Life Connected.

CITY COUNCIL SPECIAL MEETING
CITY HALL CONFERENCE ROOM
142 N. OHIO DRIVE
TUESDAY, SEPTEMBER 28, 2021
5:00 PM

AGENDA

I. CALL TO ORDER:

II. EXECUTIVE SESSION:

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, pending or contemplated litigation.

A. Discussion regarding Shea Scott v City of Celina Cause No. DC-20-18195

B. Discussion on Edgewood Development Agreement generally located north FM 428 and east of FM 1385

Reconvene into Open Session

C. Consider and act upon any items discussed in executive session

III. 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. Consider and appoint Steve Mitchell as director to the Board of Directors of North Parkway Municipal Management District No. 1 (NPMMD1 - Legacy Hills (Dynavest) Board Appointment)

B. Consider and act to authorize the City Manager to execute an agreement by and between the City of Celina and Gran Sweet, LLC for economic incentive funding under Chapter 380 of the Texas Local Government Code. (Granny's Sweeties – DIP) (Mohan)

C. Consider and act upon a request for an amendment to the Green Meadows Development Agreement to add additional parties; generally located west of Legacy Drive and north of Parvin Road. (Green Meadows - DA Amendment) (Mohan)

D. Consider and act to authorize the City Manager to execute an agreement by and between the City of Celina and MM Celina 3200, LLC for Chapter 380 economic incentive funding using tax increment funds under Chapter 380 of the Texas Local Government code. (Dynavest (Legacy Hills) - TIRZ 380 Agreement) (Lopez)

E. Consider and act upon a resolution of the City of Celina, Texas, determining the costs of improvements to be financed within Phase #1A and Phase #1B of the Legacy Hills Public Improvement District; approving a preliminary service plan and assessment plan, including a proposed Phase #1A and Phase #1B Assessment Roll; directing the filing of the proposed Phase #1A and Phase #1B Assessment Roll with the City Secretary; and providing for noticing and calling a public hearing on October 12, 2021, to consider an ordinance levying assessments on property located within Phase #1A and Phase #1B of the Legacy Hills Public Improvement District. (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution) (Lopez)

F. Consider and act upon an amendment to the Interlocal agreement with the Smiley Water Control and Improvement Districts, Nos. 1 and 2, for law enforcement services; generally located west of Legacy Drive and north of Parvin Road. (Green Meadows Police Interlocal Agreement) (Brawner)

G. Consider and act upon an interlocal agreement with the Smiley Water Control and Improvement Districts, Nos. 1 and 2, for fire-fighting services; generally located west of Legacy Drive and north of Parvin Road. (Brawner)

H. Consider and act to authorize the City Manager to enter into an amendment to the Interlocal Agreement with Mustang Special Utility District for Global Billing Services. (Brawner)

I. Consider and act upon an interlocal agreement for public improvement assessment collection for Sutton Fields II Public Improvement District between the City of Celina and Denton County. (Bromiley)

J. Consider and act to authorize an agreement for public information services with Strategies 360 in an amount not to exceed $90,000. (Berry)

IV. PUBLIC HEARING:

A. Conduct a public hearing (continued from September 14, 2021) to consider testimony and act upon an ordinance accepting and approving a final Wells South Public Improvement District Amended and Restated Service and Assessment Plan, including the Neighborhood Improvement Area #4 assessment roll; making a finding of special benefit to property within Neighborhood Improvement Area #4 of the Wells South Public Improvement District; levying special assessments against such property and establishing a lien on such property; providing for the method of assessment and the payment of the assessments levied against Neighborhood Improvement Area #4 assessed property, in accordance with Chapter 372 of the Texas Local Government Code, as amended. (Wells South PID – Levy Ordinance) (Lopez)

V. ACTION:

A. Consider and act upon an ordinance of the City of Celina, Texas, approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project); approving and authorizing related agreements; and providing an effective date. (item continued from September 14, 2021) (Wells South PID - Bond) (Lopez)

VI. ADJOURN:

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 Tarrant

Vicki Tarrant, TRMC
City Secretary, City of Celina, TX

_____
Date Notice Removed

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Development Services
City of Celina, Texas

Memorandum

To:	**Honorable Mayor Terry and the Celina City Council**
From:	Bella Lopez, Senior Planner
CC:	Vicki Tarrant, City Secretary
Date:	September 28, 2021
Re:	NPMMD1 - Legacy Hills (Dynavest) Board Appointment

Action Requested:
Consider and appoint Steve Mitchell as director to the Board of Directors of North Parkway Municipal Management District No. 1 (NPMMD1 - Legacy Hills (Dynavest) Board Appointment)

Background Information:
Appoint Steve Mitchell as Director to the Board of Directors for the North Parkway Municipal Management District No. 1.

Staff Recommendation:
Approve

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Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Madhuri Mohan AICP, Planning Manager
CC: Jason Laumer, City Manager
Date: September 28, 2021
Re: Granny's Sweeties - DIP Agreement

Action Requested:
Consider and act to authorize the City Manager to execute an agreement by and between the City of Celina and Gran Sweet, LLC for economic incentive funding under Chapter 380 of the Texas Local Government Code. (Granny's Sweeties – DIP) (Mohan)

Applicant:
Gran Sweet, LLC
Michelle Everson
31 Forest Hills Cir
Gunter, TX 75009

Background:
The agreement is between the City, Celina EDC, and the Developer for the 2,100 sq. ft. building at 401 W. Pecan Street for a bakery. The City intends to contribute up to $25,000, and the EDC intends to contribute up to $100,000 towards the cost of the facility improvements. Please refer to the attachment for additional information.

Supporting Documents:
- Draft Agreement

Staff Recommendation:
Staff recommends approval.

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
GRAN SWEET, LLC

This Economic Development Incentive Agreement ("Agreement") is made by and among the City of Celina, Texas (the "City"), Celina Economic Development Corporation (the "CEDC"), and Gran Sweet, LLC (the "Developer") (each a "Party" and collectively the "Parties"), acting by and through their respective authorized representatives.

W I T N E S S E T H:

WHEREAS, Developer is the tenant of a portion of the real property described in **Exhibit "A"**, which consists of an approximately 2,100 square foot building and some surrounding land, Celina Original Donation, Block 27, Lot 12, in Celina, Collin County, Texas, generally located at 401 W. Pecan Street, Celina, Texas (the "Property").

WHEREAS, the Developer intends to construct a multi-service bakery on the Property, more fully described in the submittals filed by Developer with the City, in order to obtain one or more building permits (hereinafter defined as the "Facility"); and

WHEREAS, the Developer has advised the City and the CEDC that a contributing factor that would induce the Developer to construct the Facility would be an agreement with the City and the CEDC to participate in the costs of construction of improvements to the Facility consisting of improvements to the Property (the "Facility Improvements") through economic development grants and incentives as set forth herein; and

WHEREAS, the City and CEDC desire to encourage new and expanded business enterprises within the City that will add employment opportunities, property tax base and generate additional sales tax and other revenue for the City; and

WHEREAS, the Developer has represented that it will be spending a minimum of $400,000 on the Facility Improvements and that it projects annual taxable sales consistent with the chart attached hereto as **Exhibit "C"**; and

WHEREAS, the City intends to contribute an amount not to exceed twenty-five thousand and no/100 dollars ($25,000.00) toward the cost of the Facility Improvements; and

WHEREAS, CEDC intends to contribute an amount not to exceed one hundred thousand and no/100 dollars ($100,000.00) toward the cost of the Facility Improvements; and

WHEREAS, the promotion of new business enterprises and the expansion of existing businesses within the City will promote economic development, stimulate commercial activity, generate additional sales tax and will enhance the property tax base and economic vitality of the City; and

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

WHEREAS, the City has adopted programs for promoting economic development, and this Agreement and the economic development incentives set forth herein are given and provided by the City pursuant to and in accordance with those programs; and

WHEREAS, the City is authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code Chapter 380 to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has determined that making an economic development grant to the Developer in accordance with this Agreement is in accordance with the City Economic Development Program and will: (i) further the objectives of the City; (ii) benefit the City and the City's inhabitants; and (iii) promote local economic development and stimulate business and commercial activity in the City; and

WHEREAS, the CEDC has adopted programs for promoting economic development; and

WHEREAS, the Development Corporation Act, Title 12, Subtitle C1, Chapter 501-505, Section 501.103 of the Texas Local Government Code (the "Act" or "Development Corporation Act") authorizes the CEDC to fund expenditures of site improvements and related improvements for projects; and

WHEREAS, the CEDC has determined that funding an expenditure for the Facility Improvements to be made hereunder is required or suitable to promote or develop new or expanded business enterprises and constitutes a "project," as that term is defined in the Act; and

WHEREAS, the CEDC has determined that making a grant for the Facility Improvements in accordance with this Agreement will further the objectives of the CEDC, will benefit the City and the City's inhabitants, and will promote or develop new or expanded business enterprises and stimulate business and commercial activity in the City; and

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article I
Definitions

For purposes of this Agreement, each of the following words and phrases shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Act" or "Development Corporation Act" shall have the meaning ascribed in the Recitals above.

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

"Agreement" shall have the meaning ascribed in the introductory paragraph above.

"Bankruptcy or Insolvency" shall mean the dissolution or termination of a Party's existence as a going business, insolvency, appointment of receiver for any part of such Party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such Party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"CEDC" shall have the meaning ascribed in the introductory paragraph above.

"CEDC Grant" shall mean an economic development grant to defray a portion of the final verified costs to design and construct the Facility Improvements not to exceed one-hundred thousand and no/100 dollars ($100,000.00), to be paid as set forth herein.

"City" shall have the meaning ascribed in the introductory paragraph above.

"City Grant" shall mean an economic development grant to defray a portion of the final verified costs to design and construct the Facility Improvements not to exceed twenty-five thousand and no/100 dollars ($25,000.00), to be paid as set forth herein.

"Commencement of Construction" shall mean that: (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the Facility Improvements, as the case may be; (ii) all necessary permits for the construction of the Facility Improvements, as the case may be, have been issued by the applicable governmental authorities; and (iii) construction on the Facility Improvements has commenced.

"Completion of Construction" shall mean that (i) construction of the Facility Improvements have been substantially completed, (ii) the City has inspected and accepted the Facility Improvements, and (iii) the City has issued a final certificate of occupancy for the Facility.

