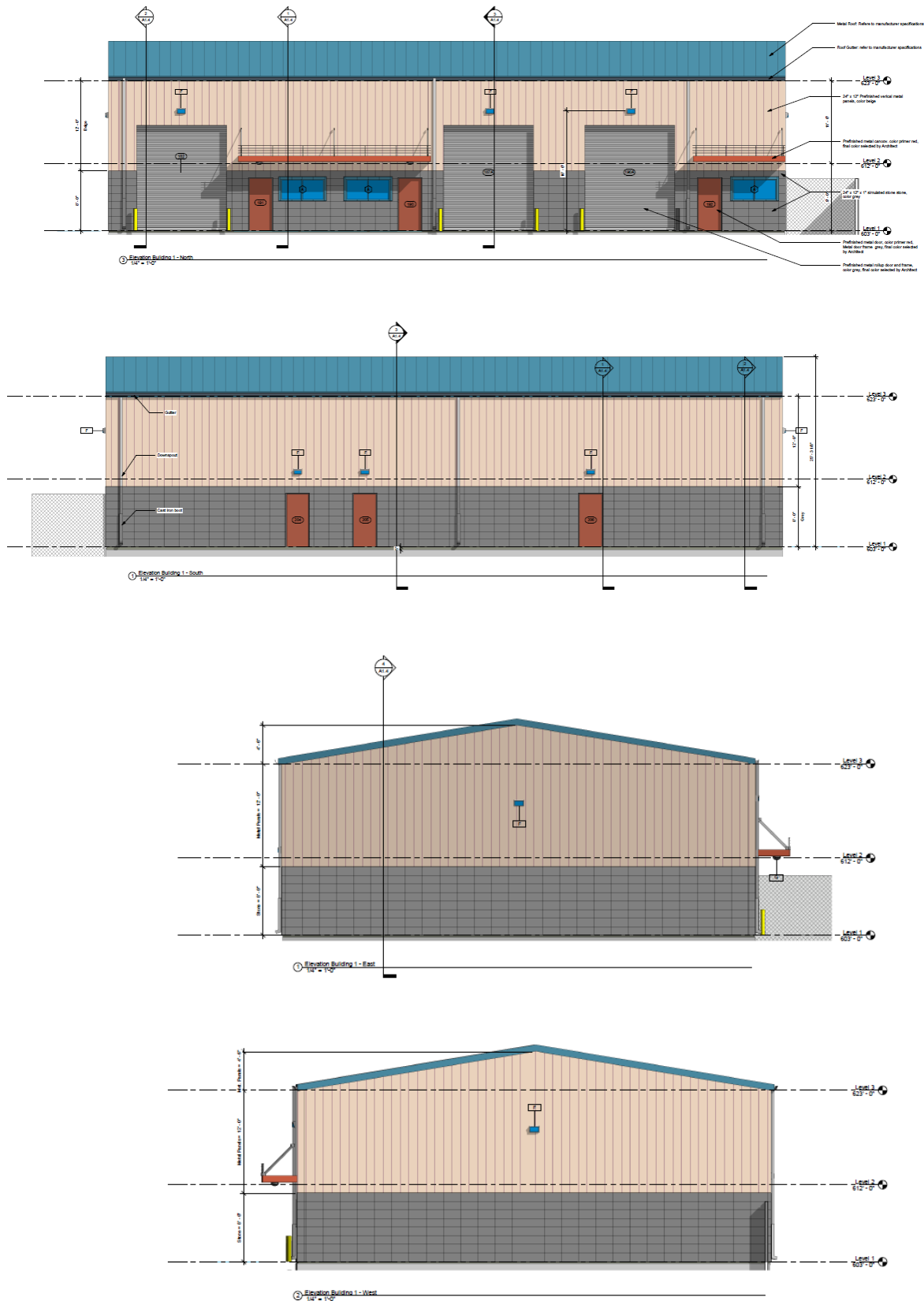


Exhibit D
Development Regulations
Hawthorn Creek Business Park

Purpose: The purpose of this Planned Development (PD) District is to accommodate development of an office showroom/warehouse condominium on a 5-acre property.

Uses: Uses permitted are as follows:

Appliance repair
 Ambulance service – C
 Artist studio
 Cabinet shop
 Concrete or asphalt batching plant (temporary)
 Concrete or asphalt batching plant (permanent) - C
 Contractor's office/sales (no outside storage)
 Electronic assembly
 Handicraft/artisan shop Industrial manufacturing – C
 Laboratory equipment manufacturing – C
 Laboratory, scientific or research (non hazardous)
 Lawnmower sales repair
 Light manufacturing
 Machine shop
 Maintenance and repair service for buildings
 Micro-brewery – C
 Mini-warehouse/self-storage
 Office, general
 Open storage/outside storage, accessory
 Pet Care Facility (indoor, air conditioned space)
 Plant nursery, commercial
 Plant nursery, retail
 Plumbing shop
 Real estate offices
 Recycling center – C
 Sand/gravel sales (storage) – C
 Savings and loan
 Security quarters as associated with a business - C
 Sign manufacturing
 Silk screen printing printing/tee shirt shop
 Stone/clay/glass manufacturing – C
 Tool rental, indoor
 Tool rental,outdoor – C
 Warehouse/office warehouse
 Welding shop
 Woodworking, indoor Winery - C

Building Setbacks: The minimum building setback from all perimeters is 10 feet. Dumpster and any dumpster screening walls may encroach into the required setback.

Building Height: The maximum building height is 30 feet.

Parking: One parking space is required for each 1,000 square feet of floor area or fraction thereof for any permitted use.

Exterior Building Materials: A minimum of 40% of façades facing Parvin Road shall be masonry. **Façade Articulation:** Development is exempt from building articulation requirements.

Landscaping: The minimum width of perimeter landscape buffer is 10 feet.

Perimeter Screening: A minimum 6-foot tall concrete pre-cast screening wall is required along the northern, eastern and western perimeters per exhibit .

Outside storage is limited to no more than 20% of the PD District area. All outside storage must be completely screened from public streets and adjacent properties.

Detention Pond: Decorative metal fencing is not required around the detention pond. Landscape screening in the form of vegetative shrubs or ornamental trees is required between any future detention pond and Parvin Road.



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Brooks Wilson, Planning Consultant
 CC: Jason Laumer, City Manager
 Date: October 9, 2018
 Re: Custer Road Medical Center Rezoning

Action Requested:

The Celina City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning of an approximately 0.965 acre tract of land situated in the C. Watson Survey, Abstract No. 945, Collin County, Texas, from AG, Agricultural zoning district to R-O, Retail Office zoning district. The tract is located on the west side of Custer Road approximately 2,500 feet north of Frontier Parkway. (Custer Road Medical Office Zoning) (McAfee)

Owner:

David Nguyen
 323 Westphalian Drive
 Celina, Texas 75009

Background Information:

This property was annexed into Celina's corporate city limits on May 9, 2017 (Ordinance No. 2017-21). The owner wishes to construct a new building on the 0.965 acre property as a dentist office, which would require a zoning change. The current residence will be demolished to make room for the new building, drive aisles and fire lanes, and parking.

The request is to rezone the property from the AG, Agricultural zoning district that was automatically assigned to the property upon annexation to RO, Retail-Office zoning district. The property will conform to all the requirements of that zoning district. The owner has executed an agreement with the property owner of Mustang Lakes by which the Cambridge Company will construct the masonry screening wall located on the northern and western joint property lines. The southern property line is proposed to be screened from the residential neighborhood to the south by the use of an existing decorative metal fence with sufficient landscaping to create an attractive separation of the two uses.

Conformance with the Comprehensive Plan:

The City's Comprehensive Plan shows this property to be within the Suburban Moderate-High Residential or "Suburban Mix." This includes residential developments and the services and businesses that support the citizens. This future land use accounts for sixty-four percent (64%) of the land area in Celina. The rezoning request conforms with the Comprehensive Plan.

Board Review/Citizen Input:

At the regular meeting held on September 18, 2018, the Planning & Zoning Commission voted unanimously to recommend approval of the zoning request, as presented by staff.

A notice of the public hearing was published in *The Celina Record* on August 31, 2018. Notices of the public hearing have been sent to all owners of property residing within the city limits, as indicated by the most recently approved Collin County tax rolls, who are located within 200 feet of the subject property. As of the time of packet preparation, staff had received no comments either for or against the proposal.

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

The City Attorney has reviewed the ordinance and deemed it acceptable.

Supporting Documents:

- Location Map
- Proposed Ordinance

Staff Recommendation:

Staff recommends approval.



Attachment: Custer Road Medical Office Location Map (Custer Road Medical Center Zoning)

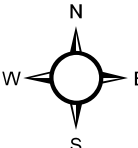
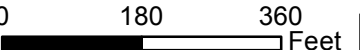


Custer Medical Office Location Map

Date: 9/13/2018

Legend

- Roads
-  Custer Medical Office

0 180 360 Feet

Packet Pg. 406

CITY OF CELINA, TEXAS

ORDINANCE 2018-____
 CUSTER ROAD ZONING – RO – RETAIL OFFICE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, AMENDING ORDINANCE NO. 2006-57, AS HERETOFORE AMENDED, THE SAME BEING THE COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY DESIGNATING THE ZONING OF LAND THAT IS AN APPROXIMATELY 0.965 ACRE TRACT OF LAND SITUATED IN THE C. WATSON SURVEY, ABSTRACT NO. 945, COLLIN COUNTY, TEXAS, AND GENERALLY LOCATED ON THE WEST OF CUSTER ROAD AND APPROXIMATELY 2,500 FEET NORTH OF FRONTIER PARKWAY, COLLIN COUNTY, TEXAS; AS DESCRIBED IN EXHIBIT “A” AND DEPICTED IN EXHIBIT “B” ATTACHED HERETO AND INCORPORATED HEREIN TO BE ZONED “RO” RETAIL-OFFICE ZONING DISTRICT; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FINDINGS; PROVIDING FOR AMENDMENT OF ZONING CLASSIFICATION; PROVIDING FOR ZONING DESIGNATION AND DEVELOPMENT STANDARDS; PROVIDING FOR REVISION OF ZONING MAP; PROVIDING FOR COMPLIANCE; PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00 AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES AND INCLUDING PROVISIONS FOR THE AUTHORIZATION TO SEEK INJUNCTIVE RELIEF TO ENJOIN VIOLATIONS WHICH CONSTITUTE AN IMMINENT HAZARD OR DANGER TO PUBLIC HEALTH AND SAFETY; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SAVINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a home rule municipality located in Collin and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code, The Texas Constitution and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the City Council of the City of Celina, Texas is empowered under Local Government Code 54.001 to do all acts and make all regulations which may be necessary or expedient for the promotion of the public health, safety and general welfare; and

WHEREAS, Title 7 Chapter 211.003 of the Texas Local Government Code, empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

WHEREAS, the establishment of a zoning classification has been requested for the property more specifically described in Exhibit “A” attached hereto and incorporated herein; and

WHEREAS, the property has been depicted in detail in Exhibit “B” attached hereto; and incorporated herein; and

WHEREAS, the City Council has considered, among other things, the character of the property and its suitability for particular uses, with a view of encouraging the most appropriate use of land in the City, and is in the interest of public health, safety, and welfare, and does hereby find that the requested zoning accomplishes such objectives and is consistent with the provisions of the 2030 Comprehensive Plan

of the City of Celina; and

WHEREAS, the Planning and Zoning Commission of the City of Celina and the City Council of the City of Celina, in compliance with the laws of the State of Texas and the ordinances of the City of Celina, have given the requisite notices by publication and otherwise, and have held public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof; and

WHEREAS, the City Council, in the exercise of its legislative discretion has concluded that the zoning classification on the tract of land described herein should be changed and the zoning map so amended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS

SECTION 1 **INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2 **FINDINGS**

After due deliberations the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Celina, Texas and of the public health, safety and welfare.

SECTION 3 **AMENDMENT OF ZONING CLASSIFICATION**

That the zoning classification is hereby established as “RO” Retail-Office District on a certain tract of land described in in Exhibit “A” and depicted in Exhibit “B.”

SECTION 4 **ZONING DESIGNATION AND DEVELOPMENT STANDARDS**

That Ordinance No. 2006-57 of the City of Celina, Texas, as heretofore amended, the same being the City’s Comprehensive Zoning Ordinance, is hereby amended by designating the zoning on the land, described in Exhibit “A” and depicted in Exhibit “B” attached hereto and incorporated herein as RO, Retail-Office Zoning District.

SECTION 5 **REVISION OF ZONING MAP**

That the City Manager for the City of Celina is hereby directed to mark and indicate on the official Zoning District Map of the City the zoning change herein made.

SECTION 6 **COMPLIANCE REQUIRED**

That the property depicted on Exhibit “A” hereto shall be used only in the manner and for the purposes provided for in this ordinance and the Comprehensive Zoning Ordinance, of the City of Celina as amended.

SECTION 7 **PENALTY**

7.01 Any person, firm or corporation violating any of the provisions or terms of this ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Celina, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

7.02 If the governing body of the City of Celina determines that a violation of this Ordinance has occurred, the City of Celina may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

SECTION 8 **CUMULATIVE REPEALER CLAUSE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 9 **SAVINGS CLAUSE**

All rights and remedies of the City of Celina, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting zoning regulation which have secured at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 10 **SEVERABILITY**

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority's decisions or enactment.

SECTION 11 **PUBLICATION CLAUSE**

The City Secretary of the City of Celina is hereby directed to publish in the Official Newspaper of the City of Celina the Caption, and Effective Date of this Ordinance as required by Section 52.013 of the Local Government Code.

SECTION 12 **ENGROSSMENT AND ENROLLMENT**

The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive Caption in the minutes of the City Council and by filing this Ordinance in the Ordinance records of the City.

SECTION 13
EFFECTIVE DATE

This Ordinance shall become effective from and after its date of passage and publication as required by law.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas this 9th day of October, 2018.

Sean Terry, Mayor
City of Celina, Texas

ATTEST:

Vicki Faulkner, City Secretary
City of Celina, Texas

[SEAL]

APPROVED AS TO FORM:

City Attorney
City of Celina, Texas

Attachment: Custer Road Medical Office Ordinance (Custer Road Medical Center Zoning)

Exhibit A Legal Description

BEING a tract of land situated in the C. Watson Survey, Abstract No. 945, City of Celina, Collin County, Texas, the subject tract being a tract conveyed to David Nguyen and Thao Lam by the deed recorded in Document No. 20160915001232420 of the Deed Records, Collin County, Texas (DRCCT), with the subject tract being more particularly described as follows:

BEGINNING at a point on the centerline of Farm to Market Road 2478, a 100 foot right-of-way (also known as Custer Road) from which a 1/2" iron rod found on the west line of Farm to Market Road 2478 and for the northeast corner of a 10 foot right-of-way dedication created by the plat of Rolling Meadows Estates, an addition recorded in Cabinet N, Page 302, Plat Records, Collin County, Texas, bears S 89°43'10" W, 50.00 feet;

THENCE S 89°43'10" W, passing at 50.00 feet said 1/2" iron rod, and continuing along the north line of Rolling Meadows Estates, a total distance of 339.74 to a 1/2" iron rod with plastic cap stamped "SPIARSENG" set for the westerly southeast corner of a tract conveyed to Celina 682 Partners, L.P., recorded in Document No. 20060419000517060 DRCCT;

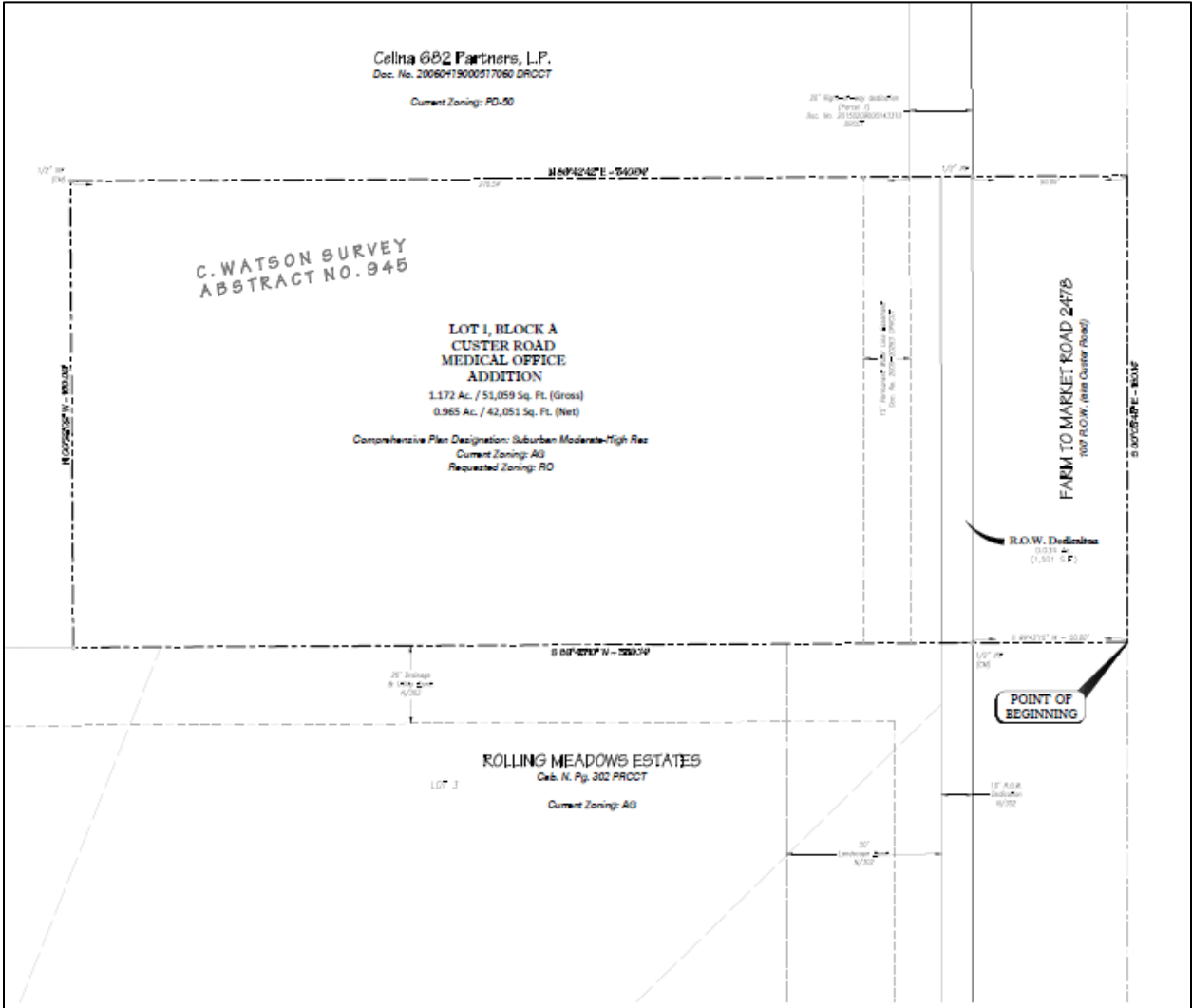
THENCE N 00°22'02" W, 150.09 feet along the common line thereof to a 1/2" iron rod found;

THENCE N 89°42'42" E, continuing along the common line thereof, passing at 270.54 feet the southwest corner of a 20 foot right-of-way dedication conveyed by deed recorded in Document No. 20150209000143310 DRCCT, passing at 290.54 feet a 1/2" iron rod found on the west line of said road, and continuing along a total distance of 340.54 feet to the centerline of said road;

THENCE S 00°03'43" E, 150.14 feet along the centerline thereof to the POINT OF BEGINNING with the subject tract containing 51,059 square feet or 1.172 acres of land.