"Concept Plan" shall mean the architectural renderings and design plan attached hereto as **Exhibit "B".**

"Developer" shall have the meaning ascribed in the introductory paragraph above.

"Effective Date" shall have the meaning in Article II below.

"Expenditure Information" shall have the meaning ascribed in 3.2(b).

"Expiration Date" shall mean the date that all Parties have fully satisfied their respective obligations herein.

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

"Facility" shall have the meaning ascribed in the Recitals above and is generally depicted in the Concept Plan attached as **Exhibit "B"**.

"Facility Improvements" shall have the meaning ascribed in the Recitals above.

"Force Majeure" shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, or work stoppages.

"Grants" shall collectively mean (i) the CEDC Grant; and (ii) the City Grant for a total of one-hundred and twenty-five thousand and no/100 dollars ($125,000.00).

"Impositions" shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary, and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on Developer or any property or any business owned by the developer or any of its affiliates or related entities.

"Job Compliance Affidavit" shall have the meaning ascribed in Section 3.3.

"Party" shall have the meaning ascribed in the introductory paragraph above.

"Payment Request" means a complete written request from the Developer to the City and CEDC, respectively, for payment of the Grants, accompanied by copies of invoices, bills, receipts and such other information as may reasonably be requested by the City and CEDC, reflecting the final, actual costs incurred and paid by the Developer for the design and construction of the Facility Improvements, the Job Compliance Affidavit and evidence of annual taxable sales.

"Property" shall have the meaning ascribed in the Recitals above.

"Related Agreement" shall mean any agreement (other than this Agreement) by and between the City and/or the CEDC and the Developer.

Article II
Term

The term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and continue until the Expiration Date, unless sooner terminated as provided herein.

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

Article III
Projects

3.1 (a) Facility Construction Timeframe. The Developer shall design and construct, or cause to be designed and constructed, the Facility Improvements in accordance with this Agreement. Developer shall, subject to events of Force Majeure, cause Commencement of Construction of the Facility Improvements to occur not later than November 15, 2021, and subject to events of Force Majeure, cause Completion of Construction of the Facility Improvements to occur not later than March 15, 2022.

(b) Development of the Property. The Developer understands and acknowledges that approval of a site plan, consistent with the Concept Plan attached as **Exhibit "B"**, for the Property by the City is required prior to Commencement of Construction of the Facility Improvements. The Developer shall submit and use diligent, good faith efforts to obtain from the City approval of a site plan, elevations, and landscaping plan for the Facility not later than October 15, 2021. The Facility shall be constructed and operated in accordance with the site plan, building elevations, and landscape plan approved by the City. Developer agrees that materials and finish-out used for the Facility shall be substantially similar to the Concept Plan. Developer agrees that construction shall be in conformance with the most recently adopted building codes of the City and that building permit applications will be reviewed under such codes. The development and use of the Property shall comply with the ordinances, policies, standards and regulations of the City, including but not limited to the Celina Comprehensive Zoning and Subdivision Ordinances, as amended. Developer represents that it will spend at least $400,000 on Facility Improvements.

3.2 Facility Improvements Project. (a) Cost Participation. The City agrees to contribute to the final verified actual costs of the design and construction of the Facility Improvements through the payment of the City Grant. The CEDC agrees to contribute to the final verified actual costs of the design and construction of the Facility Improvements through the payment of the CEDC Grant. The initial payment of $12,500 of the City Grant and the initial payment of $25,000 of the CEDC Grant shall each be paid not later than thirty (30) days after the date the last of the following events to occur: (i) City and/or CEDC's receipt of the Payment Request; and (ii) issuance of a certificate of occupancy from the City for the Facility Improvements. The second and final payment of $12,500 of the City Grant and second payment of $25,000 of the CEDC Grant shall be paid one year after the date of the initial payments, respectively, if there is an ongoing business in the Facility that is generating taxable sales that are within 25% of the projected Year 1 Annual Taxable Sales depicted in **Exhibit "C**". The third payment of $25,000 of the CEDC Grant shall be paid two years after the date of the initial payment if there is an ongoing business in the Facility that is generating taxable sales that are within 25% of the projected Year 2 Annual Taxable Sales depicted in **Exhibit "C**". The fourth and final payment of $25,000 of the CEDC Grant shall be paid three years after the date of the initial payment if there is an ongoing business in the Facility that is generating taxable sales that are within 25% of the projected Year 3 Annual Taxable Sales depicted in **Exhibit "C**".

(b) Facility Improvement Cost Verification. Following Completion of Construction of the Facility Improvements, but not later than thirty (30) days after Completion of Construction

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

of the Facility Improvements, Developer shall submit to the City and the CEDC the Payment Request accompanied by the receipts, records and invoices for the payment of the costs to design and construction of the Facility Improvements, and such other records as the City and CEDC may reasonably request to verify such the final actual costs are at least $400,000 on Facility Improvements (the "Expenditure Information"). The City and CEDC shall verify the Expenditure Information, Job Compliance Affidavit and annual taxable sales within thirty (30) days after receipt thereof and if a Payment Request is incomplete or if other information is necessary to approve a Payment Request, City and/or CEDC shall notify Developer, and Developer shall promptly supply any missing or necessary additional information necessary to verify the Expenditure Information, Job Compliance Affidavit and/or annual taxable sales.

3.3 Job Creation. At the time of the issuance of a certificate of occupancy from the City for the Facility, Developer shall directly employ at least 4 full-time equivalent employees at the Facility and shall maintain such level of employment during the Term of this Agreement. With each Payment Request submitted by Developer to CEDC under this Agreement, Developer shall provide affidavits certifying the Developer's compliance with the foregoing employment requirement in the form attached hereto as **Exhibit "D"** (the "Job Compliance Affidavit"), and, upon request by the CEDC, Developer shall also provide the CEDC with any and all necessary documentation to verify its compliance with the job creation and retention obligations under this Agreement.

Article IV
Conditions to Grant Payments

4.1 The obligation of the CEDC to pay the CEDC Grant and the City to pay the City Grant hereunder shall be conditioned upon the compliance and satisfaction of each of the terms and conditions of this Agreement by the Developer, plus each of the terms and conditions set forth below:

(a) Payment Request. Developer shall have timely provided the City and the CEDC with the Payment Request, which includes the Expenditure Information. The City and CEDC are entitled to verify the Expenditure Information before the Grant is paid.

(b) Job Creation. Developer shall be in compliance with the job creation requirement described by Section 3.3, and shall have submitted a Job Compliance Affidavit, in the form provided at **Exhibit "D"** with the Payment Request.

(c) Good Standing. Developer shall not have an uncured breach of this Agreement or a Related Agreement.

(d) Construction. Commencement of Construction and Completion of Construction occur within the time required by this Agreement.

(e) Certificate of Occupancy. Developer shall have timely received a Certificate of Occupancy for the Facility.

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

(f) Expenditure Information. Developer timely submits the Expenditure Information to the CEDC and the CEDC verifies that Developer incurred costs of at least $400,000 on the Facility Improvements.

(g) Celina Chamber of Commerce. Developer shall be a member of the Celina Chamber of Commerce during the term of this Agreement. The City and the CEDC shall have the right to market the Facility as part of its updates to the community regarding economic development of the City.

(h) Annual Taxable Sales Information. Developer shall have achieved the annual taxable sales amounts required by Section 3.2**.**

(i) Soft Opening. Developer agrees to allow the CEDC to participate in and market Developer's soft opening of the Facility.

Article V
Termination

5.1 Termination. This Agreement terminates on the Expiration Date, and may, prior to the Expiration Date, be terminated upon any one or more of the following:

(a) by mutual written agreement of all the Parties;
(b) by the City and/or the CEDC, if the Developer defaults or breaches any of the terms or conditions of this Agreement or a Related Agreement and such default or breach is not cured within thirty (30) days after written notice thereof;
(c) by the City or the CEDC, if any Impositions owed to the City or the State of Texas by the Developer shall have become delinquent (provided, however, the Developer retains the right to timely and properly protest and contest any such Impositions);
(d) by the City or the CEDC if the Developer suffers an event of Bankruptcy or Insolvency;
(e) by any Party if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable;
(f) by the City or CEDC immediately if the Developer files any false documentation relating to the Expenditure Information submitted to verify the amount of any Payment Request;
(g) by the City or CEDC, if any applicable building permits required for the Facility or the Facility Improvements and issued by the City are revoked or expire, and Developer fails to make reasonable efforts to obtain new permits, as determined by the City or CEDC and such default is not cured by Developer within thirty (30) days after written notice thereof; or
(h) by the City or CEDC immediately upon the filing by Developer of any lawsuit against the City or CEDC.

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

5.2 Offsets. If, and only if, Developer is in default under this Agreement beyond any applicable notice and cure periods, the City and/or the CEDC may, at their option, but upon prior written notice to Developer, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to the City and/or the CEDC from the Developer, regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement, or otherwise, and regardless of whether or not the debt due the City and/or the CEDC has been reduced to judgment by a court. If the City and/or the CEDC exercise this right of offset, the City and/or the CEDC (as applicable) shall provide Developer with a detailed accounting of funds setting forth: (i) the amounts due under this Agreement, (ii) what portion of those amounts due under this Agreement were used to pay other debts due and payable to the City and/or the CEDC, and (iii) what other debts were paid and in what amounts.

Article VI
Miscellaneous

6.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto; provided, however that the right of the Developer to receive the Grants shall be personal to the Developer and shall not transfer to the Developer's successors and assigns unless expressly agreed to in writing signed by the Parties and such successor/assignee.

6.2 Limitation on Liability. Except for the City and CEDC's obligations to pay the Grants as set forth in this Agreement, the City and CEDC, and its past, present, and future officers, employees, contractors and agents assume no responsibilities or liabilities to Developer, or any third parties in connection with the Facility, Facility Improvements and/or the Property, and Developer hereby waives any and all claims against the City and CEDC for any injury to persons or damage to property in connection therewith. Developer acknowledges and agrees that there shall be no personal recourse to the directors, officers, employees or agents of the City or CEDC, who shall incur or assume no liability in respect of any claims based upon or relating to this Agreement. It is understood and agreed between the Parties that Developer, in satisfying the conditions of this Agreement, has acted independently, and the City and CEDC assume no responsibilities or liabilities to third parties in connection with these actions.

6.3 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties.

6.4 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

6.5 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below (or such other

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

address as such Party may subsequently designate in writing), or on the day actually received if sent by courier or otherwise hand delivered.

If intended for City, to:

Attn: City Manager
City of Celina, Texas
142 N. Ohio Street
Celina, Texas 75009

If intended for CEDC, to:

Attn: Executive Director
Celina Economic Development Corporation
104 N. Colorado Street
Celina, Texas 75009

If intended for Developer, to:

Gran Sweet, LLC
Attn: Michelle Everson
31 Forest Hills Cir
Gunter, TX 75009

6.6 Entire Agreement. This Agreement is the entire Agreement among the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement among the Parties that in any manner relates to the subject matter of this Agreement, except a Related Agreement.

6.7 Governing Law. The Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and exclusive venue for any action concerning this Agreement shall be in the State District Court of Collin or Denton County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.8 Amendment. This Agreement may only be amended by the mutual written agreement of the Parties.

6.9 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.10 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.11 Successors and Assigns. This Agreement may not be assigned by any Party without the prior written consent of all other Parties.

6.12 Recitals. The recitals to this Agreement are incorporated herein.

6.13 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.14 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.15 Consents and Approvals. Unless stated otherwise in this Agreement, whenever a Party is required to consent to or approve of the action of another Party pursuant to Agreement, such consent or approval shall not be unreasonably withheld, denied, or delayed.

6.16 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees not to knowingly employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a (f), the Developer shall repay the CEDC grant herein and any other funds received by the Developer from the City and/or the CEDC as of the date of such violation within 120 days after the date the Developer is notified by the City and/or the CEDC of such violation, plus interest at the rate of 6% compounded annually from the date of violation until paid. The Developer is not liable for a violation of this Section by a subsidiary, affiliate, or franchisees of the Developer or by a person or entity with whom the Developer contracts.

6.17 Report Agreement to Comptroller's Office. City covenants and agrees to report this Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this Agreement, in accordance with Section 380.004 of the Texas Government Code, as added by Texas House Bill 2404, 87th Tex. Reg. Session (2021) (effective September 1, 2021).

EXECUTED on be effective the ___ day of _____, 2021.

CITY OF CELINA, TEXAS

By: _____
Jason Laumer, City Manager

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

CELINA ECONOMIC DEVELOPMENT CORP.