Exhibit B

Zoning Exhibit



Attachment: Custer Road Medical Office Ordinance (Custer Road Medical Center Zoning)



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Raha Pouladi, Planner
 CC: Jason Laumer, City Manager
 Date: October 9, 2018
 Re: Celina 79 Partners (Outer Loop) PD Amendment

Action Requested:

The City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning of an approximately 30.16 acre tract of land situated in the Collin County School Land Survey #14, Abstract No. 167, Collin County, Texas, amending Planned Development Zoning District No. 48 (PD-48) with an underlying zoning designation of MU-2, Mixed Use Regional zoning district. The property is generally located on the west side of Preston Road (SH 289) and south of Choate Parkway (CR 88). (Celina 79 Partners/Outer Loop PD Amendment) (McAfee)

Owners:

Celina 79 Partners, Ltd.
 5953 Dallas Parkway, Suite 200
 Plano, TX 75093-8189

Background Information:

Celina 79 Partners (Outer Loop) is located at the approximate southwest corner of Choate Parkway and Preston Road. The property was originally annexed into the City on December 12, 2014, and rezoned to create Planned Development District No. 48. It is comprised of 76.83 acres and allows for retail and mixed uses. The PD is divided into three general sections: The northern section, on the hard corner of Choate Parkway and Preston Road, is a retail site. The Southern section, on the hard corner of Punk Carter Parkway and Preston Road, will also be a retail site. The subject of this Planned Development Amendment is the 24.69 acres that is designated as multi-family. The majority of this Planned Development district is situated in Preston Road Overlay District.

The applicant is requesting an amendment to increase the multi-family portion from 35% to 40% of the overall developable acreage. Also, the applicant is requesting to increase the density from 18 units per acre to 22 units per acre. Currently, the maximum allowed area for multi-family use is 24.69 acres; 28.22 acres is proposed. Also, the maximum allowed multi-family units is 445 which will increase to 620 units if the proposed amendment is approved. This will result in an increase of 175 in total number of units. Considering the fact that the majority of this property is located in the Preston Road Overlay District, increasing the density in this location is in accordance with the goals of the overlay district.

This multi-family community will be built in two phases. Each phase will have at least one amenity center, two

pools, and multiple sport's courts. The buildings will be 100% masonry with different and harmonizing colors and designs.

Conformance with the Comprehensive Plan:

The City's Comprehensive Plan shows this property to be within the Suburban Moderate-High Residential or "Suburban Mix". This includes residential developments and the proposed density is in keeping with Suburban Mix. This future land use accounts for sixty-four percent (64%) of the land area in Celina. The rezoning request conforms with the Comprehensive Plan.

Board Review/Citizen Input:

At the regular meeting held on September 18, 2018, the Planning & Zoning Commission voted unanimously to recommend approval of the Planned Development amendment, as presented by staff.

A notice of the public hearing was published in *The Celina Record* on August 31, 2018. Notices of the public hearing have been sent to all owners of property residing within the city limits, as indicated by the most recently approved Collin County tax rolls, who are located within 200 feet of the subject property. At the time of packet preparation, staff had received no letter of opposition to the proposal.

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

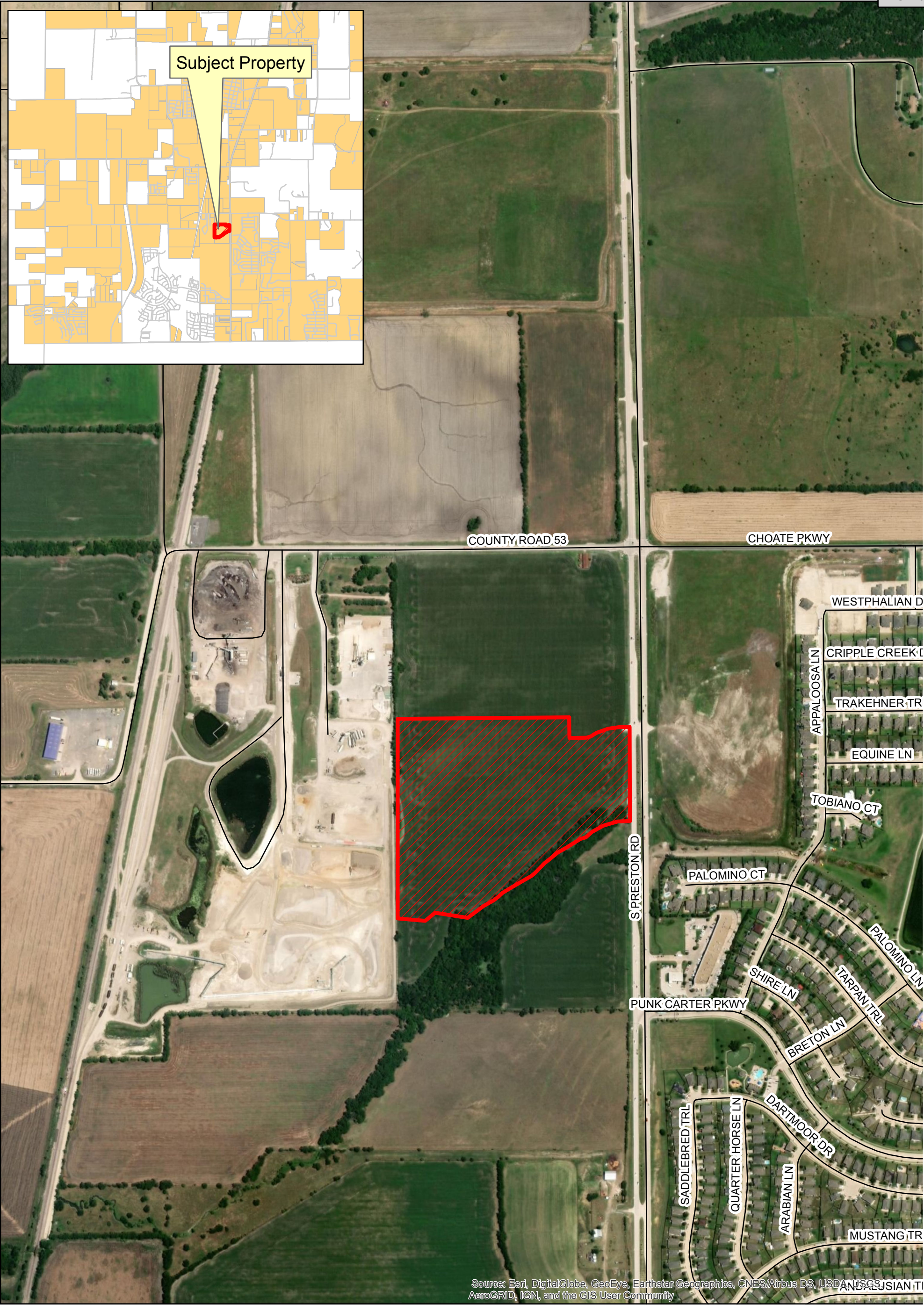
The City Attorney has reviewed the ordinance and deemed it acceptable.

Supporting Document:

- Location Map
- Proposed Ordinance

Staff Recommendation:

Staff recommends approval.



Attachment: Location Map (Celina 79 Partners (Outer Loop) PD Amendment)

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA/USGS, AeroGRID, IGN, and the GIS User Community

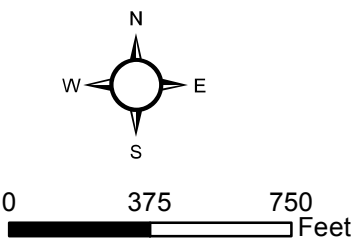


Celina 79 (PD 48) Location Map

Date: 9/13/2018

Legend

- Roads
-  Subject Property



CITY OF CELINA, TEXAS

ORDINANCE 2018-____

CELINA 79 PARTNERS/OUTER LOOP – PD-48

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, AMENDING ORDINANCE NO. 2006-57, AS HERETOFORE AMENDED, THE SAME BEING THE COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY DESIGNATING THE ZONING OF LAND THAT IS AN APPROXIMATELY 30.16 ACRE TRACT OF LAND SITUATED IN THE COLLIN COUNTY SCHOOL LAND SURVEY #14, ABSTRACT NO. 167, COLLIN COUNTY, TEXAS, AND GENERALLY LOCATED ON THE WEST SIDE OF PRESTON ROAD (SH 289) AND SOUTH OF CHOATE PARKWAY (CR 88), COLLIN COUNTY, TEXAS; AS DESCRIBED IN EXHIBIT “A” AND DEPICTED IN EXHIBIT “B” ATTACHED HERETO AND INCORPORATED HEREIN TO BE ZONED “PD” PLANNED DEVELOPMENT DISTRICT NO. 48; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FINDINGS; PROVIDING FOR AMENDMENT OF ZONING CLASSIFICATION; PROVIDING FOR ZONING DESIGNATION AND DEVELOPMENT STANDARDS; PROVIDING FOR REVISION OF ZONING MAP; PROVIDING FOR COMPLIANCE; PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00 AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES AND INCLUDING PROVISIONS FOR THE AUTHORIZATION TO SEEK INJUNCTIVE RELIEF TO ENJOIN VIOLATIONS WHICH CONSTITUTE AN IMMINENT HAZARD OR DANGER TO PUBLIC HEALTH AND SAFETY; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SAVINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a home rule municipality located in Collin and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code, The Texas Constitution and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the City Council of the City of Celina, Texas is empowered under Local Government Code 54.001 to do all acts and make all regulations which may be necessary or expedient for the promotion of the public health, safety and general welfare; and

WHEREAS, Title 7 Chapter 211.003 of the Texas Local Government Code, empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

WHEREAS, the establishment of a zoning classification has been requested for the property more specifically described in Exhibit “A” attached hereto and incorporated herein; and

WHEREAS, the property has been depicted in detail in Exhibit “B” attached hereto; and incorporated herein; and

WHEREAS, the concept plan and development regulations set forth in Exhibit “C” and Exhibit “D” attached hereto and incorporated herein define the base zoning districts and provide for certain modifications to such district regulations.

WHEREAS, the City Council has considered, among other things, the character of the property and

its suitability for particular uses, with a view of encouraging the most appropriate use of land in the City, and is in the interest of public health, safety, and welfare, and does hereby find that the requested zoning accomplishes such objectives and is consistent with the provisions of the 2030 Comprehensive Plan of the City of Celina; and

WHEREAS, the Planning and Zoning Commission of the City of Celina and the City Council of the City of Celina, in compliance with the laws of the State of Texas and the ordinances of the City of Celina, have given the requisite notices by publication and otherwise, and have held public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof; and

WHEREAS, the City Council, in the exercise of its legislative discretion has concluded that the zoning classification on the tract of land described herein should be changed and the zoning map so amended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS

SECTION 1 **INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2 **FINDINGS**

After due deliberations the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Celina, Texas and of the public health, safety and welfare.

SECTION 3 **AMENDMENT OF ZONING CLASSIFICATION**

That the zoning classification is hereby established as “PD” Planned Development District No. 48 on a certain tract of land described in in Exhibit “A” and depicted in Exhibit “B.”

SECTION 4 **ZONING DESIGNATION AND DEVELOPMENT STANDARDS**

That Ordinance No. 2006-57 of the City of Celina, Texas, as heretofore amended, the same being the City’s Comprehensive Zoning Ordinance, is hereby amended by designating the zoning on the land, depicted in Exhibit “A” attached hereto and incorporated herein as PD-48, and incorporates the concept plan attached hereto as Exhibit “C” and the development standards attached hereto as Exhibit “D.”

SECTION 5 **REVISION OF ZONING MAP**

That the City Manager for the City of Celina is hereby directed to mark and indicate on the official Zoning District Map of the City the zoning change herein made.

SECTION 6 **COMPLIANCE REQUIRED**

That the property depicted on Exhibit “A” hereto shall be used only in the manner and for the purposes provided for in this ordinance and the Comprehensive Zoning Ordinance, of the City of Celina as amended save and except minor revisions necessitated by final, detailed civil engineering, architectural or landscape design.

SECTION 7 **PENALTY**

7.01 Any person, firm or corporation violating any of the provisions or terms of this ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Celina, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

7.02 If the governing body of the City of Celina determines that a violation of this Ordinance has occurred, the City of Celina may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

SECTION 8 **CUMULATIVE REPEALER CLAUSE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 9 **SAVINGS CLAUSE**

All rights and remedies of the City of Celina, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting zoning regulation which have secured at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 10 **SEVERABILITY**

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority's decisions or enactment.

SECTION 11 **PUBLICATION CLAUSE**

The City Secretary of the City of Celina is hereby directed to publish in the Official Newspaper of the City of Celina the Caption, and Effective Date of this Ordinance as required by Section 52.013 of the Local Government Code.

SECTION 12
ENGROSSMENT AND ENROLLMENT

The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive Caption in the minutes of the City Council and by filing this Ordinance in the Ordinance records of the City.

SECTION 13
EFFECTIVE DATE

This Ordinance shall become effective from and after its date of passage and publication as required by law.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas this 9th day of October, 2018.

 Sean Terry, Mayor
 City of Celina, Texas

ATTEST:

 Vicki Faulkner, City Secretary
 City of Celina, Texas

[SEAL]

APPROVED AS TO FORM:

 City Attorney
 City of Celina, Texas

Attachment: Celina 79-Outer Loop PD Amendment Ordinance 10-5-18 (Celina 79 Partners (Outer Loop) PD Amendment)

Exhibit A
Legal Description

BEING a 30.16 acre tract of land situated in the Collin County School Land Survey, Abstract No. 167, Collin County, Texas, being a part of that same tract of land described to Celina 79 Partners, Ltd. by deed recorded in Document No. 20130522000697070, Official Public Records of Collin County, Texas (O.P.R.C.C.T.), and being more particularly described by metes and bounds as follows:

COMMENCING at an Aluminum Monument found in the current West right-of-way line of Preston Road (State Highway 289, variable width right-of-way);

THENCE North 04 Degrees 28 Minutes 30 Seconds West, with the current West right-of-way line of said Preston Road, a distance of 200.47 feet to a point for corner;

THENCE North 00 Degrees 33 Minutes 16 Seconds West, continuing with the current West right-of-way line of said Preston Road, a distance of 270.21 feet to a point for corner, same being the POINT OF BEGINNING;

THENCE South 49 Degrees 02 Minutes 15 Seconds West, departing the current West right-of-way line of said Preston Road, a distance of 1705.79 feet to a point for corner;

THENCE North 00 Degrees 38 Minutes 23 Seconds West, a distance of 1691.44 feet to a point for corner;

THENCE North 89 Degrees 21 Minutes 37 Seconds East, a distance of 962.56 feet to a point for corner;

THENCE South 00 Degrees 38 Minutes 59 Seconds East, a distance of 516.96 feet to a point for corner;

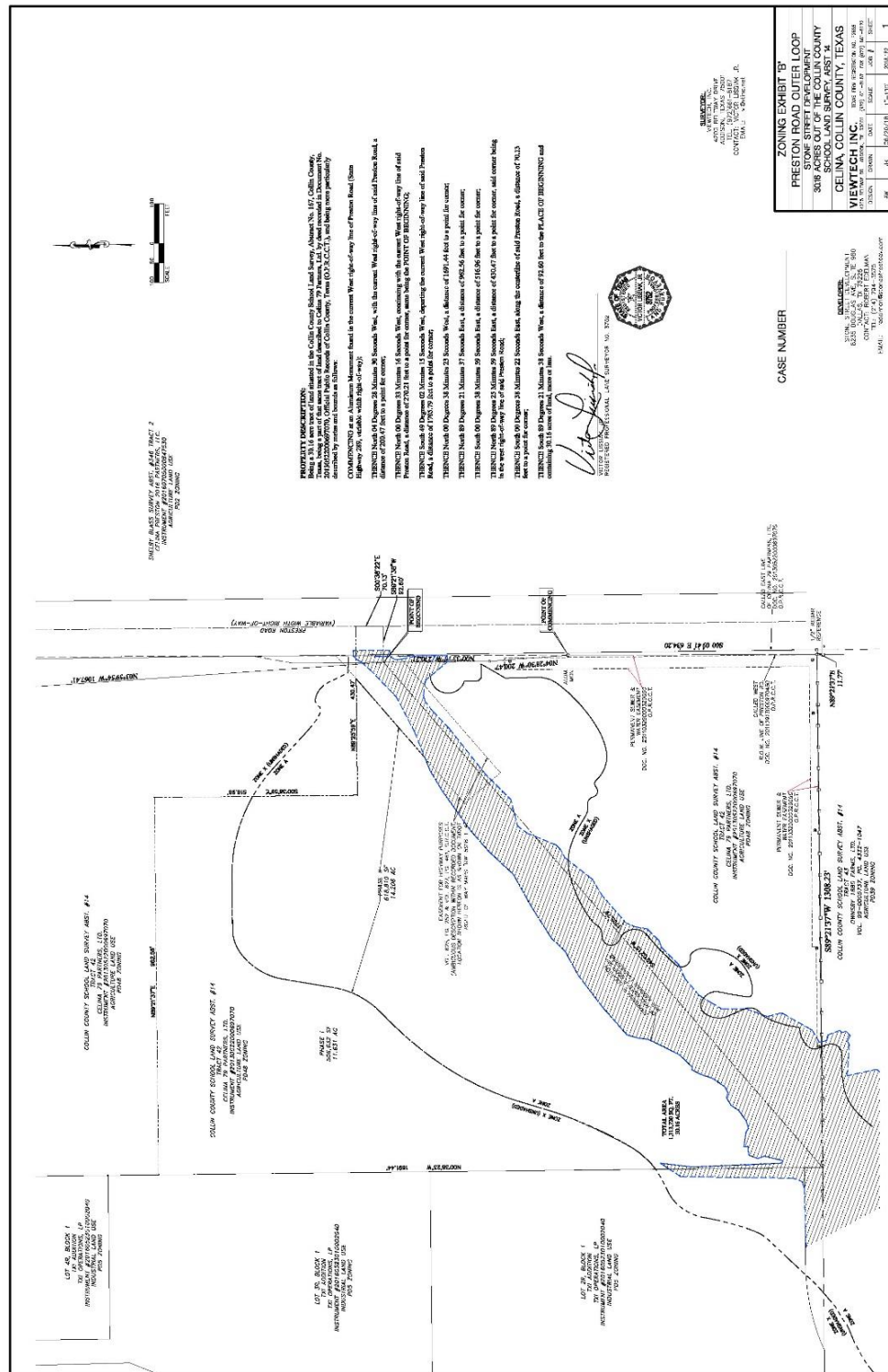
THENCE North 89 Degrees 25 Minutes 59 Seconds East, a distance of 430.47 feet to a point for corner, said corner being in the west right-of-way line of said Preston Road;

THENCE South 00 Degrees 38 Minutes 22 Seconds East, along the centerline of said Preston Road, a distance of 70.13 feet to a point for corner;

THENCE South 89 Degrees 21 Minutes 38 Seconds West, a distance of 92.60 feet to the PLACE OF BEGINNING and containing 30.16 acres of land, more or less.