By:_____
_____, President

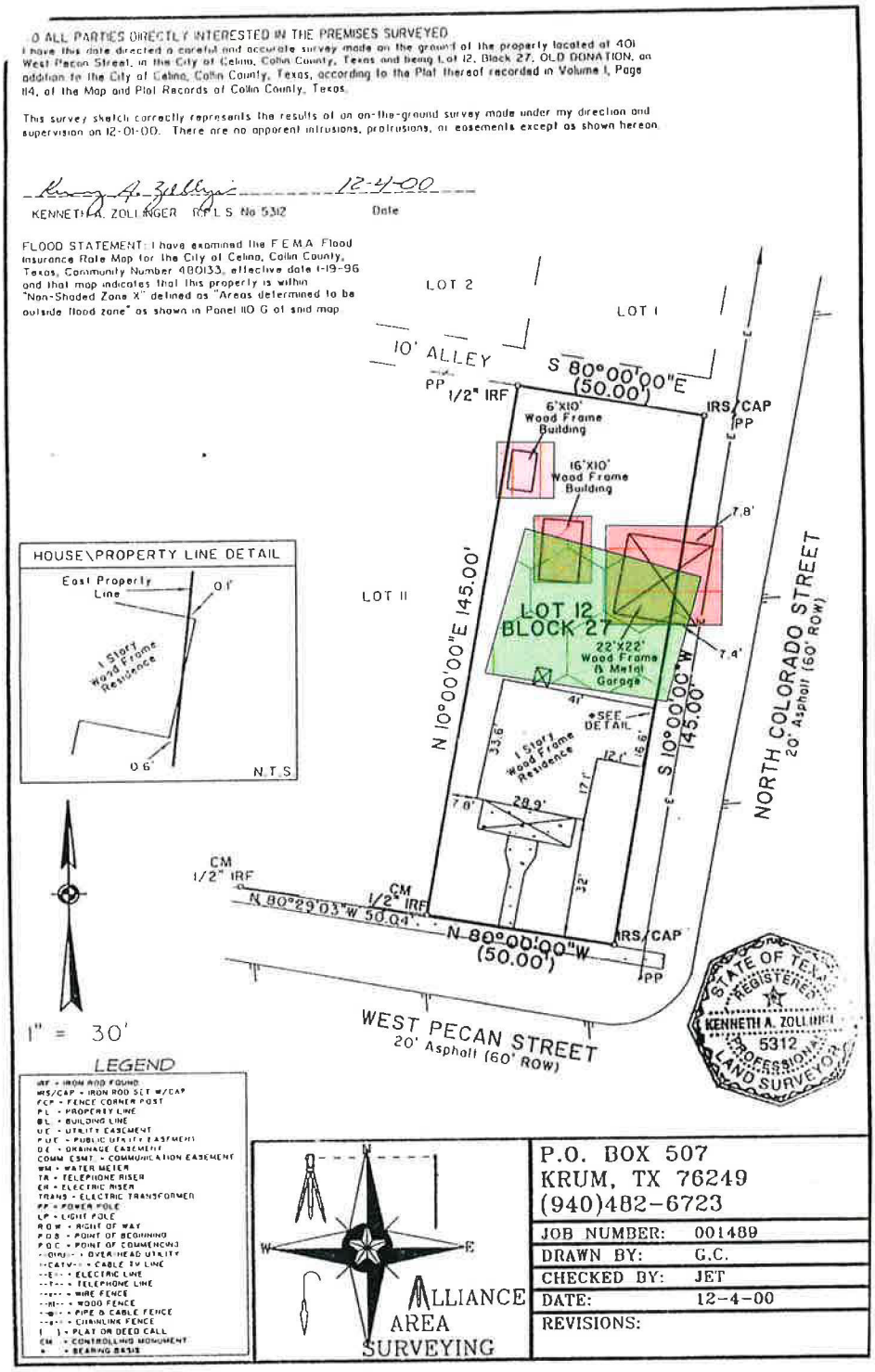
GRAN SWEET, LLC

By:_____
Michelle Everson, Manager

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

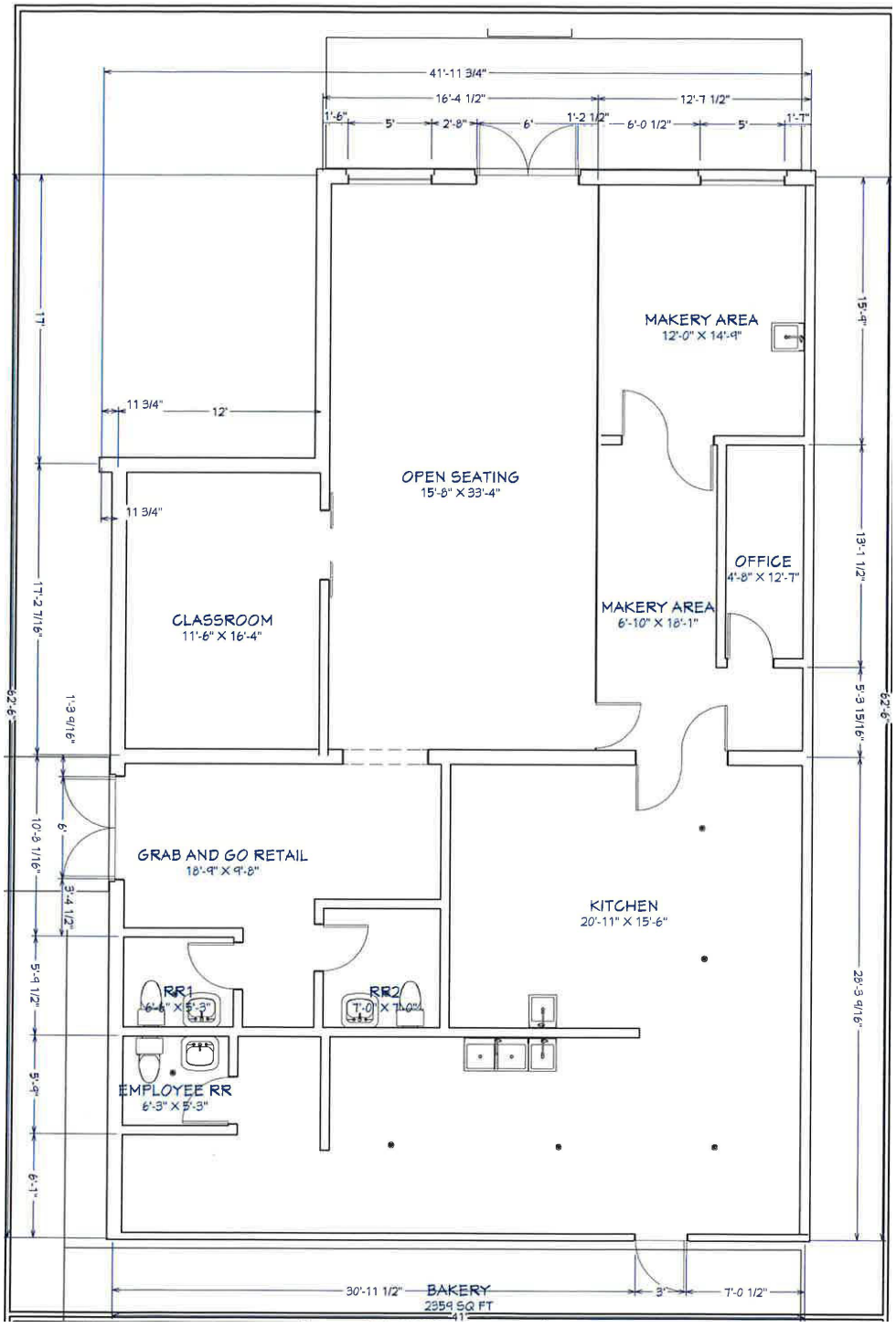
EXHIBIT "A"
Property Description

Celina Original Donation, Blk 27, Lot 12

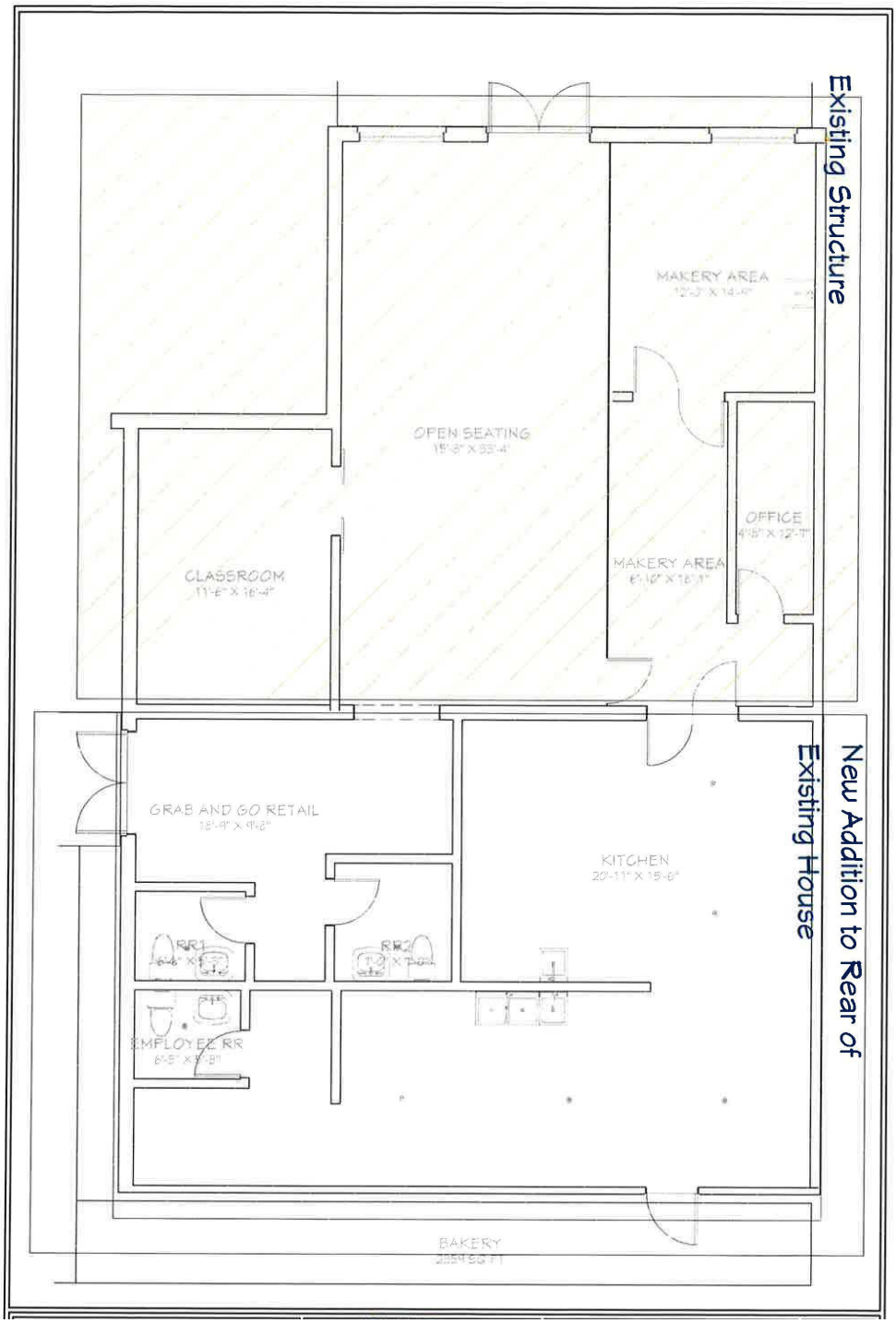


Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

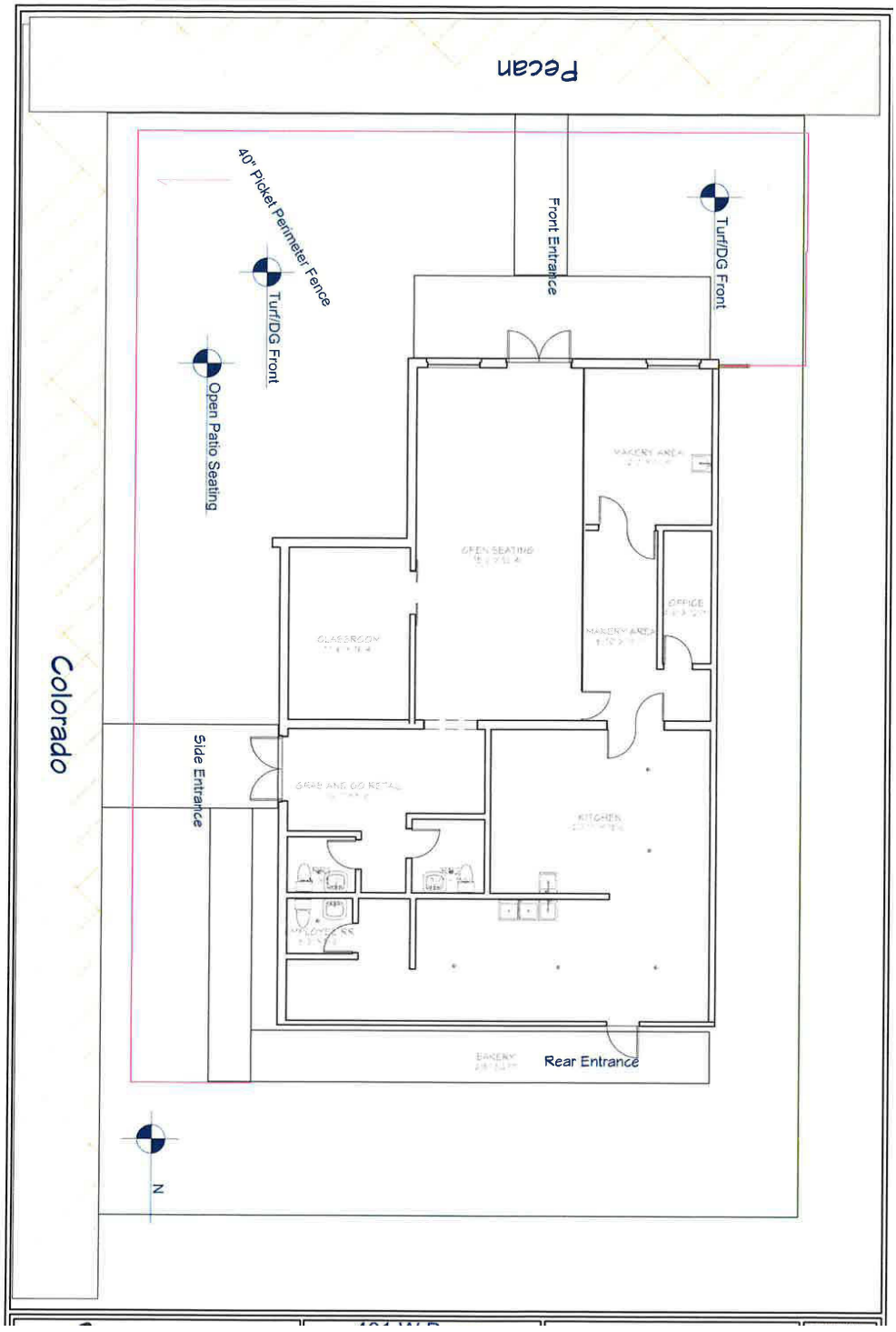
EXHIBIT "B"
CONCEPT PLAN



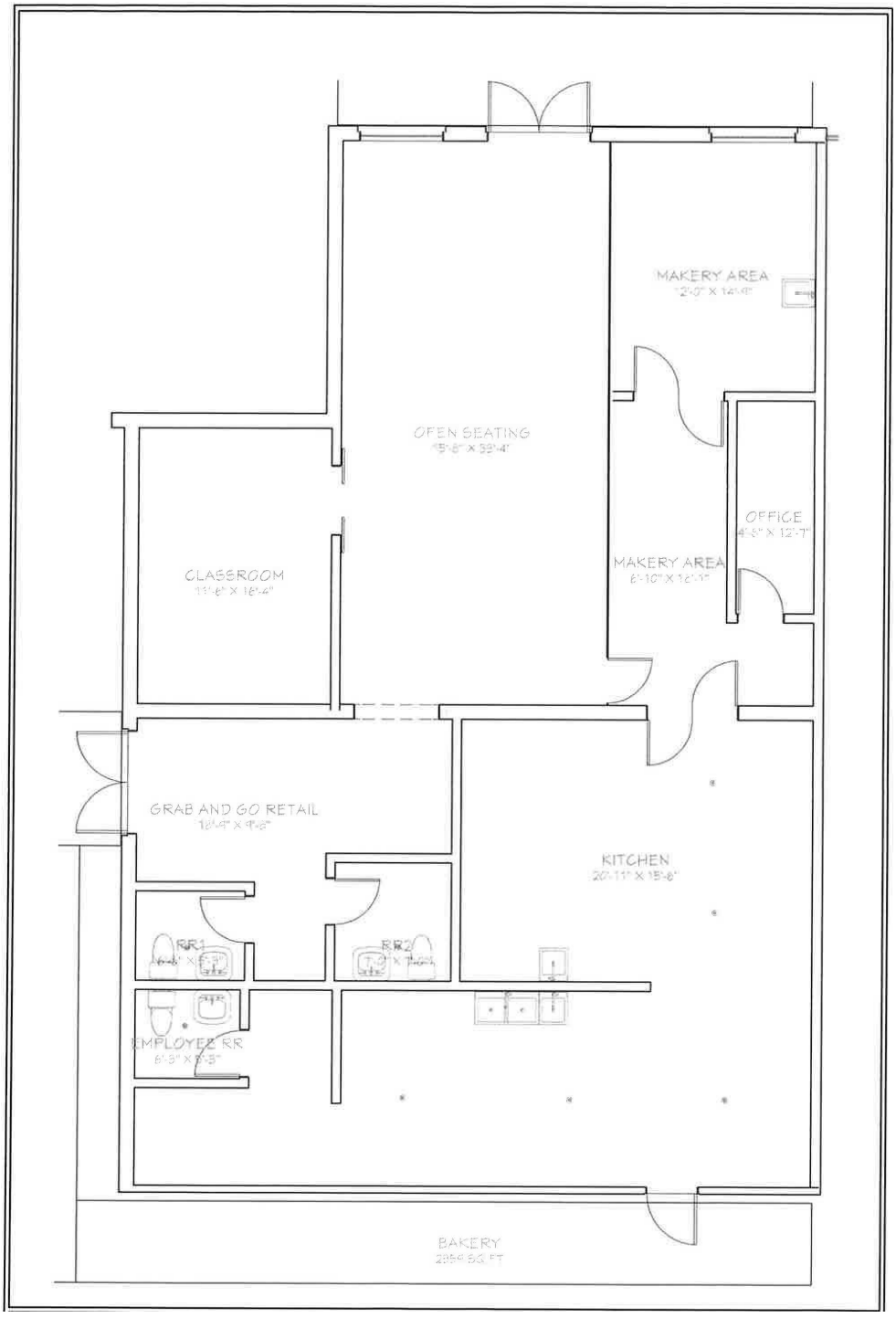
Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)



Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)



Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)



Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)







Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)



Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

Exhibit "C"
Annual Taxable Sales Projections

Celina Market Projections - 5 year Plan

Name of Business: **Gran Sweet LLC**

5 Year Annual Taxable Sales

	Year 1	Year 2	Year 3	Year 4	Year 5
Projection	$480,000	$576,000	$662,400	$761,760	$876,024
		20%	15%	15%	15%

Year 1 Monthly

Month	Projection
M-1	$25,000
M-2	$26,250
M-3	$27,563
M-4	$28,941
M-5	$31,835
M-6	$35,018
M-7	$38,520
M-8	$42,372
M-9	$46,609
M-10	$51,270
M-11	$58,961
M-12	$67,663
Year 1	$480,000

5 Year Employee Counts

	Year 1	Year 2	Year 3	Year 4	Year 5
Projection	$189,280	$255,840	$263,515	$313,435	$344,635
Part Time	0	0	0	0	0
Full Time (FTE calc)	9	12	12	14	15
Totals	9	12	12	14	15

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

EXHIBIT "D"
Job Compliance Affidavit

STATE OF TEXAS §
§
COUNTY OF COLLIN §

On this day personally appeared _____, a person known to me, who being duly sworn stated as follows:

1. "My name is _____, I am over the age of 21, have never been convicted of a felony, and am fully competent to testify to the truth of the matters stated herein. Each and every statement contained herein is based upon my personal knowledge and is true and correct.

2. I am the _____ of GRAN SWEET, LLC, and am duly authorized to make this affidavit on behalf of GRAN SWEET, LLC.

3. GRAN SWEET, LLC directly employs at least ___ full-time equivalent jobs at 401 W. Pecan, Celina, Texas.

Further Affiant sayeth not.

_____
Printed Name: _____

Sworn and subscribed to before me this the _____ day of _____, 202_.

_____
Notary Public in and for the State of Texas

Attachment: Draft Agreement (Granny's Sweeties – DIP Agreement)

Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Bella Lopez, Senior Planner
CC: Jason Laumer, City Manager
Date: September 28, 2021
Re: Green Meadows - DA Amendment

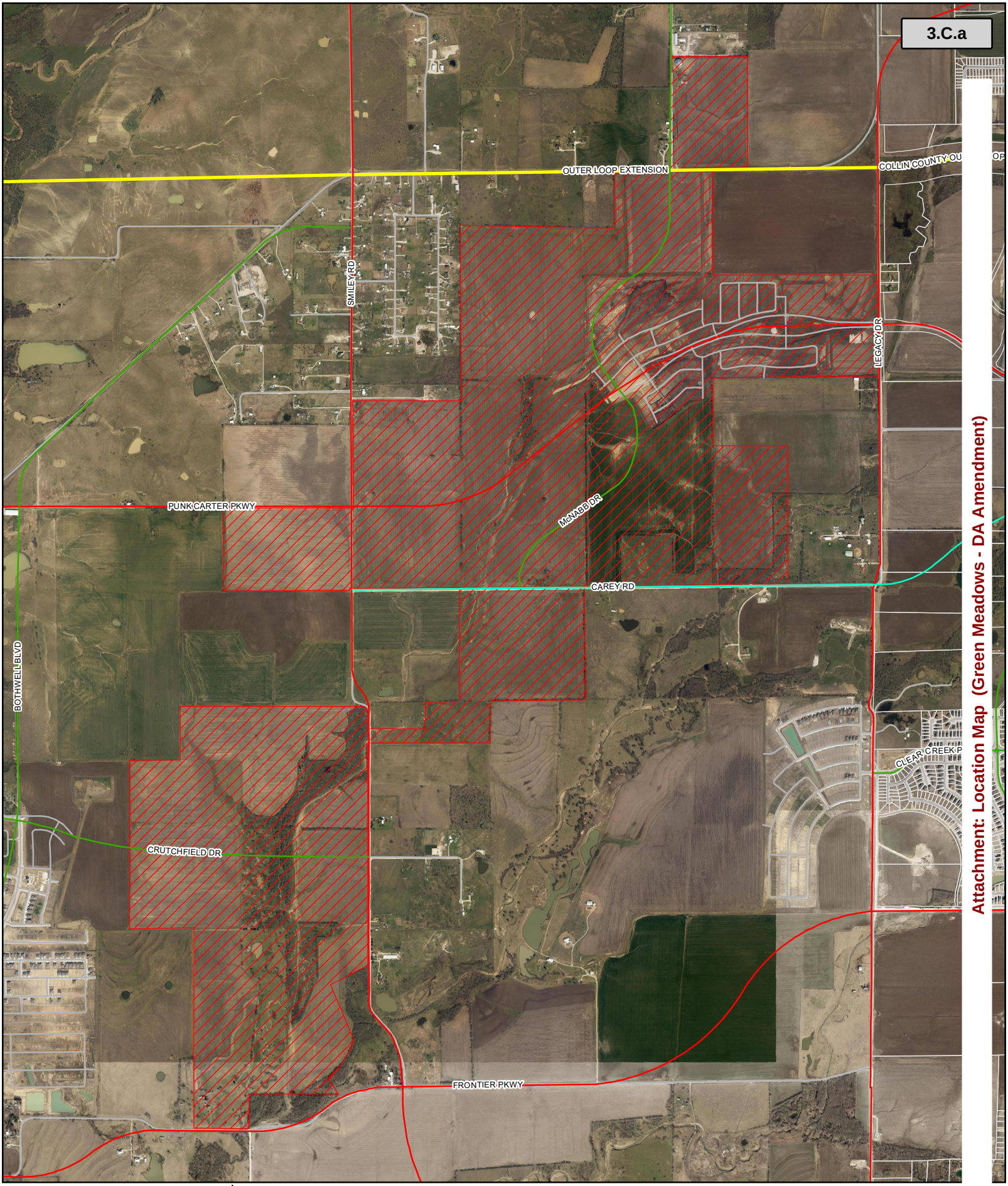
Action Requested:
Consider and act upon a request for an amendment to the Green Meadows Development Agreement to add additional parties; generally located west of Legacy Drive and north of Parvin Road. (Green Meadows - DA Amendment) (Mohan)

Owner:
Scott Norris
Smiley Road, Ltd.
4265 Kellway Circle
Addison, Texas 75001

Background:
This item is related to the Green Meadows Development Agreement amendment which was approved at the previous City Council meeting on September 14, 2021. This amendment is to add two additional parties (ownership), which are reflected in the attached development agreement.

Supporting Documents:
- Location Map
- Draft Development Agreement

Staff Recommendation:
Staff recommends approval.



Attachment: Location Map (Green Meadows - DA Amendment)

CELINA TEXAS EST. 1876
Life Connected.

Location Map
Green Meadows

Date:09/08/2021

Legend

- Roads
- GreenMeadows
- Parcels

N
W E
S

0 Feet

FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT

This Fourth Amendment to Development Agreement (the "Fourth Amendment") is by and among the CITY OF CELINA, TEXAS, a home rule city located in Collin and Denton County, Texas (the "City"), SMILEY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1, a conservation and reclamation district ("Original District" or "District No. 1"), SMILEY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 ("District No. 2"), SMILEY ROAD, LTD., a Texas limited partnership ("Smiley"), GREEN MEADOWS COMMUNITIES INC., a Texas corporation ("Green Meadows"), URVI PROPERTIES, LLC, a Texas limited liability company (URVI), and BHUVI ENTERPRISES, LLC, a Texas limited liability company (BHUVI) and is made and entered into effective as of the date signed by the Mayor of the City (the "Effective Date"). The foregoing parties are sometimes individually referred to as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, City, Original District and Smiley entered into that certain Development Agreement concerning land previously owned solely by Smiley (the "Property", as described in Exhibit A hereto) and now owned by Smiley and Green Meadows (together "Owner") in the City's extraterritorial jurisdiction with an effective date of August 11, 2008, as subsequently amended ("2008 Development Agreement"); and

WHEREAS, the Original District has been bifurcated into District No. 1 and District No. 2 (individually referred to as "District" and collectively as "Districts"); and

WHEREAS, the 2008 Development Agreement was amended by the First Amendment with an effective date of September 13, 2010, the Second Amendment with an effective date of June 30, 2019, and the Third Amendment with an effective date of November 10, 2020; and

WHEREAS, the City and the Districts entered into agreements on November 10, 2020 related to building permits, inspections, and fire protection services; and

WHEREAS, the Parties agree that the Property shall be developed in accordance with the Land Plan attached as Exhibit B.

WHEREAS, the Parties desire to clarify and amend sections of the 2008 Development Agreement regarding trails, parks, school sites, fire and police stations, fees, development regulations, engineering and more starting with Phase 2 of the Development.

NOW THEREFORE, for and in consideration of these premises and of the mutual promises, obligations, covenants and benefits herein contained, the Parties contract and agree to amend the 2008 Development Agreement as follows:

1. Section 2.1(c) is amended to update the definition of “Master Thoroughfare Plan” to mean the current Master Thoroughfare Plan of the City adopted by Ordinance No. _____.