Exhibit B

Zoning Exhibit



LOCATION MAP
NTS
MAPSHEET 4894-M

SCALE
0 100 FEET

KEY
EXISTING BUILDINGS
EXISTING PARKING
EXISTING ROADS
EXISTING UTILITIES
EXISTING LANDSCAPE
EXISTING FENCES
EXISTING SIGNAGE
EXISTING LIGHTING
EXISTING UTILITIES
EXISTING LANDSCAPE
EXISTING FENCES
EXISTING SIGNAGE

TABLE

NO.	DESCRIPTION	AMOUNT
1	LOT 1 (1.00 AC)	1.00
2	LOT 2 (1.00 AC)	1.00
3	LOT 3 (1.00 AC)	1.00
4	LOT 4 (1.00 AC)	1.00
5	LOT 5 (1.00 AC)	1.00
6	LOT 6 (1.00 AC)	1.00
7	LOT 7 (1.00 AC)	1.00
8	LOT 8 (1.00 AC)	1.00
9	LOT 9 (1.00 AC)	1.00
10	LOT 10 (1.00 AC)	1.00
11	LOT 11 (1.00 AC)	1.00
12	LOT 12 (1.00 AC)	1.00
13	LOT 13 (1.00 AC)	1.00
14	LOT 14 (1.00 AC)	1.00
15	LOT 15 (1.00 AC)	1.00
16	LOT 16 (1.00 AC)	1.00
17	LOT 17 (1.00 AC)	1.00
18	LOT 18 (1.00 AC)	1.00
19	LOT 19 (1.00 AC)	1.00
20	LOT 20 (1.00 AC)	1.00
21	LOT 21 (1.00 AC)	1.00
22	LOT 22 (1.00 AC)	1.00
23	LOT 23 (1.00 AC)	1.00
24	LOT 24 (1.00 AC)	1.00
25	LOT 25 (1.00 AC)	1.00
26	LOT 26 (1.00 AC)	1.00
27	LOT 27 (1.00 AC)	1.00
28	LOT 28 (1.00 AC)	1.00
29	LOT 29 (1.00 AC)	1.00
30	LOT 30 (1.00 AC)	1.00
31	LOT 31 (1.00 AC)	1.00
32	LOT 32 (1.00 AC)	1.00
33	LOT 33 (1.00 AC)	1.00
34	LOT 34 (1.00 AC)	1.00
35	LOT 35 (1.00 AC)	1.00
36	LOT 36 (1.00 AC)	1.00
37	LOT 37 (1.00 AC)	1.00
38	LOT 38 (1.00 AC)	1.00
39	LOT 39 (1.00 AC)	1.00
40	LOT 40 (1.00 AC)	1.00
41	LOT 41 (1.00 AC)	1.00
42	LOT 42 (1.00 AC)	1.00
43	LOT 43 (1.00 AC)	1.00
44	LOT 44 (1.00 AC)	1.00
45	LOT 45 (1.00 AC)	1.00
46	LOT 46 (1.00 AC)	1.00
47	LOT 47 (1.00 AC)	1.00
48	LOT 48 (1.00 AC)	1.00
49	LOT 49 (1.00 AC)	1.00
50	LOT 50 (1.00 AC)	1.00
51	LOT 51 (1.00 AC)	1.00
52	LOT 52 (1.00 AC)	1.00
53	LOT 53 (1.00 AC)	1.00
54	LOT 54 (1.00 AC)	1.00
55	LOT 55 (1.00 AC)	1.00
56	LOT 56 (1.00 AC)	1.00
57	LOT 57 (1.00 AC)	1.00
58	LOT 58 (1.00 AC)	1.00
59	LOT 59 (1.00 AC)	1.00
60	LOT 60 (1.00 AC)	1.00
61	LOT 61 (1.00 AC)	1.00
62	LOT 62 (1.00 AC)	1.00
63	LOT 63 (1.00 AC)	1.00
64	LOT 64 (1.00 AC)	1.00
65	LOT 65 (1.00 AC)	1.00
66	LOT 66 (1.00 AC)	1.00
67	LOT 67 (1.00 AC)	1.00
68	LOT 68 (1.00 AC)	1.00
69	LOT 69 (1.00 AC)	1.00
70	LOT 70 (1.00 AC)	1.00
71	LOT 71 (1.00 AC)	1.00
72	LOT 72 (1.00 AC)	1.00
73	LOT 73 (1.00 AC)	1.00
74	LOT 74 (1.00 AC)	1.00
75	LOT 75 (1.00 AC)	1.00
76	LOT 76 (1.00 AC)	1.00
77	LOT 77 (1.00 AC)	1.00
78	LOT 78 (1.00 AC)	1.00
79	LOT 79 (1.00 AC)	1.00
80	LOT 80 (1.00 AC)	1.00
81	LOT 81 (1.00 AC)	1.00
82	LOT 82 (1.00 AC)	1.00
83	LOT 83 (1.00 AC)	1.00
84	LOT 84 (1.00 AC)	1.00
85	LOT 85 (1.00 AC)	1.00
86	LOT 86 (1.00 AC)	1.00
87	LOT 87 (1.00 AC)	1.00
88	LOT 88 (1.00 AC)	1.00
89	LOT 89 (1.00 AC)	1.00
90	LOT 90 (1.00 AC)	1.00
91	LOT 91 (1.00 AC)	1.00
92	LOT 92 (1.00 AC)	1.00
93		

Exhibit D Development Regulations

Any significant changes to the land uses as depicted on the Concept Plan (Exhibit C) shall require approval by the City of Celina Planning and Zoning Commission and City of Celina Council.

Street pattern, building location and individual uses are proposed and may be adjusted so long as the general character of the PD is adhered to and the general location of the multi-family, commercial and retail uses remains as shown in Exhibit C.

Architectural Elevations

Architectural elevations will be submitted for review at the time of permitting and shall comply with the architectural design standards of the Zoning Ordinance as it exists, and as may be amended.

Preston Road Overlay District

All development within 750 feet of the right of way of Preston Road (S.H. 289) must meet the standards established in the City of Celina Zoning Ordinance as they exist or may be amended. The following regulations shall also be applicable:

A. Permitted Uses.

Permitted by Right

- (1) Armed Service recruiting Center
- (2) Artist studio
- (3) Assisted Living Facility
- (4) Auto laundry or car wash (CUP required if adjacent to Single Family detached development)
- (5) Auto supply store for new or rebuilt parts
- (6) Bakery or confectionery (retail)
- (7) Bank/credit unions
- (8) Child day care (business)
- (9) Church/Place of worship
- (10) Convenience store (with beer and wine sales)
- (11) Convenience store (with or without gas sales)
- (12) Day camp for children
- (13) Drapery, blind or furniture upholstery shop
- (14) Dwelling, multiple-family (garden style or urban)
- (15) Dwelling, Single Family
- (16) Extended stay hotels/motels (residence hotels)
- (17) Farmers Market
- (18) Food or grocery store
- (19) Food or grocery store (with beer and wine sales)
- (20) Franchised private utility
- (21) Gas Station
- (22) General Retail Store
- (23) Group day care
- (24) Hotel
- (25) Laundry/dry cleaning (drop off/pick up)
- (26) Medical facilities
- (27) Micro brewery
- (28) Motor cycle sales and repair
- (29) Municipal facility

- (30) Nursing Convalescent home
- (31) Office Center
- (32) Offices (professional and general business)
- (33) Pawn shop
- (34) Personal services shop
- (35) Pet and animal grooming shop
- (36) Propane sales (retail)
- (37) Residential lot
- (38) Restaurant (drive-in service)
- (39) Restaurant (with drive-through service)
- (40) Restaurant (with drive-through service)
- (41) Restaurant (with no drive-through service)
- (42) Retirement home/home for the aged
- (43) Studio for radio or television (without tower)
- (44) Theatre or playhouse (indoor)

Permitted with Conditional Use Permit

- (1) Funeral Home and crematorium
- (2) Tire Dealer with Open Storage
- (3) Outdoor Display/sales (shall be screened and may not exceed 15% percent of the total gross floor area of the entire structure)
- (4) Nursery (retail sales outdoor)
- (5) Auto repair (major/minor)
- (6) Living quarters on-site with a business
- (7) Auto laundry or car wash (CUP required if adjacent to Single Family detached development)
- (8) Club, private (class I & II)

Prohibited Uses

- (1) Check Cashing Services
- (2) Recycling Kiosk
- (3) Sexually Oriented Business

B. Definitions.

- a. Garden Style Apartments - Multi-family dwellings that do not exceed three (3) stories in height. No Garden Style apartments are permitted within 300 feet of the Collin County Outer Loop or within 400 feet of Preston Road.
- b. Urban Style Apartments - Multi-family dwellings greater than three (3) stories in height. Urban style apartments are required to have structured parking.

C. Density.

- a. Single family detached units shall not exceed a maximum density of ten (10) dwelling units per gross acre (du/ga). No single family units will be permitted within 300 feet of the Collin County Outer Loop right-of-way or within the Preston Road Overlay District.
- b. Multiple-family units shall not exceed a maximum of 620 units for garden style apartments.
- c. Multiple-family units shall not exceed a maximum density of thirty (3) dwelling units per acre for urban style apartments.
- d. Maximum floor area ratio (FAR) is 2.75 and includes parking structures.

D. **Land Use Mix Limits:** All MU-2 zoning districts will have a mix of residential and nonresidential uses at the following rates:

- a. Single Family Residential uses (Stand-alone): between 20% and 40% of the net developable acreage (per Exhibit C); and/or
- b. Residential uses (integrated): between 20% and 50% of the net developable acreage (per Exhibit C); and/or
- c. Nonresidential uses (Stand-alone): between 20% and 80% of the net developable acreage (per Exhibit C); and/or
- d. Nonresidential uses (integrated): between 20% and 50% of the net developable acreage (per Exhibit C); and/or
- e. Multiple-family uses (stand-alone): Shall not exceed forty (40) percent of the net developable acreage of the zoning district (per Exhibit C).

Land Use Limits		
MU-2 = 70.56 Net Acres (76.83 Gross Acres)	Percent of Net Acreage Allowed	Allowed Acreages*
Single Family Residential (Stand Alone)	20%-40%	14.1 Ac-28.2 Ac
Residential (Integrated)	20%-50%	14.1 Ac-35.3 Ac
Non-Residential (Stand Alone)	20%-80%	14.1 Ac- 56.5 Ac
Non-Residential (Integrated)	20%-50%	14.1 Ac-35.3 Ac
Multi-Family (Stand Alone)	40%	28.2 Ac

*Allowed Acreages may be adjusted to reflect any changes in the net acreage as the final location and alignment of the Collin County Outer Loop right of way is determined.

E. **Open Space/Landscaping Requirements.**

- a. No less than fifteen (15) percent of the net acres of the entire development must be used for open space. Open Space may consist of any pervious areas including landscape reserves, publically accessible detention/ drainage facilities, natural open space areas including floodplain, and public or private parks and plazas. Any detention areas counted towards the open space requirement will be landscaped and amenitized with benches and sidewalks on a minimum of three (3) sides. Open space must be maintained through a property ownership association. Residential open space requirements, as listed below, are required in addition to the overall open space requirements.
 - a. Multi-Family Open Space Requirements
 1. Urban Style Multi-Family and/or Mixed Use (Integrated) Multi-Family must provide open space at a rate of one (1) acre per 150 dwelling units.
 2. Garden Styles Apartments must provide open space at a rate of one (1) acre per 100 dwelling units.
 3. Multi-Family open space calculations may include all pervious areas and/or landscaped areas in addition to all recreation areas within the Multi-Family parcel. A dedicated recreation area with a pool must make up a portion of the open space area.
 - b. Single Family Open Space Requires a minimum of one (1) acre per 75 dwelling units must be provided for all single family developments.

F. **Setback from Preston Road for Multi-family Development.**

- a. All multi-family structures must be located a minimum of 400 feet from Preston Road right-of-way.

- b. The front commercial pad facing Preston Road shall be utilized as open space or for retail, office, or commercial uses. No multi-family uses shall be located on this tract (marked as Zone A and Zone X).
- G. **Screening.** A solid masonry screening wall six (6) foot minimum height shall be provided along the west side of the property to screen the industrial site.
- H. **Maximum Impervious Surface.**
 - a. No more than eighty five (85) percent of the total lot area, including main buildings, accessory buildings, parking lots, drive, fire lanes and loading areas shall be impervious surface.
- I. **Connectivity.**
 - a. A minimum of two (2) vehicular points of connection to adjacent roadways shall be provided. The connection can be through either a direct driveway to the adjacent roadway or through a shared access driveway to the adjacent roadway.
 - b. In addition, a minimum of two (2) pedestrian points of connection to adjoining sidewalks, trails or developments shall be provided both within the multi-family tract and between the multi-family tract and the adjacent commercial tracts.
 - c. Ten (10) foot wide pedestrian trails shall be provided along the creek with sufficient canopy trees for shading.
- J. **Amenities.**
 - a. Swimming pools will be provided as shown on the Concept Plan.
 - b. Open space areas within the multi-family development shall provide various usable amenities, such as playground equipment, sport courts, barbeque pits, benches, tables, etc. to serve the residents.
- K. **Parking/Loading Requirements.**
 - a. A minimum stacking length of eighty (80) feet measured from the street right-of-way to the first intersection aisle or paving stall shall be required for access from Preston Road, Punk Carter Parkway and the Collin County Outer Loop. Deceleration lanes are required for all ingress/egress from Preston Road, Punk Carter Parkway and the Collin County Outer Loop.
- L. **Lot Regulations.**
 - Single Family Detached:**
 - a. Lot Size - Minimum twenty- five hundred (2,500) square feet and twenty (20) feet in width when measured at the front of the yard setback line
 - b. Height - The primary structure shall not exceed forty-five (45) feet in height as measured to the peak
 - c. Setbacks
 - 1. Front yard –
A minimum building setback of fifteen (15) foot, integral architectural elements of the main structure may extend up to five (5) feet into the front yard. A garage door must be set back a minimum of twenty (20) feet. A corner lot shall have two front yards.
 - 2. Side Yard -
A minimum building setback of five (5) feet shall be provided on each side of the lot. A garage door must be set back a minimum of twenty (20) feet.

An interior side yard setback of zero (0) feet shall be permitted provided that all dwelling units maintain a minimum wall to wall separation of ten (10) feet. No portion of a building may cross a property line.

3. Rear Yard-

A minimum building setback of fifteen (15) shall be provided on the rear of the lot. A garage door must be set back a minimum of eighteen (18) feet if alley access is provided.

Multiple-Family Development:

- a. Height – maximum 3 stories
- b. Landscape Buffers – A minimum ten (10) foot landscape buffer shall be applied to the western and northern adjacent property lines. When multi-family is adjacent to single-family land uses, a fifty (50) landscape buffer shall be required.

Integrated Multi-Family (Mixed Use)

	Adjacent to Single Family Residential*	Adjacent to West	Adjacent to North
Front Yard			
1 story	50 feet	25 feet	15 feet
2 story	75 feet		
3 story	150 feet		
Side Yard			
1 story	50 feet	15 feet	15 feet
2 story	75 feet		
3 story	150 feet		
Rear Yard			
1 story	50 feet	15 feet	15 feet
2 story	75 feet	15 feet	
3 story	150 feet	50 feet**	

*If a public road or open space a minimum of sixty (60) feet in width separates the multi-family development from the Single Family Development, the standards for property adjacent to non-residential developments shall apply.

**When adjacent to open space greater than 100 feet in width, a minimum rear setback of ten (10) feet is required

***Corner Lots - The side yard of corner lots shall follow the same regulations as a typical side yard when adjacent to an internal access street. When adjacent to a public right of way, a lot must have two (2) front yards.

c. Minimum Dwelling Area

Number of Bedrooms	Minimum Floor Area (Square Feet)*
Efficiency/Studio	500 sf
1 Bedroom	650 sf
2 Bedroom	900 sf
Over 2 Bedrooms	900 sf + 150 sf per additional room

Nonresidential Development:

- a. Lot Size - Minimum five thousand (5, 000) square feet and one hundred (100) in width when measured at the front of the yard setback line
- b. Height – The primary structure shall not exceed sixty five (65) feet in height as measured to the peak.
- c. Setbacks
 - 1. Primary Structure
 - a. Front yard - A minimum building setback of twenty five (25) feet, integral architectural elements of the main structure may extend up to five (5) feet into the front yard. A corner lot shall have two front yards.
 - b. Side yard - Minimum of ten (10) feet; or when nonresidential uses are platted adjacent to other nonresidential uses and integrated into an overall shopping center site, creating lease spaces abutting one another, no side yard is required provided it complies with the city's building code.
 - c. Rear yard - A minimum building setback of fifteen (15) foot is required.
- d. Off Street Parking Regulations
 - 1. In addition to the parking and loading requirements listed in Article 14, Division 2 of the City of Celina Zoning Ordinance., the following standards apply.
 - 2. For all Mixed Use Developments, on street or off street parking may be shared among residential and non-residential users as well as among users of different properties so long as a shared parking agreement is executed among property owners. Parking shall be computed separately for each use within the structure.
- e. Open Space/Landscaping Requirements - See Open Space/Landscape requirements on Page 10 of this document.

M. Temporary/Seasonal Sales.

- a. Temporary structures and kiosks for temporary and/or seasonal sales are permitted for a period not to exceed forty five (45) consecutive days. Such sales may include, but are not limited to, Valentine's Day sales, Christmas tree sales, pumpkin sales, etc. Structures shall be located on a concrete paved surface. Structures may only occupy parking spaces if the spaces are in excess of the minimum required parking based on the City of Celina Parking ratios.
- b. Large shipping containers may be placed in the rear of anchor retail uses if they are entirely screened from view. The screening must be provided by a masonry wall (brick or CMU) a minimum of eight (8) in height or the height of the container, whichever is greater. The Wall must be composed of materials that match those used on the main structure.
- c. Outdoor Sales
 - 1. Large retail centers may include departments on the exterior of the air conditioned portion of the building that allows for sales of additional goods and services including but not limited to, plants and garden materials, equipment, tools, appliance, etc. When this option is utilized, the following standards must be met:
 - 2. The structure must be built of permanent materials and connected to the main building.
 - 3. The area must be enclosed and screened from view by a material with a minimum of eighty (80) percent opacity. Screening height shall be adequate to screen all materials.
 - 4. No more than fifteen (15) percent of the total gross floor area of the entire structure shall be used for Outdoor sales.



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Raha Pouladi, Planner
 CC: Jason Laumer, City Manager
 Date: October 9, 2018
 Re: Creeks of Legacy PD Amendment

Action Requested:

The City Council will conduct a public hearing to consider testimony and act upon an ordinance amending Ordinance No. 2006-57, as heretofore amended, the same being the Comprehensive Zoning Ordinance, and amending the official zoning map of the City by designating the zoning of an approximately 24.587 acre tract of land situated in the William Davenport Survey, Abstract No. 262, Collin County, Texas, amending Planned Development Zoning District No. 46 (PD-46) with an underlying zoning designation of MU-2, Mixed Use Regional zoning district. The tract is generally located on the east side of N. Legacy Drive (CR 6) approximately 750 feet north of Frontier Parkway (CR 5). (Creeks of Legacy PD Amendment) (McAfee)

Owner:

Celina Investment Partners Ltd.
 5953 Dallas Parkway, Suite 200
 Plano, TX 75093-8189

Background Information:

The Creeks of Legacy is located at the approximate northeast and northwest corners of Frontier Parkway and Legacy Drive. The property was originally rezoned from three individual properties, Planned Development District No. 20, Planned Development District No. 33, and a tract zoned C-1, Retail District to create Planned Development District No. 46. The Planned Development for Creeks of Legacy allows for residential, commercial and mixed uses. The majority of the Planned Development District is comprised of the Creeks of Legacy residential subdivision with a mixed use component at the northeast corner of Frontier Parkway and Legacy Drive.

The applicant is requesting an amendment to a portion of Parcel No. 3 of the Planned Development District located on the northeast corner of Frontier Parkway and Legacy Drive. Of the 45.782 acres in Parcel No. 3, currently 18.31 acres (403 units) are shown as multi-family use. The applicant is requesting that this acreage be increased to a total of 24.587 acres (540 units). This will result in a 13.7% change in the area designated for multi-family use in this parcel. This proposed change could add an additional 137 multi-family units which demonstrates a 34% increase in units.

In return for the increase in density, the City has negotiated with the developer significant improvements to architectural standards, including requiring 100% masonry and limiting the height of the multi-family

structures to three stories. A 90-100 foot buffer with a thirty-foot wide landscaped area will be provided between the single-family residential lots and the multi-family structures, planted with evergreen and deciduous trees to create an additional screening element along the masonry wall.

It is important to remember that the multi-family location is already established through the existing planned development. This request is a slight increase in acreage and density for a multi-family tract that is entitled through a previous zoning process.

This multi-family community will be built in two phases. Each phase will have at least one amenity center, one pool, and multiple sport's courts. Also, buildings will be 100% masonry with different and harmonizing colors and designs.

Conformance with the Comprehensive Plan:

The City's Comprehensive Plan shows this property to be within the Suburban Moderate-High Residential or "Suburban Mix". This includes residential developments and the proposed density is in keeping with Suburban Mix. This future land use accounts for sixty-four percent (64%) of the land area in Celina. The rezoning request conforms with the Comprehensive Plan.

Board Review/Citizen Input:

At the regular meeting held on September 18, 2018, the Planning & Zoning Commission voted 6-1 to recommend approval of the Planned Development amendment, as presented by staff.

During public hearing, four Celina residents spoke in opposition of the proposed PD amendment. None were located in the 200 ft buffer of the proposed PD amendment.

A notice of the public hearing was published in *The Celina Record* on August 31, 2018. Notices of the public hearing have been sent to all owners of property residing within the city limits, as indicated by the most recently approved Collin County tax rolls, who are located within 200 feet of the subject property. At the time of packet preparation, staff had received no letter of opposition to the proposal.

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

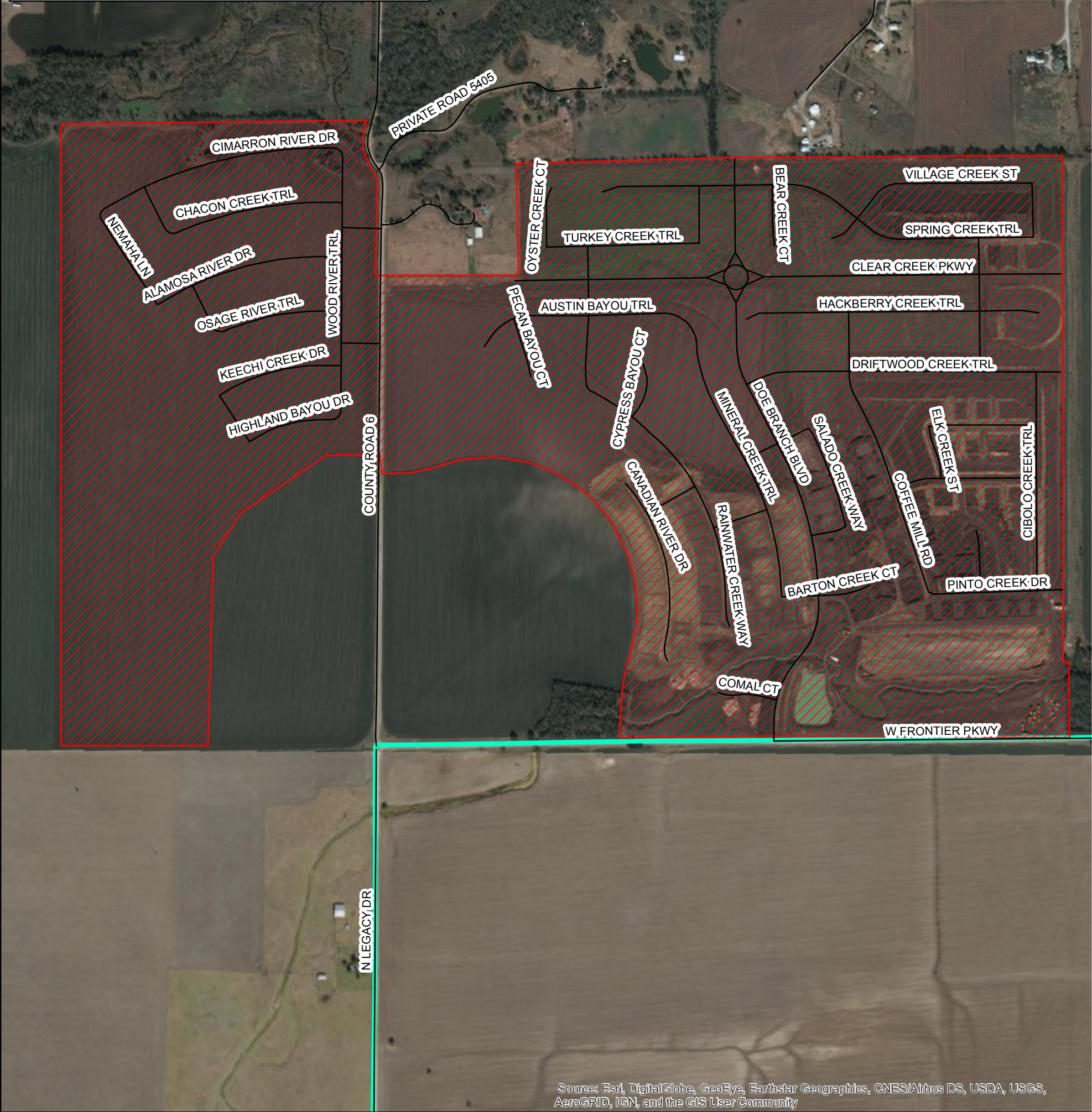
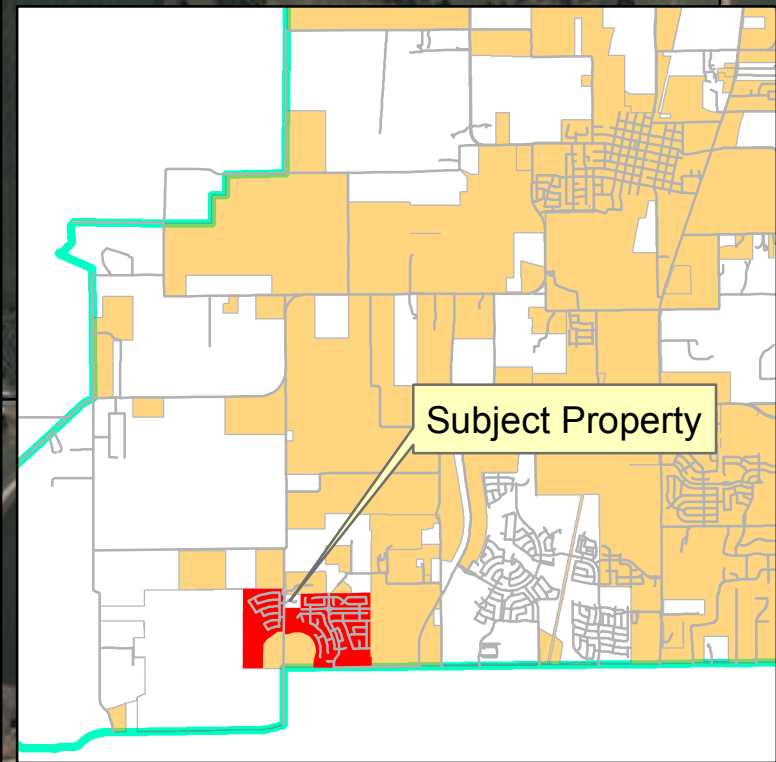
The City Attorney has reviewed the ordinance and deemed it acceptable.

Supporting Document:

- Location Map
- Proposed Ordinance

Staff Recommendation:

Staff recommends approval.



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Attachment: Location Map (Creeks of Legacy PD Amendment)

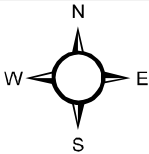


Location Map Creeks of Legacy PD Amendment

Date: 5/3/2018

Legend

- Roads
-  Creeks of Legacy
-  ETJ Limits



0 425 850 Feet

CITY OF CELINA, TEXAS

ORDINANCE 2018-____
CREEKS OF LEGACY (PARCEL 3) – PD-46

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, AMENDING ORDINANCE NO. 2006-57, AS HERETOFORE AMENDED, THE SAME BEING THE COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY DESIGNATING THE ZONING OF LAND THAT IS AN APPROXIMATELY 24.587 ACRE TRACT OF LAND SITUATED IN THE WILLIAM DAVENPORT SURVEY, ABSTRACT NO. 262, COLLIN COUNTY, TEXAS, AND LOCATED ON THE EAST SIDE OF N. LEGACY DRIVE (CR 6) APPROXIMATELY 750 FEET NORTH OF FRONTIER PARKWAY (CR 5), COLLIN COUNTY, TEXAS; AS DESCRIBED IN EXHIBIT “A” AND DEPICTED IN EXHIBIT “B” ATTACHED HERETO AND INCORPORATED HEREIN TO BE ZONED “PD” PLANNED DEVELOPMENT DISTRICT NO. 46; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FINDINGS; PROVIDING FOR AMENDMENT OF ZONING CLASSIFICATION; PROVIDING FOR ZONING DESIGNATION AND DEVELOPMENT STANDARDS; PROVIDING FOR REVISION OF ZONING MAP; PROVIDING FOR COMPLIANCE; PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00 AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES AND INCLUDING PROVISIONS FOR THE AUTHORIZATION TO SEEK INJUNCTIVE RELIEF TO ENJOIN VIOLATIONS WHICH CONSTITUTE AN IMMINENT HAZARD OR DANGER TO PUBLIC HEALTH AND SAFETY; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SAVINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Celina is a home rule municipality located in Collin and Denton County, Texas created in accordance with the provisions of the Texas Local Government Code, The Texas Constitution and operating pursuant to the enabling legislation of the state of Texas; and

WHEREAS, the City Council of the City of Celina, Texas is empowered under Local Government Code 54.001 to do all acts and make all regulations which may be necessary or expedient for the promotion of the public health, safety and general welfare; and

WHEREAS, Title 7 Chapter 211.003 of the Texas Local Government Code, empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

WHEREAS, the establishment of a zoning classification has been requested for the property more specifically described in Exhibit “A” attached hereto and incorporated herein; and

WHEREAS, the property has been depicted in detail in Exhibit “B” attached hereto; and incorporated herein; and

WHEREAS, the concept plan and development regulations set forth in Exhibit “C” and Exhibit “D” attached hereto and incorporated herein define the base zoning districts and provide for certain modifications to such district regulations.

WHEREAS, the City Council has considered, among other things, the character of the property and

its suitability for particular uses, with a view of encouraging the most appropriate use of land in the City, and is in the interest of public health, safety, and welfare, and does hereby find that the requested zoning accomplishes such objectives and is consistent with the provisions of the 2030 Comprehensive Plan of the City of Celina; and

WHEREAS, the Planning and Zoning Commission of the City of Celina and the City Council of the City of Celina, in compliance with the laws of the State of Texas and the ordinances of the City of Celina, have given the requisite notices by publication and otherwise, and have held public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof; and

WHEREAS, the City Council, in the exercise of its legislative discretion has concluded that the zoning classification on the tract of land described herein should be changed and the zoning map so amended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS

SECTION 1 **INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2 **FINDINGS**

After due deliberations the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Celina, Texas and of the public health, safety and welfare.

SECTION 3 **AMENDMENT OF ZONING CLASSIFICATION**

That the zoning classification is hereby established as “PD” Planned Development District No. 46 on a certain tract of land described in in Exhibit “A” and depicted in Exhibit “B.”

SECTION 4 **ZONING DESIGNATION AND DEVELOPMENT STANDARDS**

That Ordinance No. 2006-57 of the City of Celina, Texas, as heretofore amended, the same being the City’s Comprehensive Zoning Ordinance, is hereby amended by designating the zoning on the land, depicted in Exhibit “A” attached hereto and incorporated herein as PD-46, and incorporates the concept plan attached hereto as Exhibit “C” and the development standards attached hereto as Exhibit “D.”

SECTION 5 **REVISION OF ZONING MAP**

That the City Manager for the City of Celina is hereby directed to mark and indicate on the official Zoning District Map of the City the zoning change herein made.

SECTION 6 **COMPLIANCE REQUIRED**

That the property depicted on Exhibit “A” hereto shall be used only in the manner and for the purposes provided for in this ordinance and the Comprehensive Zoning Ordinance, of the City of Celina as amended save and except minor revisions necessitated by final, detailed civil engineering, architectural or landscape design.

SECTION 7 **PENALTY**

7.01 Any person, firm or corporation violating any of the provisions or terms of this ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Celina, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

7.02 If the governing body of the City of Celina determines that a violation of this Ordinance has occurred, the City of Celina may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

SECTION 8 **CUMULATIVE REPEALER CLAUSE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 9 **SAVINGS CLAUSE**

All rights and remedies of the City of Celina, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting zoning regulation which have secured at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 10 **SEVERABILITY**

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority's decisions or enactment.

SECTION 11 **PUBLICATION CLAUSE**

The City Secretary of the City of Celina is hereby directed to publish in the Official Newspaper of the City of Celina the Caption, and Effective Date of this Ordinance as required by Section 52.013 of the Local Government Code.

SECTION 12
ENGROSSMENT AND ENROLLMENT

The City Secretary is hereby directed to engross and enroll this Ordinance by copying the descriptive Caption in the minutes of the City Council and by filing this Ordinance in the Ordinance records of the City.

SECTION 13
EFFECTIVE DATE

This Ordinance shall become effective from and after its date of passage and publication as required by law.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the City Council of the City of Celina, Texas this 9th day of October, 2018.

 Sean Terry, Mayor
 City of Celina, Texas

ATTEST:

 Vicki Faulkner, City Secretary
 City of Celina, Texas

[SEAL]

APPROVED AS TO FORM:

 City Attorney
 City of Celina, Texas

Attachment: Creeks of Legacy PD Amendment Ordinance 10-5-18 (Creeks of Legacy PD Amendment)

Exhibit A Legal Description

Being a tract of land situated in the William Davenport Survey, Abstract No. 262, in the City of Celina, Collin County, Texas, being a part of that same tract of land described to Celina Investment Partners, Ltd. by deed recorded in Volume 5916, Page 862 of the Deed Records of Collin County, Texas (D.R.C.C.T.), and being more particularly described by metes and bounds as follows:

Beginning at the intersection of the centerline of Legacy Drive (120 foot right-of-way) with the northwest corner of said Celina Investment Partners tract;

THENCE South 89° 39' 26" East a distance of 60.01 feet to a point for corner, said corner being at the east limit of said Legacy Drive;

THENCE North 00° 30' 48" East a distance of 37.50 feet, with the east line of Legacy Drive to a point for corner;

North 89° 39' 26" East a distance of 37.43 feet, departing said east line of Legacy Drive to a point for corner, said corner being the beginning of a non-tangent curve to the left;

THENCE along said non-tangent curve to the left, through a central angle of 10° 29' 22", an arc length of 130.99 feet, said curve having a radius of 715.50 feet, a chord length of 130.81 feet which bears North 80° 48' 53" East, to a point for corner, said corner being the beginning of a non-tangent curve to the left;

THENCE along said non-tangent curve to the left, through a central angle of 2° 43' 57", an arc length of 179.59 feet, said curve having a radius of 3765.74 feet, a chord length of 179.58 feet which bears North 74° 15' 01" East, to a point for corner, said corner being the beginning of a non-tangent curve to the right;

THENCE along said non-tangent curve to the right, through a central angle of 104° 16' 21", an arc length of 1540.54 feet, said curve having a radius of 846.50 feet, a chord length of 1336 .58 feet which bears South 50° 07' 20" West, to a point for corner, said point being in the south line said Celina Investment Partners Tract;

THENCE South 89° 50' 16" West, along said South line, a distance of 1432.23 feet to a point for corner, said corner being at the center of said Legacy Drive (120 foot right-of-way);

THENCE North 00° 30' 50" East, along the centerline of said Legacy Drive, a distance of 754.49 feet to the PLACE OF BEGINNING and containing 24.587 Acres of land, more or less.

[illegible]

[illegible]

Exhibit D Development Regulations

DEFINITIONS

Any capitalized terms not defined below are per the definition as provided in the City of Celina Code of Ordinance Chapter 14, as written or as may be amended.

Common Area: Any portion of the PD District that does not constitute a residential lot or street right-of-way and is owned by the Homeowners Association.

Homeowner Association: An association governed by by-laws, deed restrictions, and architectural guidelines of the community. All lot owners will have mandatory membership in the homeowner association, which, among other things, will require financial obligations in the form of annual membership dues.

PD District Concept Plan (Exhibit C): The graphic plan for PD District that establishes and delineates the location of the respective Lot Types and is attached as Exhibit C.

Main Structure: The primary residence to be constructed on any Lot.

Open Space: Publicly or privately accessible parks, greens, sports fields, plazas, landscaped areas, natural flood plain or drainage areas, and tot lots, shall constitute Open Space.

Parkway: The area between the curb and the right-of-way in front of residential lots.

PD District: The land and/or lots contained within the legal boundaries identified in Exhibit A.

Shall: A term requiring compliance.

Should: A term encouraging compliance.

CONCEPT PLAN

Exhibit C identifies and locates the proposed land uses outlined within the Property. All land uses shall conform to the District Regulations in place at the time of development unless modified herein. The proposed development should have unified and consistent design elements and provide an integrated development that follows the Comprehensive Plan dated April, 2013 and compliments the City of Celina.

ARCHITECTURAL ELEVATIONS

Section 14.02.153 of the City of Celina Zoning Ordinance requires, as deemed necessary by the city manager, the submittal of architectural elevations in the zoning submittal application. Architectural elevations must comply with the architectural standards of the Zoning Ordinance as it exists or may be amended.

During project development, however after zoning may be approved, Staff reserves the right to require architectural elevation modification prior to approval of a building permit.