2. Amend Section 2.2 to read in its entirety as follows:

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

2.2 Development Fees and Charges. Development of the Property shall be subject to the payment of the following fees and charges (collectively, the "Development Fees"): (a) building permit fees as provided by Section 2.3 of this Agreement; (b) park dedication fees as provided by Section 2.6 of this Agreement; (c) Plan Review Fees as provided by Section 4.7 of this Agreement; (d) the costs to design and construct the Water Facilities and Sewer Facilities; (e) the costs to design and construct the water distribution lines and appurtenances and sanitary sewer collection lines and appurtenances as necessary to serve individual lots or connections within the Property; (f) the City's standard plat application fees (as adopted by the City's Master Fee Schedule, as amended); (g) the City's standard professional fees for plat review (as adopted by the City's Professional Review Fee Ordinance, as amended); (h) Roadway Capital Fees as set forth in 2.5; and (i) fire capital fees in an amount not to exceed $2,000 per residential dwelling unit, with an additional $500 every five (5) years that this Agreement is in effect. In the event of any conflict or inconsistency between the Development Fees and any development fees or charges otherwise referenced in the Applicable Regulations, the Development Fees shall control. No development fees, impact fees, front foot fees, pro-rata charges, capital recovery charges, or charges of any kind shall apply to the development of the Property other than the Development Fees. The Development Fees are charged pursuant to the authority of the Texas Local Government Code Section 212.172(b) and are not Texas Local Government Code Chapter 395 impact fees.

3. Amend Section 2.5 to read in its entirety as follows:

2.5 Roads and Right-of-Way. The dedications required herein shall be transferred at the time of final platting, or if construction is to start prior to recording a final plat of any portion of said rights-of-ways, then by separate instrument within ten (10) days of being requested by the City.

(a) Owner shall transfer (with a reservation of all outstanding mineral interests) to the District (or otherwise as may be necessary to facilitate private maintenance), at no cost to the City or Denton County, all right-of-way within the Property that is necessary for the construction or maintenance of thoroughfare roads within the Property, including but not limited to right-of-way needed for the construction or maintenance of entry and exit roads to the Property.

(b) Owner shall dedicate right-of-way to the City for future Collin County Outer Loop in the general location and in the width reflected in Exhibit C hereto.

(c) Owner shall dedicate right-of-way to the District, being the total full-width needed if onsite and one-half of the full width needed if a perimeter road, within such phase and construct the number of lanes indicated on Exhibit C hereto for the following thoroughfares and roadways:

(i) Punk Carter Parkway;

(ii) Legacy Dr.;

(iii) Smiley Road;

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

(iv) any others reflected on the City's Thoroughfare Plan.

(d) Owner shall construct roundabouts at the intersections reflected on Exhibit C.

(e) Owner and/or the District shall provide the following to the City:

(i) Legacy Drive: Provide final engineering plans to extend street from Punk Carter North to F.M. 428 (Outer Loop) within eighteen (18) months after the effective date of this Fourth Amendment.

(ii) Smiley Road: Obtain the necessary right-of-way and construct a minimum of two (2) lanes from the terminal at Carey Road approximately 1,800 feet south in conjunction with the development of phases located south of Carey Road.

(iii) Parvin Road: Dedicate at no cost the necessary right-of-way upon request of the appropriate governmental entity.

(iv) Future Northern Collector (as identified on Thoroughfare Plan Exhibit): Obtain right-of-way and construct a minimum of two (2) lanes from northern boundary of the Property to F.M. 428 in conjunction with the construction of first phase located west of McNabb Road and Punk Carter Parkway.

(v) McNabb Road shall have a 20 foot landscape buffer on the East side and a minimum of fifty (50) foot buffer on the West side.

(f) Starting with the 876th building permit for a single-family unit, a Roadway Capital Fee in the amount of $450 per single family unit shall be paid at the time of building permit issuance. At the time a multi-family building permit is issued, a Roadway Capital Fee in the amount of $150 per multi-family unit in the apartment project shall be paid to the City.

4. Amend Section 2.6 to read in its entirety as follows:

2.6 Park Dedication Fees. Development of the Property shall require the payment of park fees (the "Park Fees") in the amount of $500.00 per single-family lot for the first eight hundred seventy-seven (877) lots and $1,000.00 per single-family lot for each single-family lot after the first eight hundred seventy-seven (877) lots. The Park Fee for each lot shall be payable at the time a building permit is issued for the home or other structure to be built on the lot. Notwithstanding anything to the contrary contained or implied elsewhere in this Agreement, the City agrees that Owner shall receive as a direct credit against any and all Park Fees which may otherwise be due and owing with respect to the Property or any portion thereof at any time or from time to time in an amount equal to the sum of the actual costs and expenses paid or incurred by Owner in connection with the construction of any and all amenities and facilities with respect to the Required Park Dedication or hike and bike trails. Except to the extent of the Required Park Dedication, no Required Park Dedication shall ever be required to be made by Owner and the Property shall not be subject to any current or any future ordinances requiring any park dedication or payments or contributions in lieu thereof in addition to that set forth in this Section 2.6.

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

5. Amend Section 2.7 to read in its entirety as follows:

2.7 Dedications for Public Parks, Open Space, and Trail Construction.

(a) Owner shall reserve, improve and maintain parks and open space as shown on the Parks and Open Space print. The parks and open space will be developed in phases in accordance with Exhibit D when the adjacent phase of development is final platted. Open space areas shall be maintained by a homeowners' association or the District, but shall be open to the public (excluding amenity centers, which shall be private). Open space shall be in conformance with the City's Neighborhood Vision Book. The Developer agrees to reserve, improve and maintain, at no cost to the City, the following, as generally depicted in Exhibit D, at mutually agreed upon locations:

(i) amenity center at the locations shown on the land plan;

(ii) park and open space land that makes efficient use of open space, flood plains, and non-floodplains for the entire base area; and

(iii) 10' wide concrete trails along the creek, floodplains or lakes, including trail heads, in conformance with the Neighborhood Vision Book containing the following amenity items within the linear park: fitness stations; a dog park; playgrounds; Frisbee golf or other similar uses and improvements approved by the Director of Development Services.

6. Amend Section 2.8 to read in its entirety as follows:

2.8 Site For Public Safety Facility. Owner agrees to dedicate to the City not less than seven (7) and not more than 8 ½ acres within the Property in two possible locations as conceptually set forth in the Land Plan the sole purpose of constructing, using, operating, maintaining, and repairing police, fire, and/or EMS facilities that will serve the Property and the remainder of the City. Owner agrees to dedicate three (3) emergency siren sites at the sites shown on the Land Plan. Owner also agrees to dedicate to the City non-exclusive easements reasonably necessary for access, power, utilities, and telecommunications to such site (including temporary construction easements as reasonably required). The exact location of the site shall be designated by Owner and must be approved in writing by the City, which approval shall not be unreasonably withheld or delayed. Owner prefers the proposed location nearest the proposed joint/school park site conceptually set forth in the Land Plan due to the unique opportunity to provide additional public safety in conjunction with our children, whether upon the school grounds or the playground. The dedication will occur at the earlier of such time as the land surrounding the site receives final plat approval or at such time as the City gives the Owner written notice that it is ready to proceed with the development of the site for police, fire, and/or EMS facilities and has funding for such use approved by the City Council and available. Such conveyance shall include a restriction which provides that the City may use such site solely for construction of police, fire, and/or EMS facilities.

7. Add Section 2.12 to read in its entirety as follows:

2.12 Building Codes, Fire Codes and Building Materials. *As consideration for certain capital recovery fees being reduced, Owner has consented to and requested, and the*

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

*Parties agree, that **Exhibit E**, the City-adopted building codes and local amendments as subsequently amended, the City-adopted fire codes and local amendments as subsequently amended, and the City's building material regulations contained in the zoning ordinance and in other city ordinances, all as subsequently amended, to apply to the Property, and voluntarily agrees to burden the property with their applicability, despite Texas Government Code Chapter 3000, effective September 1, 2019, as it presently exists or may be subsequently amended. The Parties further acknowledge and agree that the terms, provisions, covenants, and agreements contained in, or referenced in, this paragraph are covenants that touch and concern the Property and that it is the intent of the Parties that such terms, provisions, covenants, and agreements shall run with the Property and shall be binding upon the Parties hereto, their successors and assigns, and all subsequent owners of the Property. Should any amendment to the building material regulations contained in the zoning ordinance and in other city ordinances be held to be invalid by a court of competent jurisdiction, the Parties agree that the building material regulations in effect on August 1, 2019 shall then touch and concern the Property and be binding upon the to the Property.*

8. Add Section 2.13 to read in its entirety as follows:

2.13 Dedication for Schools. Two (2) 10-12 acre sites for elementary schools shall be reserved by the Owner. The site may be dedicated or sold to the school district by separate agreement between the school district and the Owner.

10. Add Section 2.14 to read in its entirety as follows:

2.14 Zoning of Property. While the Parties expressly acknowledge that the Property will be voluntarily annexed in accordance with the 2008 Development Agreement, the Parties agree that the Concept Plan, Development Standards, Land Plan and the applicable 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 and other applicable law. The City shall consider zoning the Property consistent with the Concept Plan, Development Standards and applicable provisions of this Agreement contemporaneously with the annexation of the Property. Through this Agreement, the Developer expressly consents and agrees to the zoning of the Property consistent with and as contemplated by this section. In the event of a conflict between this Agreement and the zoning of the Property, the Parties agree that this Agreement shall control. *The City shall provide a quarterly list to the Owner and the District identifying the number of building permits submitted within the District during the prior quarter.*

12. Annexation by District. The Parties agree that the District may annex up to 350 additional acres of land as shown on Exhibit F as such annexed property is contiguous to the District boundaries and is located within the extraterritorial jurisdiction of the City. Upon annexation, the definition of "Property" shall automatically include the newly annexed land. If requested by District, the City agrees to provide an ordinance or resolution evidencing its consent to the creation of and inclusion of lands within the District.

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

13. Limited Purpose Annexation of District by City. The District consents to limited purpose annexation by the City of any commercial or retail areas for purposes of the City collecting sales and use taxes. The City will remit 50% of the sales taxes that are collected to the District.

14. Conflicts. To the extent of any conflict between this Fourth Amendment and the 2008 Development Agreement, this Fourth Amendment shall control.

15. Notices. All notices required or contemplated by the 2008 Development Agreement or this Fourth Amendment (or otherwise given in connection with the 2008 Development Agreement or this Fourth Amendment) (a "Notice") shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 10th business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by email; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in person or delivery by regular mail. Notices given pursuant to this section shall be addressed as follows:

To the City:
Attn: Jason Laumer, City Manager
City of Celina
302 W. Walnut St.
Celina, Texas 75009
E-mail: jlaumer@celina-tx.gov
TEL: (972) 382-2682

With a copy to:
Attn: Julie Fort
Messer, Fort & McDonald, P.L.L.C.
6351 Preston Rd., Ste. 350
Frisco, Texas 75034
E-mail: julie@txmunicipallaw.com
TEL: (972) 668-6400

To the Owner:
Attn: Scott Norris
Smiley Road, Ltd.
4265 Kellway Circle
Addison, Texas 75001
E-mail: snorris@tomlininvestments.com
TEL: (972) 239-0707

With a copy to:
Attn: Arthur J. Anderson
Winstead, P.C.
2728 N. Harwood Street, Ste. 500
Dallas, Texas 75201
E-mail: aanderson@winstead.com
TEL: (214) 745-5745

16. Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Fourth Amendment. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Amendment. In the event of any dispute over the meaning or application of any provision of this Amendment, the provision will be interpreted fairly and

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

17. Enforceability. Each Party acknowledges and agrees that this Fourth Amendment is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

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

19. Assignability. Article XI is hereby amended to add the following sentence: The City agrees that execution of the notice of assignment form attached hereto as Exhibit G shall constitute the City's consent to an assignment of the Agreement.

20. Exhibits. The following Exhibits are attached to this Amendment and are part of this Fourth Amendment:

Exhibit A	Property Legal Description and Depictions
Exhibit B	Land Plan
Exhibit C	Thoroughfare Plan
Exhibit D	Parks and Open Space Plans
Exhibit E	Development Standards
Exhibit F	Expansion Map
Exhibit G	Assignment Form

IN WITNESS WHEREOF, the Parties hereto have executed this Fourth Amendment to be effective as of the Effective Date. This Fourth Amendment shall be filed in the land records of the county.

[SIGNATURE PAGES IMMEDIATELY FOLLOW THIS PAGE]

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

Accepted and executed as of the _____ day of _____, 2021.

CITY OF CELINA, TEXAS

By:_____

_____

STATE OF TEXAS §
COUNTY OF DENTON §

This instrument was acknowledged before me on this _____ day of _____, 2021, by _____, _____ of the City of Celina, Texas, on behalf of said City.

_____
Notary Public in and for the State of Texas

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

Accepted and executed as of the _____ day of _____, 2021.

SMILEY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

By:_____
Name:_____
Title:_____

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2021, by _____, _____ of the Smiley Water Control and Improvement District, on behalf of said District.

_____
Notary Public in and for the State of Texas

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

Accepted and executed as of the _____ day of _____, 2021.

SMILEY ROAD, LTD.,
a Texas limited partnership

By: Land Advisors, Ltd.,
a Texas limited liability company,
Its General Partner

By: Land Advisors Management, L.L.C.,
a Texas limited liability company,
Its General Partner

By:_____
Name: D. O. Tomlin, III
Title: President

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this _____ day of _____, 2021, by D. O. Tomlin, III, President of Land Advisors Management, L.L.C., a Texas limited liability company, the general partner of Land Advisors, Ltd., a Texas limited partnership, the general partner of SMILEY ROAD, LTD., a Texas limited partnership, on behalf of said limited partnership.

_____
Notary Public in and for the State of Texas

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

Accepted and executed as of the _____ day of _____, 2021.

GREEN MEADOWS COMMUNITIES INC.,
a Texas Corporation

By:_____
Name: D.O. Tomlin III
Title: President

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2021, by D.O. Tomlin III, President of Green Meadows Communities, Inc., a Texas corporation.

_____
Notary Public in and for the State of Texas

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

Accepted and executed as of the _____ day of _____, 2021.

SMILEY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

By:_____

_____

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2021, by _____, _____ of Smiley Water Control and Improvement District No. 2.

_____
Notary Public in and for the State of Texas

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

URVI PROPERTIES, LLC, a Texas limited liability company

By: _____

Bhakthavathsala Reddy Gottipolu, Manager

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this _____ day of _____, 2021, by: Bhakthavathsala R. Gottipolu, Manger , of the URVI PROPERTIES, LLC ., a Texas Limited liability company. on behalf of said company.

_____
Notary Public in and for the State of Texas

BHUVI ENTERPRISES, LLC, a Texas limited liability company

By: _____

Bhakthavathsala R. Gottipolu, Manager

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this _____ day of _____, 2021, by: Bhakthavathsala R. Gottipolu, Manger , of the BHUVI ENTERPRISES, LLC ., a Texas Limited liability company. on behalf of said company.

_____
Notary Public in and for the State of Texas

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

EXHIBIT A
PROPERTY LEGAL DESCRIPTION AND DEPICTIONS

EXHIBIT "A-1"

BEING A TRACT OF LAND LOCATED IN THE ROBERT COWAN SURVEY, ABSTRACT NO. 211, THE ANTHONY THOMASSON SURVEY, ABSTRACT No. 1265, THE WILLIAM PHILLIPS SURVEY, ABSTRACT No. 1029, THE BENJAMIN L. RUE SURVEY, ABSTRACT No. 1113, THE TEXAS & PACIFIC RAILROAD CO. SURVEY, ABSTRACT NO. 1299, THE THOMAS B. COX SURVEY, ABSTRACT NO. 309, THE JOHN MORTON SURVEY, ABSTRACT NO. 791, THE C. COPENHAVER SURVEY, ABSTRACT NO. 253 AND THE JOHN B. RUE SURVEY, ABSTRACT NO. 1112, DENTON COUNTY, TEXAS, BEING ALL OF A TRACT OF LAND DESCRIBED IN A DEED TO GREEN MEADOWS COMMUNITY, INC., RECORDED IN DOCUMENT No. 2016-49254, OFFICIAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.), BEING ALL OF TRACTS OF LAND DESCRIBED IN DEEDS TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NOS. 2006-15660, 2006-2064, 2006-77986, 2006-45938, 2006-2173, 2006-21488, 2005-160823, 2005-102910, 2015-52357, 2015-52666, 2015-52800, 2015-52804, 2015-52807, 2015-53058, 2018-113248, 2018-113251, AND 2017-120458, OFFICAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.), AND BEING PORTIONS OF TRACTS OF LAND DESCRIBED IN DEEDS TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NOS. 2005-102909 AND 2005-88401, O.R.D.C.T., BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT, FROM WHICH A 1/2" IRON ROD FOUND BEARS NORTH 89°00'00" WEST, 2.24 FEET, SAID POINT BEING IN THE EAST LINE OF LOT 35, BLOCK 2, MEADOW VISTA, PHASE TWO, AN ADDITION TO DENTON COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET Q, SLIDE 271, PLAT RECORDS, DENTON COUNTY, TEXAS (P.R.D.C.T.), THE NORTHWEST CORNER SAID 252.905 ACRE TRACT, AND BEING THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO KBA INVESTMENTS, LLC, RECORDED IN DOCUMENT NO. 2015-101291, O.R.D.C.T.;

THENCE SOUTH 89°00'00" EAST, ALONG THE NORTH LINE OF SAID 252.905 ACRE TRACT AND THE SOUTH LINE OF SAID KBA TRACT, AT A DISTANCE OF 1006.81 FEET, PASSING THE NORTHWEST CORNER OF SAID GREEN MEADOWS COMMUNITY TRACT, CONTINUING ALONG THE SOUTH LINE OF SAID KBA TRACT, THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO KEITH M. LUFT & BRENDA K. LUFT RECORDED IN VOLUME 2975, PAGE 586, DEED RECORDS, DENTON COUNTY, TEXAS (D.R.D.C.T.), AND THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO WOOD LIMITED PARTNERSHIP RECORDED IN DOCUMENT NUMBER 2005-2282, O.R.D.C.T., AND CONTINUING IN ALL A TOTAL DISTANCE OF 2454.92 FEET TO AN 80D NAIL FOUND, SAID NAIL BEING AN ELL CORNER IN SAID 252.905 ACRE TRACT AND THE SOUTHEAST CORNER OF SAID WOOD TRACT;

THENCE NORTH 01°08'35" WEST, ALONG THE WEST LINE OF SAID 252.905 ACRE TRACT AND THE EAST LINE OF SAID WOOD TRACT, A DISTANCE OF 862.36 FEET TO A 3/8" IRON ROD FOUND IN THE SOUTH RIGHT-OF-WAY LINE OF F.M. HIGHWAY NO. 428 (A VARIABLE WIDTH RIGHT-OF-WAY), SAID IRON ROD BEING THE MOST NORTHERLY NORTHWEST CORNER OF SAID 252.905 ACRE TRACT AND THE NORTHEAST CORNER OF SAID WOOD LIMITED PARTNERSHIP TRACT;

THENCE NORTH 89°22'33" EAST, ALONG THE NORTH LINE OF SAID 252.905 ACRE TRACT AND THE SOUTH RIGHT-OF-WAY LINE OF SAID F.M. 428, A DISTANCE OF 1542.14 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID 252.905 ACRE TRACT AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO G BAR 7, LTD., RECORDED IN DOCUMENT NO. 2005-13872, O.R.D.C.T., AND DOCUMENT NO. 2005-13873, O.R.D.C.T.;

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

THENCE SOUTH 00°16'57" EAST, DEPARTING THE SOUTH RIGHT-OF-WAY LINE OF SAID F.M. 428, ALONG THE EAST LINE OF SAID 252.905 ACRE TRACT AND THE WEST LINE OF SAID G BAR 7 TRACT, A DISTANCE OF 1612.46 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH 3700", SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID G BAR 7 TRACT;

THENCE NORTH 89°20'11" EAST, ALONG THE SOUTH LINE OF SAID G BAR 7 TRACT AND THE NORTH LINE OF SAID GREEN MEADOWS COMMUNITY TRACT, AT A DISTANCE OF 1800.71 FEET, PASSING THE MOST NORTHERLY NORTHEAST CORNER OF SAID GREEN MEADOWS COMMUNITY TRACT, CONTINUING IN ALL A TOTAL DISTANCE OF 2663.96 FEET TO A 1/2" IRON ROD FOUND BEING THE NORTHEAST CORNER OF SAID 101.42 ACRE TRACT, THE NORTHWEST CORNER OF A TRACT OF LAND DESCIBED IN A DEED TO RICHARD TILLERY AND BRINDA TILLERY RECORDED IN VOLUME 5835, PAGE 4359, DEED RECORDS, COLLIN COUNTY TEXAS (D.R.C.C.T.), AND THE SOUTHEAST CORNER OF SAID G BAR 7 TRACT;