Landscape Design

Section 14.02.224 of the City of Celina Zoning Ordinance requires the submittal and approval of landscaping and irrigation plans with site plan approval request. Concept landscape plans have been submitted accordingly.

During project development, however after zoning may be approved, Staff will require additional detail in the landscaping and irrigation plans prior to approval of a building permit.

Commercial-PARCEL 4 - PERMISSIBLE USES

The requirements and types of commercial uses allowed for commercial lots within this PD shall follow Chapter 14 of the City of Celina's Zoning Ordinance, as amended, which details the requirements of the C-2 General Commercial Zoning District. All uses allowed under the C-2 zoning districts as established in the City of Celina Zoning Ordinance, as amended, are hereby allowed under this PD ordinance except as follows:

Uses not permitted:

1. Dyeing facilities

2. Ice cream plants
3. Ice plants/cold storage plants
4. Mortuaries
5. Pumping stations
6. Tire repair shops, except as incidental to auto repair operations
7. Auto body operations
8. Spray-painting operations
9. Storage of rental trucks and trailers
10. Taxidermists

Single-Family-PARCELS 1 and 2 - PERMISSIBLE USES

The following uses shall be allowed:

1. Agricultural Uses – Agricultural uses whose products are grown primarily for home consumption, such as domestic gardening, berry or bush crops, tree crops, flower gardening, orchards and aviaries.
2. Residential Uses: Single-family detached dwellings
3. Community Facility Uses:
 - A. Public and private parks;
 - B. Recreational and open space including but not limited to playgrounds, parkways, greenbelts, ponds and lakes, botanical gardens, pedestrian paths, bicycle paths, equestrian bridle trails, nature centers, bird and wildlife sanctuaries;
 - C. Amenity centers.
4. Temporary structure for storage of building materials and equipment used for initial residential construction, when on the same or adjoining lot, for a period not to exceed the duration of the construction. This shall include temporary trailers for construction and sales activity. Building material storage will be allowed adjacent to temporary trailers or in a lot designed for storage.
5. Manufactured and/or modular homes are prohibited in this PD district.

SINGLE-FAMILY RESIDENTIAL DESIGN GUIDELINES

I. Lot Type Regulations

The PD District will include a variety of lot types in order to achieve the goals established for the district. The lot types and requirements for each shall be as follows:

A. Lot Type 1:

1. Purpose: This lot type is designed to allow single family detached dwellings on lots of not less than five thousand five hundred (5,500) square feet, with front-entry garages, together with the allowed incidental and accessory uses.
2. Height Regulations: No building shall exceed forty feet (40') or two and one-half (2-1/2) stories in height to the highest point of its roof.
3. Area Regulations: The following minimum standards shall be required as measured from property lines:

Lot Size: Five thousand five hundred (5,500) square feet.

Lot Coverage: The maximum Lot Coverage shall not exceed sixty percent (60%).

Minimum Floor Area: The minimum square footage of a dwelling unit, exclusive of garages, breezeways and porches, shall be seventeen hundred (1,700) square feet.

Front Yard: Front yard setbacks shall vary and shall be shown on the Final Plat for the subdivision. To create a variety of front yards on each street, a relatively equal number of lots shall be platted with twenty feet (20') and twenty-five feet (25') minimum front yards. No more than six (6) homes in a row along a block face shall have the same front yard setback. Covered Front Porches may extend over the front building setback line up to five feet (5'), but the garage door must remain at or behind the front setback line in all instances.

Rear Yard: Ten feet (10') minimum.

Side Yard: Five feet (5') minimum.
 Side Yard Adjacent to Street: Fifteen feet (15') minimum.
 Lot Width: Fifty feet typical (50'); forty feet (40') minimum (@ right-of-way) on cul-de-sac lots.
 Lot Depth: One hundred ten feet (110') minimum.
 Lot Depth (cul-de-sac): Eighty-five feet (85') minimum.
 Garage Orientation: May face the street.
 Garage Setback: Equivalent to the front yard setback shown on the final plat for the applicable lot.

B. Lot Type 2:

1. Purpose: This lot type is designed to allow single family detached dwellings on lots of not less than six thousand six hundred (6,600) square feet with front-entry garages, together with the allowed incidental and accessory uses.
2. Height Regulations: No building shall exceed forty feet (40') or two and one-half (2-1/2) stories in height to the highest point of its roof.
3. Area Regulations: The following minimum standards shall be required as measured from property lines:

Lot Size: Six thousand six hundred (6,600) square feet.

Lot Coverage: The maximum Lot Coverage shall not exceed fifty-five percent (55%).

Minimum Floor Area: The minimum square footage of a dwelling unit, exclusive of garages, breezeways and porches, shall be nineteen hundred (1,900) square feet.

Front Yard: Front yard setbacks shall vary and shall be shown on the Final Plat for the subdivision. To create a variety of front yards on each street, a relatively equal number of lots shall be platted with twenty feet (20') and twenty-five feet (25') minimum front yards. No more than six (6) homes in a row along a block face shall have the same front yard setback. Covered Front Porches may extend over the front building setback line up to five feet (5'), but the garage door must remain at or behind the front setback line in all instances.

Rear Yard: Ten feet (10') minimum.

Side Yard: Five feet (5') minimum.

Side Yard Adjacent to Street: Fifteen feet (15') minimum.

Lot Width: Sixty feet (60') typical; fifty feet (50') minimum (@ right-of-way) on cul-de-sac lots.

Lot Depth: One hundred ten feet (110') minimum.

Lot Depth (cul-de-sac lot): Eighty-five feet (85') minimum.

Garage Orientation: May face the street.

Garage Setback: Equivalent to front yard setback shown on final plat for the applicable lot.

C. Lot Type 3:

1. Purpose: This lot type is designed to allow single family detached dwellings on lots of not less than seven thousand seven hundred (7,700) square feet, together with the allowed incidental and accessory uses.
2. Height Regulations: No building shall exceed forty feet (40') or two and one-half (2-1/2) stories in height to the highest point of its roof.
3. Area Regulations: The following minimum standards shall be required as measured from property lines:

Lot Size: Seven thousand seven hundred (7,700) square feet.

Lot Coverage: The maximum Lot Coverage shall not exceed sixty percent (60%).

Minimum Floor Area: The minimum square footage of a dwelling unit, exclusive of garages, breezeways and porches, shall be two thousand four hundred (2,400) square feet.

Front Yard: Front yard setbacks shall vary and shall be shown on the Final Plat for the subdivision. To create a variety of front yards on each street, a relatively equal number of

lots shall be platted with twenty feet (20') and twenty-five feet (25') minimum front yards. No more than six (6) homes in a row along a block face shall have the same front yard setback. Covered Front Porches may extend over the front building setback line up to five feet (5'), but the garage door must remain at or behind the front setback line in all instances.

Rear Yard: Ten feet (10') minimum.

Side Yard: Five feet (5') minimum.

Side Yard Adjacent to Street: Fifteen feet (15') minimum.

Lot Width: Seventy feet (70') typical; sixty feet (60') minimum (@ right-of-way) on cul-de-sac lots.

Lot Depth: One hundred ten feet (110') minimum.

Lot Depth (cul-de-sac lot): Eighty-five feet (85') minimum.

Garage Orientation: May face the street; garage access should be accomplished utilizing "swing-in" driveways for a minimum of 50% of this lot type.

Garage Setback: Equivalent to front yard setback shown on final plat for the applicable lot.

II. Neighborhood Regulations

The maximum number of lots permitted within Parcels 1 and 2 shall not exceed 1,064 lots. The maximum percentage of lots per Lot Type is as follows:

Lot Type 1: 60%

Lot Type 2: 30% minimum

Lot Type 3: 12% minimum

The lot types shall generally conform to the layout shown in Exhibit C – Concept Plan.

III. Development and Design Standards

A. Sign Program: This development shall conform to the City's current sign ordinance as it currently exists or may be amended.

B. Landscape Standards: All development within PD District shall comply with the following:

1. Tree requirements:

i. Trees are required to be planted by the homebuilder in the front yard of all lots per the following schedule:

- Lot Type 1 – one, 4" caliper tree, measured at 12 inches above the ground
- Lot Type 2 – one, 4" caliper tree, measured at 12 inches above the ground
- Lot Type 3 – two, 4" caliper tree, measured at 12 inches above ground

ii. Trees shall be planted adjacent to all thoroughfares and collector roads per the following schedule:

- One, 3" caliper tree, measured at 12 inches above ground, spaced every 125'
- Trees shall be planted between the rear property line of the adjacent Lot and the sidewalk
- Planted at the time the adjacent Lot(s) are developed Planted at the time a phase is constructed.

iii. Tree species shall comply with the City of Celina Zoning Ordinance Chapter 14.05 Appendix E. Tree species located along the common buffer with detached single-family uses shall be evergreen in nature.

Mixed Use Regional District MU-2 - PARCEL 3

The MU-2 requirements shall follow Chapter 14 of the City of Celina's Zoning Ordinance, as it exists or may be amended, which details the requirements of the MU-2 Mixed Use Regional District. All uses and development regulations allowed under the MU-2 zoning district as established in the City of Celina Zoning Ordinance, as amended, are hereby allowed under this PD ordinance except as follows:

I. Density: Multiple-family units; maximum 540 units.

II. Height: Multiple-family units are limited to three (3) stories.

III. Land use mix limits: The MU-2 zoning district will have a mix of residential and nonresidential uses at the following rates:

- A. Nonresidential uses (stand-alone): shall not exceed 40% of the gross area of the MU-2 zoning district.
- B. Multiple-family uses (stand-alone): Shall not exceed 24.587 acres of the MU-2 zoning district.

IV. Exterior standards for Multi-family:

Category A Materials: brick, stone, or manufactured stone (not panels).

Category B Materials: split-face CMU, stucco, cementitious fiber board, treated engineered wood

Category C Materials: metal, natural wood, tile, glass, EIFS

Required Percentages of Exterior Materials for Multifamily		
<i>Facades</i>	<i>Percentage Breakdown</i>	<i>Definition</i>
Primary	85% Category A 15% Category B* 0% Category C*	Exterior walls of buildings which face a street or parking area
Secondary	50% Category A 50% Category B* 0% Category C*	Exterior walls of buildings which are NOT clearly visible from a public street, such as an interior courtyard

*Treated engineered wood or EIFS may be used for trim or soffit construction – the percentage of treated engineered wood or EIFS must be subtracted from the percentage of other category materials so that the total percentage of any given façade remains as stated above.

1. Primary facades. Exterior facades that face a public street or a parking lot shall be constructed of eighty-five percent (85%) masonry Category A products*.
2. Secondary facades. Facades that do not face a public street or parking lot (such as an interior courtyard) shall be constructed of a minimum of fifty percent (50%) masonry Category A products with the remainder being one or more Category B materials.
3. Two masonry materials required. At least two (2) masonry materials shall be used on all exterior facades.
4. Architectural style. All buildings within a common development, as shown on a development plan, concept plan, or site plan, shall have similar architectural styles, materials, colors and detailing; however, sufficient variations should be incorporated to discourage buildings that are exactly duplicated.
5. Facades adjacent to streets. Facades shall generally be built parallel to the street frontage.
6. Facades adjacent to single family. Facades shall generally be built perpendicular when adjacent to single family districts.
7. Accessory building materials. Amenity centers, covered garages, and other accessory buildings shall meet the exterior material requirements of the primary facades. Carports shall meet the exterior material requirements of the primary facades with the exception of the support poles, which may be constructed of painted metal.
8. Amenities/hardscape. All streetscape elements and site amenities, such as bike racks, trash receptacles, lampposts, and tree grates shall be metal, rust and flake/chip resistant, and generally be black in color. Bollards may be concrete or cast metal and shall be of decorative design.
9. Roof design. Roofs shall be peaked with either hip, gable or mansard design with a minimum one-to-four (1:4) pitch, or a parapet wall or false mansard design with a minimum one-to-two (1:2) pitch is acceptable only if constructed around the entire perimeter of a building so that no flat roof shall be visible from a public street or along an active storefront.

10. Roof materials. Any accessory structure (such as a garage, carport or amenity center) within a multi-family development shall have a decorative metal roof or a parapet wall to shield roof-mounted equipment.
11. Canopies and roof extensions. Decorative canopies or roof extensions within a multi-family development shall be constructed of metal. Shingles on these canopies or roof extensions are not permitted.
12. Building color.
13. Earth tones. The dominant color of all buildings shall be muted, natural or earth-tone shades of color. Black and stark white shall not be used except as an accent color.
 - i. Accent colors which comprise less than one percent (1%) of the building face may use a wider spectrum of colors than those allowed as the dominant color, except that no high intensity colors, neon colors or fluorescent colors shall be used on exterior surfaces of the building.
 - ii. Bright, reflective, pure tone primary or secondary colors are permissible only in limited application as accent colors on door and window frames, moldings, cornices, canopies, awnings, signs, etc. This provision shall not be construed as a license to employ corporate imaging or logos on the primary building facade.
 - iii. No more than one (1) color shall be used for visible roof surfaces; however, if more than one type of roofing material is used, the materials may be varying hues of the same color.
14. Additional design standards. All multi-family primary buildings shall be designed to incorporate no less than four (4) of the architectural elements from the list below.
 - i. Canopies, awnings, porticos with colonnade or arcades; raised pilaster cornices (end columns at corners), or quoined corners (any of various bricks of standard shape for forming corners of brick walls or a wedge-shaped piece of wood, stone, or other material, used for various ornamental purposes at corners).
 - ii. Vertical elements (tower, cupola, lighthouse, turret, arches, etc.);
 - iii. Accented windows and doors framed with smooth cobble, cast stone, limestone or other decorative masonry headers and sills; or dormer windows;
 - iv. Outdoor patios and/or courtyards (landscaped and furnished);
 - v. Decorative ornamentation integrated into the building facade, such as corbels, medallions (non-signage), functioning clocks, niches, wrought iron, balconettes, gargoyles, or horizontal and rhythm patterned brickwork;
 - vi. Other similar architectural features, as approved by the Director.

V. Screening, Setbacks and Landscaping.

- A. Screening. A minimum eight (8) foot tall solid masonry screening wall (with a solid metal gate that is primed and painted) shall be provided along any property line adjacent to single-family residential uses. Although not required, a decorative fence separating the multi-family land use from the commercial tract to the south is encourage. A pedestrian access-way from the multi-family development to the commercial tract is required.
- B. All multi-family structures shall be set back a minimum of 100 feet from any property line adjacent to single-family residential uses. However, due to site constraints, Building 21 may encroach up to ten (10) feet into this 100 foot setback.
- C. Landscape Buffers:
 1. A minimum twenty-five (25) foot wide landscape buffer shall be provided adjacent to any single-family residential uses.
 2. A minimum forty (40) foot wide landscape buffer shall be provided adjacent to Legacy Drive.
 3. A minimum fifteen (15) foot wide landscape buffer shall be provided adjacent to any commercial, retail, or office uses.
- D. Landscaping within Buffers:

1. Street trees. Large canopy trees shall be required in the landscaped buffer along any roadway or access drive at a rate of one tree for every thirty (30) linear feet of frontage.
 2. Required interior site landscaping. For surface parking lots, one landscape island with one large canopy tree and appropriate ground cover shall be provided for every ten (10) parking spaces.
 3. Parking lot screening. A landscape planting of sixteen (16) evergreen shallow-rooted shrubs, a minimum three-gallon size at the time of planting, shall be planted for each fifty (50) linear feet of street frontage, exclusive of drives, in groupings or hedgerow style on sites that have a minimum three-foot-wide bed shall be provided for the planting of such shrubs. Shallow-rooted shrubs may be placed if located over a water or sewer easement.
 4. Adjacent to a single-family use or zoning district. A single row of trees shall be required in the landscaped buffer along any residential adjacency as shown in the attached Concept Plan. Tree species shall be evergreen in nature.
- E. Sidewalks/Trails. Sidewalks and trails shall have a meandering alignment and may encroach into the landscape buffer. Sidewalks along major thoroughfares shall be a minimum of ten (10) feet in width. Interior sidewalks or sidewalks along collector streets shall be a minimum of five (5) feet in width.
- I. **HOMEOWNERS ASSOCIATION:** Homeowner Associations or Property Owner Associations will be established as each residential parcel of land is developed. The PD shall contain one or multiple Homeowner Associations/Property Owner Associations.



Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Brooks Wilson, Planning Consultant
CC: Jason Laumer, City Manager
Date: October 9, 2018
Re: Texas Star Bank Sign Meritorious Exception

Action Requested:

The City Council will consider and act upon a request from Texas Star Bank to grant a meritorious exception from the Code of Ordinances, Section 3.07.018, Permitted Signs, for the construction of a new monument sign proposed to replace the current monument sign located at Texas Star Bank, 302 S. Preston Road, Celina, Texas. (Texas Star Bank Meritorious Exception) (McAfee)

Owner:

Texas Star Bank
302 S. Preston Road
Celina, TX 75009

Applicant:

ViewTech, Inc.
4205 Beltway Drive
Addison, TX 75001

Background Information:

The Sign Ordinance was established to provide uniform standards for the erection and maintenance of signs and to promote safety, communicate effectively and enhance the appearance and economic value of the landscape.

Texas Star Bank, located at 320 S. Preston Road, Celina, Texas, approximately 300 feet north of Ash Street, has requested a meritorious exception to allow the installation of a new monument sign. The current sign was constructed when Preston Road was only a two-lane road. With the widening to four-lanes, which includes a substantial landscaped median, the current sign is inadequate to convey the location and brand to drivers who travel at significantly higher speeds than at the time of initial sign construction. In addition, due to the topography in the area, the current sign is partially obscured from view for northbound travelers.

Request:

The applicant is asking for an increase from eight (8) feet to ten (10) feet in height and an increase in overall size from sixty (60) square feet to seventy (70) square feet. All other regulations of the Sign Ordinance will be respected. Due to the hilly nature of the site, the change in height will not be significant to the average viewer.

A meritorious exception is the means by which the City may consider minor changes to the Sign Code on a case-by-case basis. Staff believes that this request will in no way cause any hazard or hinder the ability of pedestrians and motorists to read the sign. In fact, the slight increase in sign area may be helpful, especially for those traveling northbound on Preston Road. The increase in size will not interfere with scenic views or be detrimental to land or property values. The sign will be constructed of brick that will match the facades of the bank building.

Board Review/Citizen Input:

At the regular meeting held on September 18, 2018, the Planning & Zoning Commission voted unanimously to recommend approval of the meritorious exception to the sign ordinance, as presented by staff.

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Supporting Documents:

- Location Map
- Texas Star Bank Letter of Intent
- Site Plan
- Proposed Sign

Staff Recommendation:

Staff recommends approval.



Attachment: Texas Star Bank Location Map (Texas Star Bank Sign Meritorious Exception)



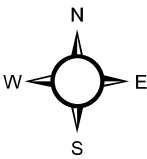
Texas Star Bank Location Map

Date: 9/13/2018

Legend

— Roads

 Texas Star Bank



0 105 210 Feet

VIEWTECH, INC
4205 BELTWAY DRIVE ADDISON TEXAS 75001-3704
TELEPHONE 972 661-8187
FAX 972 661-8172
E-mail: vl@vtinc.net
Firm Registration Number F-2658

August 14, 2018

Alexis Jackson, AICP
 Director of Development Services
 City of Celina
 142 N. Ohio Street
 Celina, Texas 75009

Re: 320 S. Preston Road (SH 289) – Texas Star Bank Sign Variance Request

Dear Ms. Jackson,

We are requesting a height variance from the City of Celina Sign Ordinance to allow the construction of a monument sign for the Texas Star Bank building located at 320 S. Preston Road (SH 289).

The site has an existing monument sign that was emplaced when the bank was originally built around 2007. The sign was located outside of the limits of an existing City water and sanitary sewer easement extending 25' into the property from the edge of the Right-of-Way (ROW).

South Preston Road (SH 289) was a two-lane undivided state highway at the time of the sign's construction. The existing sign was clearly visible to drivers traveling at the posted speed limit in both directions on South Preston Road. In 2013, TXDOT started work to expand SH 289 into a four lane divided facility. The additional lanes and dividing median came from the same side of the road as the Texas Star Bank property. To accomplish this, the new road portion ended up 10 feet lower than the project site.

A new sign that is visible to drivers on South Preston Road is needed. Due to the difference in height between the road and the bank site, the best location for a sign that complies with the City Sign Ordinance is near the ROW. The City water and sanitary sewer easement along the ROW prevents us from locating the sign in the best location.

Due to site topography, the next best sign location is partially obscured from view by northbound drivers. A sign that is taller than allowed under ordinance is needed to make the sign visible. We have discussed this matter with Ben Rodriguez (Planning Manager) and he agreed that the conditions that exist now justify a taller sign.

The proposed sign will be 7 feet wide and 10 feet high. The sign will not appear to be taller than the typical monument sign to drivers on South Preston Road because the bottom two feet will be hidden by the site topography. All other City monument requirements will be met.

Thanks and please call with any questions.

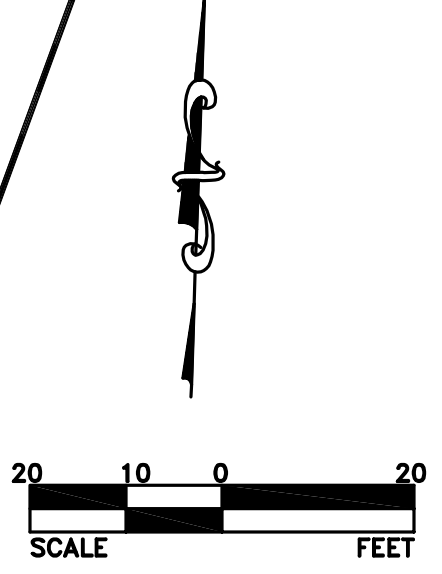
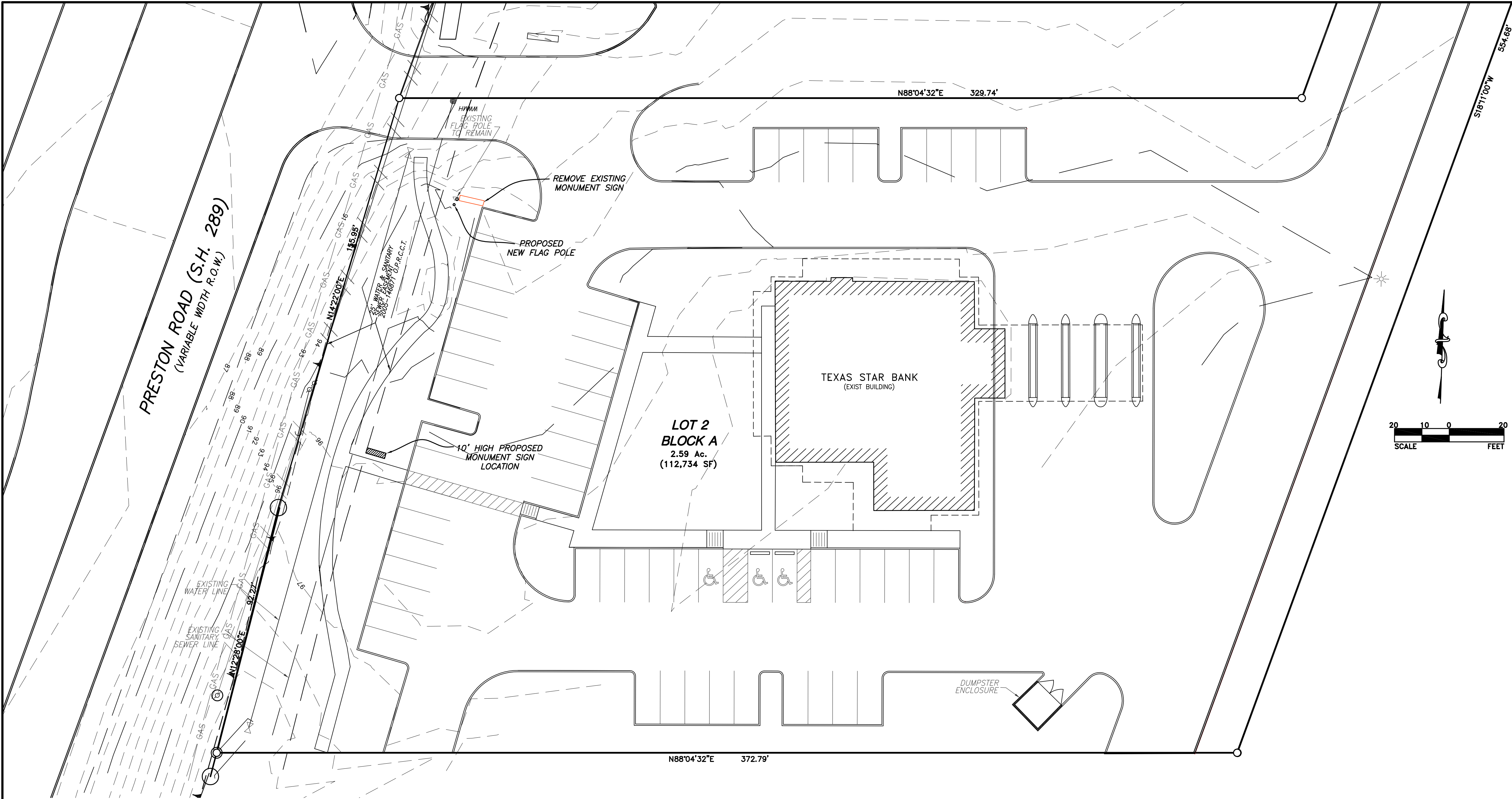
Sincerely,



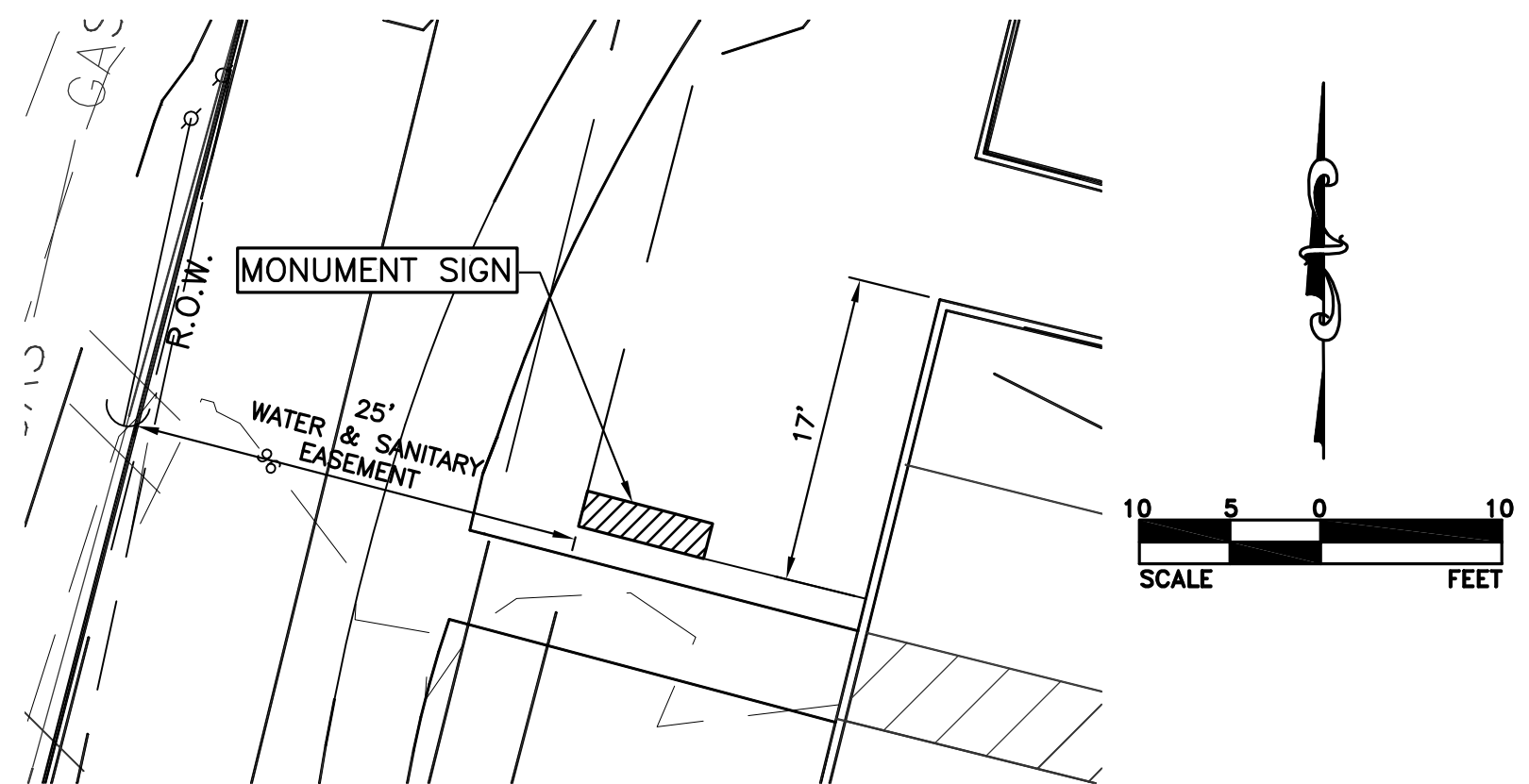
Aaron Wolf, P.E.



Attachment: Texas Star Bank Letter of Intent (Texas Star Bank Sign Meritorious Exception)

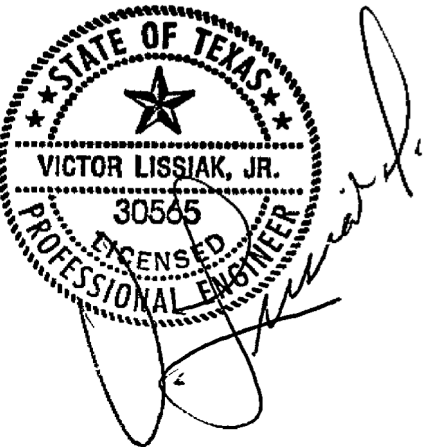


1 PLAN: FIRST STAR BANK OF TEXAS, CELINA
SCALE: 1" = 20'



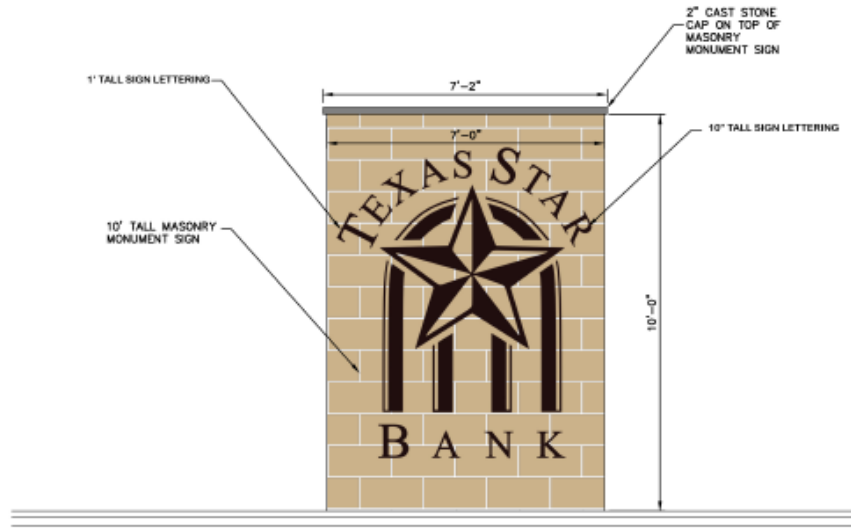
2 ENLARGED PLAN: MONUMENT SIGN
SCALE: 1" = 10'

THE SEAL APPEARING ON THIS DOCUMENT WAS AUTHORIZED BY VICTOR LISSIAK, JR., P.E. 30565 ON 08/13/2018

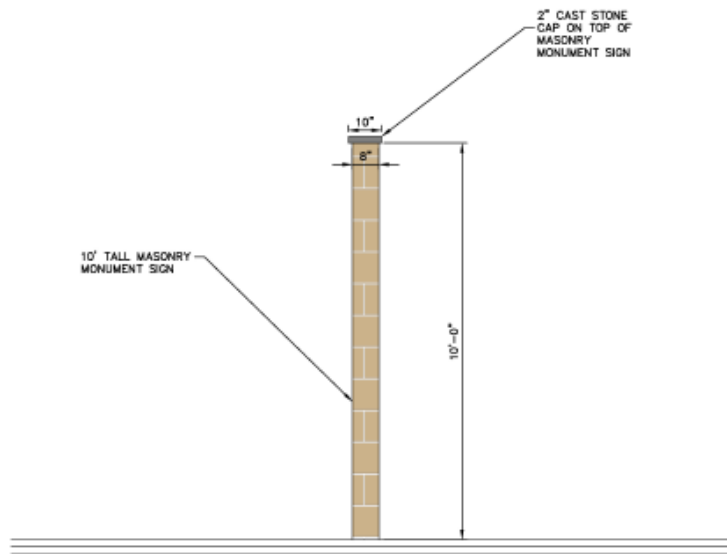


ENGINEER:
VIEWTECH INC.
4205 BELTWAY DRIVE
ADDISON, TEXAS 75001
PHONE: (972) 661-8187
FAX: (972) 661-8172
CONTACT: AARON WOLF, P.E.
EMAIL: aw@vtinc.net

SITE PLAN					
TEXAS STAR BANK					
LOT 2 BLOCK A, CATTLEMAN'S CROSSING ADDITION					
COLLIN COUNTY SCHOOL LAND SURVEY, ABST 167					
320 S. PRESTON RD.					
CELINA, COLLIN COUNTY, TEXAS					
VIEWTECH INC.			TEXAS FIRM REGISTRATION NO. F2658		
4205 BELTWAY DR. ADDISON, TX. 75001			(972) 661-8187 FAX (972) 661-8172		
DESIGN	DRAWN	DATE	SCALE	JOB #	SHEET
AW	JK	07/30/18	1"=30'	2018.192	C1



4 ELEVATION: DOUBLE SIDED MONUMENT SIGN
SCALE: 1/2" = 1'-0"



5 END ELEVATION: DOUBLE SIDED MONUMENT SIGN
SCALE: 1/2" = 1'-0"

TEXAS STAR BANK
PROPOSED MONUMENT SIGN



Administration
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Paul DeBuff, Assistant to the City Manager
CC: Jason Laumer, City Manager
Date: October 9, 2018
Re: ATM License Agreement: Lamar Bank

Action Requested:

Consider and act to authorize and execute a contract amendment between the City of Celina and Lamar National Bank for installation and operation of an automated teller machine (ATM) at Celina Square Pavilion. (Jackson)

Background Information:

This agreement allows Lamar National Bank to place an ATM in the City Square Pavilion. In return, Lamar Bank will pay the City \$600 in annual rent, as well as \$400 or 50% of net annual fees, whichever is larger.

Please see Exhibit B for examples Lamar Bank must use as a model (actual ATM must be substantially similar in appearance to these models).

Board Review/Citizen Input:

N/A

Alternatives:

N/A

Financial Considerations:

N/A

Legal Review:

This resolution has been reviewed by the City Attorney.

Supporting Documents:

- Proposed Agreement

Staff Recommendation:

Staff recommends approval.

STATE OF TEXAS)
)
 COUNTY OF COLLIN)

LICENSE AGREEMENT

WHEREAS the City of Celina, Texas (the “City”) wishes to grant a license to Lamar National Bank (the “Bank”) (each a “Party” and collectively the “Parties”) to provide for the installation and operation (the “Intended Use”) of an automated teller machine (the “ATM”) at Celina Square Pavilion, Celina, Texas (the “Property”), the parties enter into this License Agreement (the “Agreement”), and agree as follows:

1. Definitions

- a. “Annual Rent” is \$600.00 (Six Hundred and No/100).
- b. “Additional Rent” is the larger of either:
 - i. \$400.00 (Four Hundred Dollars and No/100); or
 - ii. 50% of the Net Fees.
- c. “Net Fees” means the total transaction fees collected at the ATM installed at the Property, less all expenses to operate the ATM installed at the Property, including the Annual Rent.
- d. “Term” means the date of the City’s signature below to December 31, 2020. The Term shall annually be extended in one year increments if neither party delivers notice of termination to the other party more than 30 days prior to the expiration of the current Term.

2. City’s Obligations

- a. The City shall allow Bank to install, maintain, and operate the ATM at the northwest corner of the Property during the Term.
- b. The City shall provide electric utility service to the Property sufficient to support the lighting requirement listed on Exhibit A.
- c. The City shall provide electric utility service to the Property sufficient to allow the ATM to operate for the Intended Use.

3. Bank’s Obligations

- a. The Bank shall pay the Annual Rent to the City upon executing this Agreement,

and annually on each anniversary of this Agreement until the expiration of the Term.

- b. The Bank shall pay the Additional Rent to the City annually on each anniversary of this agreement until the expiration of the Term.
- c. The Bank shall install and maintain the ATM, and ensure that it is operable for the Intended Use during the entirety of the Term. The Bank shall obtain all required permits for the installation, maintenance, and operation of the ATM.
- d. The Bank shall remove the ATM at the expiration of the Term, and shall restore the Property to its original condition.
- e. The Bank shall, upon request from the City, provide an accounting or audit of the transaction fees generated by the ATM at the Property.
- f. The ATM shall be substantially similar to the automated teller machine depicted on Exhibit B.
- g. The Bank shall provide security, monitoring, dispatch, cash, and support services for the operation of the ATM.
- h. The Bank shall provide lighting, in accordance with Exhibit A and all applicable laws, ordinances, statutes, and regulations.

4. **Miscellaneous Provisions**

- a. In the event either Party defaults in its obligations arising from this Agreement, the non-defaulting Party shall give notice to the defaulting Party of the default. The defaulting Party shall have the opportunity to cure said default within 30 days. If the defaulting Party does not cure the default, the non-defaulting Party may pursue any remedy authorized by this contract, at law, or in equity. Notices under this Agreement shall be made as follows:

To the City:

City of Celina
c/o Jason Laumer, City Manager
142 North Ohio
Celina, Texas 75009

To the Bank:

Lamar National Bank
721 E. Pecan St., Suite 100
Celina, Texas 75009

- b. If any action is brought to enforce or interpret the provisions of this License Agreement, the prevailing Party shall recover from the adverse Party its actual damages and reasonable costs and expenses, including, without limitation, reasonable attorneys' fees which are proven in such action.
- c. Each Party agrees that this License Agreement constitutes the complete and entire agreement between the Parties concerning its subject matter; that the Party has executed this License Agreement based upon the express terms and provisions set forth herein; that the Party has not entered into this License Agreement in reliance on any representations, oral or written, which are not set forth in this License Agreement; and, that no previous agreement, either oral or written shall have any effect on the terms and provisions of this License Agreement.
- d. The Parties agree that this License Agreement shall be performable in Collin County, that venue as to any action arising under this agreement shall lie in Collin County, Texas, and that the laws of the State of Texas shall govern the enforceability, interpretation, and legal effect of this License Agreement.

AGREED:

Lamar National Bank



BY: Jason White

TITLE: Business Development

DATE: September 28, 2018

AGREED:

City of Celina

BY: Jason Laumer

TITLE: City Manager

DATE: _____

Attachment: ATM License Agreement (ATM License Agreement: Lamar Bank)

EXHIBIT A

Texas Finance Code - Section 59.307. Standards For Lighting

§ 59.307. STANDARDS FOR LIGHTING. The lighting must be at least:

- (1) ten candlefoot power at the face of the unmanned teller machine and extending in an unobstructed direction outward five feet;
- (2) two candlefoot power within 50 feet from any unobstructed direction from the face of the machine, except as provided by Subdivision (3);
- (3) if the machine is located within 10 feet of the corner of a building and is generally accessible from the adjacent side, two candlefoot power along the first 40 unobstructed feet of the adjacent side of the building; and
- (4) two candlefoot power in the part of the defined parking area within 60 feet of the unmanned teller machine.

Acts 1997, 75th Leg., ch. 1008, § 1, eff. Sept. 1, 1997.

EXHIBIT B





Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
 From: Kim Brawner, Director of Engineering
 Date: October 9, 2018
 Re: Design and Construction of Six (6) Lane Bridge on Frontier Parkway

Action Requested:

Consider and act to authorize the City Manager to execute an Interlocal Agreement between City of Celina and Collin County for the expansion of the Frontier Bridge over the BNSF Railroad from four lanes to six lanes. (Brawner)

Background Information:

The City of Celina entered into an Interlocal Agreement with the Town of Prosper and Collin County to reconstruct Frontier Parkway from two lanes to four lanes. Frontier Parkway is being designed to accommodate the ultimate six lane configuration; however, only four lanes will be constructed with this construction project. Previous staff considered either an at-grade crossing or an elevated crossing for the BNSF railroad. After much discussion between all parties, the final decision was to construct a narrow, elevated crossing to accommodate four lanes.

Current staff has evaluated the four lane option. The proposed four lane solution recommends that the westbound lanes be shifted to the south and the four lane roadway tapered across the bridge. The current design does not provide sufficient width to accommodate turn lanes into the new Prosper ISD stadium. Staff met with Collin County to discuss options. Collin County agreed to incorporate the expansion of the bridge design in the current project as an alternate bid at Celina's expense. Due to the time and expense to expand the bridge from four lanes to six lanes, staff recommends that the design and construction of the six lane bridge be incorporated into the current project.

Board Review/Citizen Input:

N/A

Alternatives:

Council could not approve the proposed amendment.

Financial Considerations:

The cost of the additional design and construction will be paid from available funds.

Legal Review:

City attorney has reviewed and approved the proposed amendment.

Supporting Documents:

Interlocal Agreement

Staff Recommendation:

Staff recommends approval of the Interlocal Agreement.

**INTERLOCAL AGREEMENT
BETWEEN THE CITY OF CELINA AND COLLIN COUNTY
REGARDING FRONTIER PARKWAY BRIDGE EXPANSION**

THE STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF COLLIN	§	

THIS INTERLOCAL AGREEMENT (the "Agreement") is entered into effective as of the ____ day of _____, 2018 (the "Effective Date"), by and among the CITY OF CELINA, TEXAS, a home-rule municipality existing under the laws of the State of Texas (the "City"), and the COLLIN COUNTY, a political subdivision of the State of Texas (the "County") (each individually a "Party" or collectively the "Parties"):

WHEREAS, the County contracted with Birkhoff, Hendricks & Carter, LLP ("Engineer") for engineering services under an agreement known as Frontier Parkway Engineering Services Agreement Collin County Contract No. 2016-229 (Collin County Purchase Order No. 199212) (the "Contract") for design of Frontier Parkway, from the Dallas North Tollway (DNT) to S.H. 289, said improvements, including but not limited to, widening from 2 lanes to 4 lanes with a median that allows for future expansion to 6 lanes and a bridge over the Burlington Northern Santa Fe Railroad (BNSF Overpass), all of said improvements being known as Frontier Parkway (the "Project"), said Contract being attached hereto as Exhibit "A" and incorporated herein for all purposes; and

WHEREAS, the City and the County have determined that the future construction of Frontier Parkway will provide regional transportation benefits that are in the best interest of their citizens; and

WHEREAS, the City has requested schematic re-alignment and re-design of the North Access Road, connecting to and utilizing proposed Prairie Crossing Road and Street A as the Frontier Parkway detour during construction of the BNSF Overpass and the expansion of Frontier Parkway bridge from (4) lanes to (6) lanes (the "Expansion"); and

WHEREAS, the Engineer has submitted to the County and City an amendment known as Amendment No. 4 to the Contract (the "Amendment No. 4"), attached hereto as Exhibit "A-1" and incorporated herein for all purposes; and

WHEREAS, the County and City desire to cooperate in facilitating the completion of the Project and have agreed to share certain portions of the cost of design and construction for the Expansion with all of the design to be incorporated into the bidding and construction documents for the Project; and

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes local governmental entities to contract with one another to perform governmental functions and services under the terms thereof, and the City and the County have determined that

mutual benefits and advantages can be obtained by formalizing their agreement as to the separate and distinct issues of importance to them regarding the matters addressed in this Agreement.

NOW, THEREFORE, in consideration of these premises and the mutual benefits and advantages accruing to the City and the County, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

WITNESSETH:

ARTICLE 1 - TERM

The term of this Agreement shall begin from the Effective Date and end on completion of the Project and all Parties' obligations under this Agreement.

Either Party may terminate this Agreement without cause or penalty by giving thirty (30) days' advance written notice up until such time as a construction contract is awarded by the County to a contractor. The obligation of the Parties to pay any and all costs, if any, incurred under this Agreement prior to the effective date of termination shall survive such cancellation until performed or discharged by the Parties.

ARTICLE 2 - PROJECT

City and County agree to facilitate Expansion for the Project, only if the City consents in writing, to proceed with the expansion of Frontier Parkway bridge from four (4) lanes to six (6) lanes after obtaining competitive sealed bid alternatives for construction of the Expansion. The Parties understand and agree that City is not obligated under this Agreement to share in the cost of the construction of the Expansion unless City agrees in writing to proceed as indicated herein. Additionally, it is understood that the County may authorize all or parts of Amendment No. 4 without effect on other independent scope and fee items in said amendment.

ARTICLE 3 – ROLES AND GENERAL RESPONSIBILITIES OF THE PARTIES

3.1 The County agrees to provide the following:

- A. Fund all costs associated with said Project and the Expansion, including for design, acquisition of right of way, utility relocation and adjustment, planning, engineering, surveying, construction and governmental approval costs according to the provisions of the executed Interlocal Agreement of the County, Celina and Prosper, Court Order No. 2018-445-06-11, and this agreement;
- B. Construction agreement administration, site review, and permitting;
- C. Seek competitive sealed bids for the construction of the Project and the Expansion, that includes a 6-lane bridge, and that includes a deductive "Alternate Project" bid package for a 4-lane bridge;

- D. Interagency cooperation;
- E. A monthly progress report documenting the percent completion of the Expansion shall be provided to the City;
- F. County will notify the City on completion of the Expansion and Project; and
- G. County will include the following language on all on-site public notice signage related to the Expansion: "This project is funded by the Collin County Commissioners Court, the Town of Prosper, and the City of Celina".

3.2 The City agrees to provide the following:

- A. Funding for the re-design of the Project to include the full width BNSF Overpass (6-lanes) with 4-lane approaches as the "Base Project" with a deductive "Alternate Project" bid package for a 4-lane BNSF Overpass in an amount not to exceed **ONE HUNDRED TWENTY THOUSAND SEVEN HUNDRED DOLLARS (\$120,700.00)**;
- B. Funding for additional bidding services (Increased scope to Base Bid Proposal for 6-lane BNSF Overpass and including analysis and recommendations for Alternate Bid Proposal for 4-lane BNSF Overpass in an amount not to exceed **EIGHT THOUSAND FOUR HUNDRED DOLLARS (\$8,400.00)**;
- C. Funding for Construction Administration Services Increased scope for 6-lane BNSF Overpass Construction including record drawings of the base construction if the City consents to the Expansion. The cost of the increased scope will be an amount not to exceed **EIGHTEEN THOUSAND AND NINETY-NINE DOLLARS (\$18,099.00)**;
- D. Funding for the construction cost for the Expansion if the City consents to the Expansion. The construction cost for the Expansion is currently estimated at **ONE MILLION THREE HUNDRED SIXTY-SEVEN THOUSAND NINE HUNDRED DOLLARS (\$1,367,900.00)**. However, the City, by consenting to the Expansion, agrees to pay the difference between the base bid and the deductive "Alternate Project" bid; and
- E. Interagency cooperation.

ARTICLE 4 - PAYMENT

1. City agrees to remit \$129,100.00 for the re-design and the additional bidding services to Collin County within 90 days of the execution of this agreement.
2. City agrees to communicate to the County in writing within 45 days from the date of receipt of bids whether or not the City consents to the Expansion. If the City consents to the Expansion, the City will remit \$18,099.00 plus an amount equal to the difference between the base bid and the deductive "Alternate Project" bid within 60 days from the date of receipt of bids.

ARTICLE 5 – IMMUNITY

It is expressly understood and agreed that, in the execution of this Agreement, no Party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the Parties do not create any obligations, express or implied, other than those set forth herein, and this Agreement shall not create any rights in Parties not signatories hereto.

TO THE EXTENT AUTHORIZED UNDER THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, AND WITHOUT WAIVING SOVEREIGN IMMUNITY, EACH PARTY SHALL BE RESPONSIBLE FOR ANY AND ALL CLAIMS, DEMANDS, SUITS, ACTIONS, DAMAGES, AND CAUSES FOR ACTION RELATED TO OR ARISING OUT OF OR IN ANY WAY CONNECTED WITH ITS OWN ACTIONS, AND THE ACTIONS OF ITS PERSONNEL RENDERED OR PERFORMED PURSUANT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.

ARTICLE 6 - MISCELLANEOUS

6.1 Notices.

In each instance under this Agreement in which one party is required or permitted to give notice to the other, such notice shall be deemed given (a) when delivered in hand, (b) one (1) business day after being deposited with a reputable overnight air courier service, or (c) three (3) business days after being mailed by United States mail, registered or certified mail, return receipt requested. Postage prepaid, and, in all events, addressed as follows:

In the case of the City:

Jason Laumer
Celina City Manager
142 N. Ohio Street
Celina, Texas 75009

In the case of the County:

Any party hereto may from time to time change its address for notification purposes by giving the other parties prior written notice of the new address and the date upon which it will become effective.

6.2 Relationship of the Parties; No Joint Enterprise. Nothing in this Agreement is intended to create, nor shall be deemed or construed by the parties or by any third party as creating, (a) the

relationship of principal and agent, partnership or joint venture between the City and the County or (b) a joint enterprise between the City, the County and/or any other party. Without limiting the foregoing, the purposes for which the City and the County have entered into this Agreement are separate and distinct, and there are no pecuniary interests, common purposes and/or equal rights of control among the parties hereto.

6.3 Successors and Assigns. This Agreement shall bind, and shall be for the sole and exclusive benefit of, the respective parties and their legal successors. Neither the City nor the County shall assign, sublet or transfer its respective interests in this Agreement without the prior written consent of the other parties to this Agreement, unless otherwise provided by law.

6.4 Severability. If any provision of this Agreement, or the application thereof to any entity or circumstance, is rendered or declared illegal for any reason and shall be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other entities or circumstances shall not be affected thereby, but shall be enforced to the greatest extent permitted by applicable law.

6.5 Written Amendments. Any change in the agreement, terms and/or responsibilities of the parties hereto must be enacted through a written amendment. No amendment to this Agreement shall be of any effect unless in writing and executed by the City and the County.

6.6 Limitations. All covenants and obligations of the City and County under this Agreement shall be deemed valid covenants and obligations of said entities, and no officer, director, or employee of the City or the County shall have any personal obligations or liability hereunder.

6.7 Sole Benefit. This Agreement is entered into for the sole benefit of the City, the County and their respective successors, and nothing in this Agreement or in any approval subsequently provided by any party hereto shall be construed as giving any benefits, rights, remedies or claims to any other person, firm, corporation or other entity, including, without limitation, the public in general.

6.8 Authorization. Each party to this Agreement represents to the other that it is fully authorized to enter into this Agreement and to perform its obligations hereunder, and that no waiver, consent, approval or authorization from any third party is required to be obtained or made in connection with the execution, delivery or performance of this Agreement. Each signatory on behalf of the City and the County, as applicable, represents that he or she is fully authorized to bind that entity to the terms of this Agreement.

6.9 Choice of Law; Venue. The provisions of this Agreement shall be construed in accordance with the laws and court decisions of the State of Texas and exclusive venue for any legal actions arising hereunder shall be in Collin County, Texas.

6.10 Interpretation. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court, other governmental or judicial authority, or arbitrator by reason of such party having or being deemed to have drafted, prepared, structured or dictated such provision.

6.11 Waiver. No delay or omission by any party hereto to exercise any right or power hereunder shall impair such right or power or be construed as a waiver thereof. A waiver by any of the parties hereto of any of the covenants, conditions or agreements to be performed by any other party or any breach thereof shall not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition or agreement herein contained.

6.12. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. There are no representations, understandings or agreements relative hereto which are not fully expressed in this Agreement.

6.13 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one single agreement between the parties.

6.14 Headings. The article and section headings used in this Agreement are for reference and convenience only, and shall not enter into the interpretation hereof.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day above stated.

CITY OF CELINA, TEXAS

By: _____

Printed Name: _____

Title: _____

ACKNOWLEDGMENT

THE STATE OF TEXAS §

§

COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2018, by _____, of the City of Celina, Texas, on behalf of said city.

Notary Public, State of Texas

COLLIN COUNTY, TEXAS

By: _____

Printed Name: _____

Title: _____

ACKNOWLEDGMENT

THE STATE OF TEXAS §

§

COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2018, by _____, _____ of Collin County, Texas, on behalf of said County.

Notary Public, State of Texas**AFTER RECORDING RETURN TO:**

**CITY OF CELINA
142 N. OHIO STREET
CELINA, TX 75009**

Exhibit A

**INTERLOCAL AGREEMENT
BETWEEN
COLLIN COUNTY, THE TOWN OF PROSPER AND THE CITY OF CELINA
CONCERNING THE DESIGN AND CONSTRUCTION OF
FRONTIER PARKWAY FROM THE DALLAS NORTH TOLLWAY TO PRESTON ROAD (SH 289)**

**INTERLOCAL AGREEMENT
BETWEEN
COLLIN COUNTY, THE TOWN OF PROSPER AND THE CITY OF CELINA
CONCERNING THE DESIGN AND CONSTRUCTION OF
FRONTIER PARKWAY FROM THE DALLAS NORTH TOLLWAY TO PRESTON ROAD (SH 289)**

WHEREAS, the County of Collin, Texas (the "County"), the Town of Prosper, Texas ("Prosper") and the City of Celina, Texas ("Celina"), (Prosper and Celina herein sometimes collectively referred to as "The Municipalities"), desire to enter into this agreement concerning the design and construction of improvements to Frontier Parkway from the Dallas North Tollway to Preston Road (SH 289) (the "Project") in the Town of Prosper and the City of Celina, Collin County, Texas; and

WHEREAS, the Interlocal Cooperation Act (Texas Government Code Chapter 791) authorizes any local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act; and

WHEREAS, the County, Prosper and Celina have determined that the improvements related to the Project may be designed and constructed most economically by implementing this Interlocal Agreement (ILA) for Collin County to administer the Project; and

WHEREAS, this ILA shall provide the terms and conditions of the funding participation of the three parties; and

WHEREAS, the parties hereto have investigated and determined that is in the best interest of each of their respective jurisdictions to enter into this ILA.

NOW, THEREFORE, this ILA is made and entered into by and between the County, Prosper, and Celina upon and for the mutual consideration stated herein, the receipt and sufficiency of which is hereby acknowledged:

WITNESSETH:

ARTICLE I.

The Project shall consist of widening Frontier Parkway from the Dallas North Tollway to Preston Road (SH 289) from 2 lanes to 4 lanes. More specifically, the roadway will be 4 lanes with a median that allows for future expansion to 6 lanes. The project includes a bridge over the Burlington Northern Santa Fe Railroad that will be approximately 555 feet long that will be wide enough for the full 6 lanes with 8-foot sidewalks on both sides. The drainage will generally be curb inlets, storm sewer and culverts; however, there will be a large drainage channel on the south side of the roadway between Frontier Park and the Dallas North Tollway. The Project will be administered by Collin County.

ARTICLE II.

Collin County estimated the total project cost to be \$21,750,000 in March, 2017. An additional amount of \$805,000 is added to this estimate to allow for escalation of construction prices until the end of 2018, for a total estimated 2018 project cost of \$22,555,000. The County, Prosper and Celina shall share the costs as follows:

- Prosper shall be responsible for a payment to Collin County of \$3,650,000 plus one-third of the difference between the actual total project cost for the four-lane bridge alternate and \$16,000,000.
- Collin County allocated \$3,973,868 to Celina for this project. An initial transfer was made to Celina in the amount of \$477,404. Celina shall be responsible for a re-payment to Collin County of the portion of this initial transfer which has not been already paid toward the project.
- Celina shall be responsible for a payment to Collin County of \$4,350,000 in Regional Toll Revenue (RTR) funds which were allocated to this project for the benefit of both municipalities but for which Celina executed the contract with Texas Department of Transportation (TxDOT) for these funds.
- Celina shall be responsible for a payment to Collin County of one-third of the difference between the actual total project cost for the four-lane bridge alternate and \$16,000,000, except that Celina will also be responsible for payment of the cost to design a six-lane bridge in addition to a four-lane bridge as well as the full amount of the difference in construction cost between a six-lane bridge and a four-lane bridge as determined by the difference between the base bid and alternate bid.

- \$4,000,000 in additional RTR funds have been made available to the project. Collin County will be responsible for acquiring those funds for use on the project.
- The County shall also be responsible to provide one-third of the difference between the actual total project cost for the four-lane bridge alternate and \$16,000,000.

There may be additional features to the Project that will be solely for the benefit of Prosper and Celina, such as a traffic signal warrant study at the high school, street lighting, median irrigation and sidewalks. The scope of these features have not yet been defined. At such time as Prosper and Celina define the scope of these feature, they will be incorporated into the design and an amendment to this agreement will be required. While those features will be incorporated into the design and construction of the Project, the cost of those features will be shared by Prosper and Celina according to the proportional value to each municipality. Prosper and Celina will be responsible to pay Collin County the amounts determined to be owed by each party for the design and construction of these features.

ARTICLE III.

TIMING.

1. Celina shall remit \$4,350,000 (the RTR funds) to Collin County within 90 days of the execution of this agreement.
2. Prosper shall remit \$3,650,000 to Collin County within 90 days of the execution of this agreement.
3. Celina shall remit within 90 days of the execution of this agreement the amount of Collin County bond funds that have been transferred to Celina but which have not been expended on this Project.
4. Celina shall remit within six months of the execution of this agreement the amount to design a six-lane bridge in addition to a four-lane bridge as agreed to by Celina and Collin County in a separate document based on a design proposal from the design engineer.
5. After the determination of the final probable cost of construction by the design engineer, all three entities will have the opportunity to review the estimated total project cost. If the estimated total project cost exceeds \$22,555,000 plus the amount agreed to for optional additional features referred to in Article II by more than ten percent, then each entity will have the right to terminate its further participation in the project within 60 days of notification of the final probable cost of construction. If one party terminates its participation, the other two entities have the right to terminate participation as well, or contribute equally to fund the difference. If Celina terminates its further participation, the RTR funds from Celina and the Celina County bond funds will remain in the project fund for contribution towards the construction of the project by the other two entities. If Prosper terminates its further participation, the \$3,650,000 from Prosper to remain in the project fund for contribution towards the construction of the project by the other two entities. If the overpass is removed from the scope of the project, then Prosper is entitled to reimbursement of the \$3,650,000.
6. If the estimated total project cost does not exceed the amount defined in Paragraph 5 of this article the project will be scheduled to be advertised for bidding within 120 days of notification of the final probable cost of construction to all three parties.
7. If the lowest responsible bid exceeds an amount that causes the total project cost to exceed the amount defined in Paragraph 5 of this article by more than ten percent, then each entity will have the right to terminate its further participation in the project within 30 days of the opening of the bid. If one party terminates its participation, the other two entities have the right to terminate participation as well, or contribute equally to fund the difference. If Celina terminates its further participation, the RTR funds from Celina and the Celina County bond funds will remain in the project fund for contribution towards the construction of the project by the other two entities. If Prosper terminates its further participation, the \$3,650,000 from Prosper to remain in the project fund for contribution towards the construction of the project by the other two entities. Only the further participation amount will be refunded to the terminating entity.
8. Prosper and Celina shall each remit to Collin County one-third of the difference between the actual alternate bid for the project with a four-lane bridge and \$16,000,000 within 45 days of the opening of the bid, except that Celina may also remit the difference in construction cost between a six-lane bridge and a four-lane bridge as determined by the difference between the base bid and the alternate bid within 45 days of the opening of the bid.
9. At project "close-out", when the final construction amount is determined, an adjustment will be made to the amounts paid by Prosper and Celina. If the actual total project cost is less than the estimated amount as defined in Paragraph 5 of this article plus any amount the bid was over the final probable cost of construction, Collin County will refund one-third of the difference each to Prosper and Celina within 90 days. If the actual total project cost is more than the estimated amount plus the any amount the bid was over the final probable cost of construction, Prosper and Celina will each remit one-third of the difference to Collin County within 90 days.

10. If the Project is terminated per the provisions in Paragraphs 5 and 7 above, \$3,650,000 will be refunded to Prosper and \$8,350,000 in RTR funds will be refunded to TxDOT.

ARTICLE IV.

Celina is currently under contract with the Texas Department of Transportation (TxDOT) for use of the \$4,350,000 in RTR funds. It is the intent of the County that Celina remain under contract to TxDOT and comply with all provisions of that agreement, while transferring the RTR funds to the County according to this agreement.

ARTICLE V.

Collin County will enter into a contract with TxDOT for the use of the \$4,000,000 and will fully comply with that agreement.

ARTICLE VI.

INDEMNIFICATION. TO THE EXTENT ALLOWED BY LAW, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMANDS, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO, OR RESULTING FROM ITS PERFORMANCE UNDER THIS ILA, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS ILA.

ARTICLE VII.

VENUE. The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this ILA. The parties agree that this ILA is performable in Collin County, Texas and that exclusive venue shall lie in Collin County, Texas.

ARTICLE VIII.

SEVERABILITY. The provisions of this ILA are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this ILA is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation having the force and effect of the law, the remaining portions of the ILA shall be enforced as if the invalid provision had never been included.

ARTICLE IX.

ENTIRE AGREEMENT. This ILA embodies the entire agreement between the parties and may only be modified in a writing executed by all parties.

ARTICLE X.

SUCCESSORS AND ASSIGNS. This ILA shall be binding upon the parties hereto, their successors, heirs, personal representatives and assigns. None of the parties will assign or transfer an interest in this ILA without the written consent of the other parties.

ARTICLE XI.

IMMUNITY. It is expressly understood and agreed that, in the execution of this ILA, none of the parties waive, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against

claims arising in the exercise of governmental powers and functions. By entering into this ILA, the parties do not create any obligations, express or implied, other than those set forth herein, and this ILA shall not create any rights in parties not signatories hereto.

ARTICLE XII.

TERM. This ILA shall be effective upon execution by all parties and shall continue in effect annually until final written acceptance of the Project by all three parties. This ILA shall automatically renew annually during this period.

APPROVED AS TO FORM:

By: _____
 Name: _____
 Title: _____
 Date: _____

COUNTY OF COLLIN, TEXAS

By: Keith Self
 Name: Keith Self
 Title: County Judge
 Date: 6/11/18

Executed on this the 11th day of June,
 2018, by the County of Collin,
 pursuant to Commissioners' Court
 Order No. 2018-445-06-11.

ATTEST:

By: Rolyn Battle
 Name: Rolyn Battle
 Title: Town Secretary
 Date: 6/20/2018



TOWN OF PROSPER, TEXAS

By: Harlan Jefferson
 Name: Harlan Jefferson
 Title: Town Manager
 Date: 6/20/18

Executed on behalf of the Town of
 Prosper pursuant to Town Council
 Resolution No. _____

APPROVED AS TO FORM:

By: Terrence S Welch
 Name: Terrence S Welch
 Title: Town Attorney
 Date: 6/20/2018

ATTEST:

By: Vicki Faulkner
 Name: Vicki Faulkner
 Title: City Secretary
 Date: 06/28/2018

CITY OF CELINA, TEXAS

By: Jason Laumer
 Name: Jason Laumer
 Title: City Manager
 Date: 6-27-18

Executed on behalf of the City of
 Celina pursuant to City Council
 Resolution No. Council action May 8, 2018

APPROVED AS TO FORM:

By: _____
 Name: _____
 Title: City Attorney
 Date: 7/3/18

Exhibit A-1

Amendment No. 4

BIRKHOFF, HENDRICKS & CARTER, L.L.P.

PROFESSIONAL ENGINEERS

11910 Greenville Ave., Suite 600

Dallas, Texas 75243

Phone (214) 361-7900

www.bhcllp.com

JOHN W. BIRKHOFF, P.E.
 GARY C. HENDRICKS, P.E.
 JOE R. CARTER, P.E.
 MATT HICKEY, P.E.
 ANDREW MATA, JR., P.E.
 JOSEPH T. GRAJEWSKI, III, P.E.
 DEREK B. CHANEY, P.E.
 CRAIG M. KERKHOFF, P.E.

May 29, 2018

Mr. Clarence T. Daugherty, P.E.
 County Engineer
 Collin County
 4690 Community Ave., Suite 200
 McKinney, TX 75071

RE: Frontier Parkway Engineering Services Agreement
 Collin County Contract No. 2016-229
 Collin County Purchase Order No. 199212
 Amendment No. 4

Dear Mr. Daugherty:

As you requested, we are pleased to submit Amendment No. 4 to our Engineering Services Agreement with Collin County dated Sept. 27, 2016 (Collin County Purchase Order No. 199212) for the design of Frontier Parkway, from the Dallas North Tollway (DNT) to S.H. 289 (Collin County Contract No. 2016-229).

This Amendment No. 4 makes changes to the scope, fee and schedule in the original agreement. The **Base Amendment** changes are summarized as follows:

Amendment No. 4A – Base Changes

1. Re-design of the project to include the full width BNSF Overpass (6-lanes) with 4-lane approaches as the “Base Project” with a deductive “Alternate Project” bid package for the original 4-lane BNSF Overpass.
2. Hydrologic and Hydraulic Analysis of Tributary C Flows and Offsite Flows contributing to flow on the east side of the Dallas North Tollway Culverts located south of Frontier Parkway.
3. Design of a Detention Pond on the Prosper Independent School District High School tract south and east of the BNSF Railroad as described in the previously published hydrologic and hydraulic report.
4. Attendance at twelve (12) additional Monthly Design Meetings with Collin County, the City of Celina and Town of Prosper for a total of twenty-four (24) monthly design meetings.
5. Preparation of the Prosper Independent School District (PISD) Prosper High School Re-Plat incorporating the drainage and maintenance easement required to accommodate the PISD detention pond (Item 3 above).

Amendment No. 4B – Re-design of North Access Road:

At the request of the City of Celina, schematic re-alignment and re-design of the North Access Road, connecting to and utilizing proposed Prairie Crossing Road and Street A as the Frontier Parkway detour during construction of the BNSF Overpass. This additional scope provides for design and construction of Prairie Crossing Road and Street A with the Frontier Parkway Improvements as shown on attached **Exhibit A**.

Scope Changes – Base Amendment No. 4A

A. LUMP SUM SCOPE ITEMS: (Base Portion 4A)

Part I – Design Services

Part I.C. (New Task Item):

Re-design of the project to include the full width BNSF Overpass (6-lanes) with 4-lane approaches as the “Base Project” with a deductive “Alternate Project” bid package for the original 4-lane BNSF Overpass.

Part I.D. (New Task Item):

Design of a Detention Pond on the Prosper Independent School District High School tract south and east of the BNSF Railroad as described in the previously published hydrologic and hydraulic report.

Part II – Bidding Phase Services

Increased scope for to Base Bid Proposal for 6-lane BNSF Overpass and including analysis and recommendations for Alternate Bid Proposal for 4-lane BNSF Overpass

Part III – Construction Administration Services

Increased scope for 6-lane BNSF Overpass Construction including record drawings of base or alternate bid construction.

B. ADDITIONAL SERVICES SCOPE ITEMS: (Base Portion 4A)

Task 1: Field Surveys – Increase scope and fee for additional; field surveys in support of PISD Detention Pond (Item Part I.D) and Re-plat of PISD High School Final Plat (Item B.14)

Task 9: Additional Design Meetings-Increased scope for twelve (12) additional design review meetings.

Task 13a (New): Doe Branch Tributary C Hydrologic and Hydraulic Evaluation and Report

Increased scope and fee for evaluation of hydrologic and hydraulic conditions contributing flow to the culverts on the east side of the Dallas North Tollway south of Frontier Parkway.

Task 13b (New): Revised Flood Study for Doe Branch Tributary C and PISD Detention Pond

Perform Flood Study relative to final Frontier Parkway design including PISD Detention Pond and culverts crossing Frontier Parkway at Tributary C.

Task Item 14 (New): PISD High School Replat for Detention Pond

Prepare a replat to define the new area for the PISD Detention Pond at the High School

Scope and Fee Changes - Amendment 4B Re-Design of North Access:

A. LUMP SUM SCOPE ITEMS: (North Access Road Re-Design 4B)

Part I – Design Services

Part I.A. Schematic Design Phase

Schematic re-alignment of the North Access Road, connecting to and utilizing proposed Prairie Crossing Road and Street A as the Frontier Parkway detour during construction of the BNSF Overpass. This option provides for design and construction of Prairie Crossing Road and Street A with the Frontier Parkway Improvements as shown on attached **Exhibit A**

Part I.E. (New task Item) Prairie Crossing and Street A Design

Re-design of the North Access Road, connecting to and utilizing proposed Prairie Crossing Road and Street A as the Frontier Parkway detour during construction of the BNSF Overpass. This option provides for design and construction of Prairie Crossing Road and Street A with the Frontier Parkway Improvements as shown on attached **Exhibit A**.

Part II – Bidding Phase Services

Increased scope for including Prairie Crossing Road and Road A.

Part III – Construction Administration Services

Increased scope for construction administration services related to for Prairie Crossing Road and Road A.

B. ADDITIONAL SERVICES SCOPE ITEMS: (North Access Road Re-Design 4B)

No Change to Original Additional Services Tasks 6 through 11.

Task 1: Field Surveys

Additional scope for surveys related to design of Prairie Crossing Road and Road A.

Task 2: R-O-W- Map, Plats and Field Note Descriptions

Increased scope due to revisions in right-of-way map, plats and field notes from Prairie Crossing Road and Road A.

Task 3: Geotechnical Investigation and Report

Additional scope related to borings for Prairie Crossing Road and Road A.

Task 5: NCTCOG Environmental Form

Additional scope related to adding Prairie Crossing Road and Road A.

PROJECT SCHEDULE

This Amendment 4 revises Exhibit B in the original agreement “Projected Completion Schedule”. The revision is necessary to account for time required to resolve the project hydrologic and hydraulic evaluation and to account for additional time required for other changes in scope as described previously.

In summary, the amount of time required is as follows: (Based on notice to proceed June 1, 2018)

Part A -Base Portion Scope Revisions	60 Calendar Days
Part B -Re-Design North Access Road Scope Revisions	60 Calendar Days
Time on Hold for Hydrologic and Hydraulic Evaluation and Report (13.a)	<u>160 Calendar Days</u>
Total, Amendment No. 4	280 Calendar Days

CHANGE IN FEE

It is understood that Collin County may choose to authorize all or parts of this Amendment No. 4 without effect on other independent scope and fee items in this Amendment.

Further, based on the outcome of on-going negotiations between Collin County, City of Celina and the Light Farms development, all or portions of Amendment No. 4, Part B may be designed by others and incorporated into the bidding and construction documents for this project. Those scope and fee elements are highlighted in yellow on “Exhibit C – Fee Schedule” and may be deducted from the total amount of this Amendment should the County so desire.

The fee schedule shown in Exhibit C is hereby modified by the amounts shown under the column heading “Amendment No. 4” and further itemized by the sub-column headings “A. Base Amendment” and “B. Revised North Access Road Via Prairie Crossing Road” on the attached Revised Exhibit C.

Exhibit “C”
Engineering Service Fee Schedule – Amendment No. 4 (Parts A and B)

Engineering Service Agreement Phase			Contract Amounts (\$)			
			Contract Amount Through Amendment No. 3	Amendment No. 4		Revised Contract Amount, this Amendment (4A + 4B)
				A. Base Amendment	B. Revised North Access Road via Prairie Crossing Rd	
A. Basic Services Parts I-III (Lump Sum)	Part I. A.	Schematic Design	\$150,000		\$15,000	\$165,000
	Part I.B.	Final Design	\$1,162,000			\$1,162,000
	Part I.C.	Full Bridge Width Design with Alternate Bid for 4-lane Bridge	\$0	\$120,700		\$120,700
	Part I.D.	PISD Detention Pond Design	\$0	\$25,992		\$25,992
	Part I.E.	Prairie Crossing Road & Street A (Light Farms) Design	\$0		\$114,999	\$114,999
	Part II	Bidding Phase	\$9,000	\$8,400	\$5,750	\$23,150
	Part III.	Construction Administration	\$180,000	\$18,099	\$17,250	\$215,349
		Subtotal - Basic Services (Part A.)	\$1,501,000	\$173,191	\$152,999	\$1,827,190
B. Additional Services (Hourly)	1	Field Surveys (Design, Property and Construction Support):	\$39,840	\$2,500	\$8,500	\$50,840
	2	R-O-W Map, Plats and Field Notes Descriptions (16 each):	\$29,600		\$17,800	\$47,400
	3	Geotechnical Investigation and Report:	\$77,199		\$5,000	\$82,199
	4	Flood Study:	\$24,800			\$24,800
	5	NCTCOG Environmental Form:	\$22,200		\$2,000	\$24,200
	6	404 Permit Application (Nationwide Permit 14):	\$47,751			\$47,751
	7	Permits (TxDOT, BNSF) and Utility Relocation Coordination:	\$13,000			\$13,000
	8	Asbestos Evaluation (4 Buildings):	\$11,000			\$11,000
	9	Twelve (12) additional Design Meetings with collin County, Celina, Prosper & PISD (Total = 24)	\$23,400	\$13,200		\$36,600
	10	Attend Twenty(20) Additional Progress Meetings:	\$21,000			\$21,000
	11	Additional Printing of Construction Plans and Specifications:	\$4,000			\$4,000
	12	Revised Schematic Layouts, Drainage Evaluations, Cost Estimates and Coordination Meetings	\$20,000			\$20,000
	13a.	Doe Branch Tributary C Hydraulic Evaluations and Report	\$0	\$32,000		\$32,000
	13b.	Revised Flood Study for Detention Pond Design	\$0	\$18,000		\$18,000
	14	PISD Detention Pond Replat	\$0	\$15,000		\$15,000
		Subtotal Additional Services (Part B):	\$333,790	\$80,700	\$33,300	\$447,790
C. Optional Services (Hourly)	1	Traffic Signal Warrant Study	\$5,500			\$5,500
	2	Street Lighting Design	\$46,000			\$46,000
	3	Full Irrigation Design Plans and Specifications	\$50,000			\$50,000
	3a	Irrigation and Lighting Conduit Sleeves Only	\$5,000			\$5,000
	4	Sidewalks and Barrier Free Ramps (TDLR \$2,085 fee Included)	\$42,000			\$42,000
	5	On-site Observation of Construction Activity	TBD			TBD
		Subtotal Optional Services (Part C)	\$148,500			\$148,500
Engineering Services Agreement Grand Total:			\$1,983,290	\$253,891	\$186,299	\$2,423,480
Amendment 4 Deductive Option:						
Scope Items highlighted in yellow may be designed by the Light Farms design team and incorporated into this project bid package. If so, deduct amount shown from this Amendment No. 4				\$0	(\$128,499)	
				\$253,891	\$57,800	
Option B Engineering Service Agreement Grand Total:			\$1,983,290	\$311,691		\$2,294,981

Mr. Clarence Daugherty, P.E.

Frontier Parkway Engineering Services Agreement – Amendment No. 4

May 29, 2018

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If this Amendment No. 4 to our original agreement dated September 27, 2016 meets with your approval, please indicate your choice of **Amendment 4, Base Part A** and **Amendment 4 Part B-Redesign of the North Access Road** (or parts thereof) have one set executed for Collin County and returned to our office. We look forward to our continued work on this project with you and your staff.

Sincerely,

Gary C. Hendricks, P.E., R.P.L.S.

APPROVED BY COLLIN COUNTY, TEXAS

By: _____

Date: _____

Attachment: ILA Between Celina and Collin for Frontier Bridge Expansion 10.04.18 (ILA between City of Celina and Collin County for Frontier

EXHIBIT A
Amendment No. 4 – Part B Re-Design of North Access Road

Project Location Map