THENCE SOUTH 00°26'10" EAST, ALONG THE EAST LINE OF SAID 101.42 ACRE TRACT AND THE WEST LINE OF SAID TILLERY TRACT, AT A DISTANCE OF 302.58 FEET, PASSING A POINT FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE) BEARS NORTH 89°18'28" EAST, SAID POINT BEING THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO STEPHEN HARRIS & SANDRA HARRIS, RECORDED IN VOLUME 2140, PAGE 990, D.R.C.C.T., AND IN THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TOLLWAY/OUTER LOOP, L.P., RECORDED IN INSTRUMENT NO. 20140827000924 70, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS (O.P.R.C.C.T.), CONTINUING ALONG THE WEST LINE OF SAID TOLLWAY/OUTER LOOP TRACT IN ALL A TOTAL DISTANCE OF 1657.03 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", BEING THE SOUTHEAST CORNER OF SAID 101.42 ACRE TRACT AND THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO PAUL W. STILES, RECORDED IN VOLUME 4863, PAGE 2543, D.R.D.C.T.;

THENCE SOUTH 89°20'12" WEST, ALONG THE SOUTH LINE OF SAID 101.42 ACRE TRACT AND THE NORTH LINE OF SAID STILES TRACT, AT A DISTANCE OF 76.16 FEET, PASSING A 5/8" IRON ROD FOUND, AND CONTINUING IN ALL A TOTAL DISTANCE OF 2668.49 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID STILES TRACT;

THENCE SOUTH 00°18'16" EAST, ALONG AN EAST LINE OF SAID GREEN MEADOWS COMMUNITY TRACT, THE WEST LINE OF SAID STILES TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SREE INVESTMENTS, LLC RECORDED IN DOCUMENT NUMBER 2016-3796, O.R.D.C.T., A DISTANCE OF 820.89 FEET TO A POINT, FROM WHICH A 1/2" IRON ROD FOUND BEARS SOUTH 00°18'16" EAST, A DISTANCE OF 236.13 FEET, SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID SREE INVESTMENTS TRACT, THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD. RECORDED IN DOCUMENT NUMBER 2005-160823, O.R.D.C.T., AND BEING IN THE EAST LINE OF SAID SMILEY ROAD, LTD. TRACT RECORDED IN DOCUMENT NUMBER 2005-88401;

THENCE NORTH 89°18'29" EAST, DEPARTING THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., ALONG THE SOUTH LINE OF SAID SREE TRACT AND THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AT A DISTANCE OF 892.73 FEET, PASSING A POINT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "PREMIER SURVEYING" BEARS SOUTH 00°41'31" EAST, 1.24 FEET, SAID POINT BEING

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

THE SOUTHEAST CORNER OF SAID SREE TRACT AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO WEN CHEN, TIMOTHY WANG, XIANQUN WANG, RENLONG XIA & AMY ZHENG RECORDED IN DOCUMENT NO. 2011-92113, O.R.D.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID WEN CHEN, TIMOTHY WANG, XIANQUN WANG, RENLONG XIA & AMY ZHENG TRACT, IN ALL A TOTAL DISTANCE OF 1199.23 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO RICK D. NELSON AND TRAYCE TRAVIS NELSON RECORDED IN VOLUME 1692, PAGE 341, D.R.D.C.T.;

THENCE SOUTH 00°19'16" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., A DISTANCE OF 2243.04 FEET TO A 3/8" IRON ROD FOUND IN CAREY ROAD (A 60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY), SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T.;

THENCE SOUTH 89°18'26" WEST, ALONG SAID CAREY ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AT A DISTANCE OF 1198.75 FEET, PASSING A POINT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "ALLIANCE" BEARS SOUTH 00°20'00" EAST, 0.39 FEET, SAID POINT BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., CONTINUING ALONG SAID CAREY ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., IN ALL A TOTAL DISTANCE OF 3196.46 FEET TO A RAILROAD SPIKE FOUND, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T.;

THENCE SOUTH 89°24'49" WEST, A DISTANCE OF 48.26 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "PIBURN PARTNERS", BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T.;

THENCE SOUTH 00°48'51" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO WEST CELINA 86 PARTNERS, LTD., RECORDED IN DOCUMENT NO. 2015-23235, O.R.D.C.T., A DISTANCE OF 1777.29 FEET TO A 1/2" IRON ROD FOUND IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO MERRITT/THORNTON MANAGEMENT COMPANY, L.L.C. RECORDED IN VOLUME 4428, PAGE 2046, D.R.D.C.T., SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T.;

THENCE SOUTH 89°14'06" WEST, ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T. AND THE NORTH LINE OF SAID MERRITT/THORNTON TRACT, A DISTANCE OF 1501.62 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID MERRITT/THORNTON MANAGEMENT COMPANY TRACT AND THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T.;

THENCE SOUTH 01°50'16" WEST, DEPARTING THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T. AND THE WEST LINE OF SAID MERRITT/THORNTON TRACT, A DISTANCE OF 654.51 FEET TO A 1/2" IRON ROD FOUND, BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T., AND THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JAMES H. MERRITT, III RECORDED IN DOCUMENT NO. 95-R0068384, O.R.D.C.T.;

THENCE SOUTH 89°53'39" WEST, ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T., AND THE NORTH LINE OF SAID MERRITT TRACT, A DISTANCE OF 1903.85 FEET TO A 3/8" IRON ROD FOUND IN SMILEY ROAD (A 60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY), AND IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T., AND THE NORTHWEST CORNER OF SAID MERRITT TRACT;

THENCE SOUTH 00°07'31" EAST, ALONG SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., THE WEST LINE OF SAID MERRITT TRACT, AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO CLAUDE WAYNE ADAMS & KATHLEEN ANN ADAMS RECORDED IN VOLUME 990, PAGE 32, D.R.D.C.T., AT A DISTANCE OF 1365.67 FEET, PASSING A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE SOUTHWEST CORNER OF SAID ADAMS TRACT AND THE NORTHWEST CORNER OF A 30 FOOT RIGHT-OF-WAY DEDICATION AS SHOWN ON THE PLAT OF SMILEY ACRES, AN ADDITION TO THE COUNTY OF DENTON, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET D, PAGE 324, P.R.D.C.T., CONTINUING ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE WEST LINE OF SAID RIGHT-OF-WAY DEDICATION, AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TEEL LAKES, LLC RECORDED IN DOCUMENT NO. 2009-126512, O.R.D.C.T., IN ALL A TOTAL DISTANCE OF 3567.93 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO BORGATA, LLC, RECORDED IN DOCUMENT NO. 2014-49291, O.R.D.C.T.;

THENCE ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AS FOLLOWS:

(1) SOUTH 68°32'18" WEST, ALONG THE NORTH LINE OF SAID BORGATA TRACT, AT A DISTANCE OF 38.06 FEET PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700" AND CONTINUING IN ALL A TOTAL DISTANCE OF 684.74 FEET TO A 1/2" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID BORGATA TRACT;

(2) SOUTH 21°28'10" EAST, ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 986.29 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700";

(3) SOUTH 09°23'43" WEST, CONTINUING ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 101.52 FEET TO A 1/2" IRON ROD FOUND IN THE NORTHWEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SALVADOR N. BUENTELLO, JR. AND JERE BUENTELLO RECORDED IN VOLUME 2633, PAGE 648, D.R.D.C.T., SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID BORGATA TRACT;

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

(4) SOUTH 31°20'08" WEST, ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 360.15 FEET TO A 1/2" IRON ROD FOUND;

(5) SOUTH 43°12'13" WEST, CONTINUING ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 258.66 FEET TO A 1/2" IRON ROD FOUND, BEING THE MOST WESTERLY CORNER OF SAID BUENTELLO TRACT;

(6) SOUTH 34°05'01" EAST, ALONG THE SOUTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 321.24 FEET TO A 1/2" IRON ROD FOUND IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID BUENTELLO TRACT, AND IN THE NORTH LINE OF SAID SMILEY ROAD TRACT REOCRDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "JANUARY CONSULTANTS" BEARS SOUTH 72°43' EAST, 2.0 FEET;

THENCE NORTH 83°53'05" EAST, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE SOUTH LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 128.19 FEET TO A 60D NAIL FOUND IN PARVIN ROAD;

THENCE ALONG PARVIN ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AS FOLLOWS:

(1) SOUTH 71°10'29" WEST, A DISTANCE OF 4.12 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;

(2) SOUTHWESTERLY, AN ARC LENGTH OF 372.52 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1000.00 FEET, A DELTA ANGLE OF 21°20'38", AND A CHORD BEARING OF SOUTH 59°45'11" WEST, 370.37 FEET TO A POINT;

(3) SOUTH 49°04'52" WEST, A DISTANCE OF 345.20 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE RIGHT;

(4) SOUTHWESTERLY, AN ARC LENGTH OF 205.67 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 300.00 FEET, A DELTA ANGLE OF 39°16'51", AND A CHORD BEARING OF SOUTH 68°43'16" WEST, 201.67 FEET TO A POINT;

(5) SOUTH 88°21'40" WEST, A DISTANCE OF 580.48 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;

(6) SOUTHWESTERLY, AN ARC LENGTH OF 176.08 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 425.00 FEET, A DELTA ANGLE OF 23°44'15", AND A CHORD BEARING OF SOUTH 76°29'33" WEST, 174.82 FEET TO A POINT, BEING THE BEGINNING OF A COMPOUND CURVE TO THE LEFT;

(7) SOUTHWESTERLY, AN ARC LENGTH OF 23.05 FEET ALONG SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 75.00 FEET, A DELTA ANGLE OF 17°36'34", AND A CHORD BEARING OF SOUTH 55°49'02" WEST, 22.96 FEET TO A POINT;

(8) SOUTH 53°04'15" WEST, A DISTANCE OF 28.85 FEET TO A POINT, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., THE

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JO LYNN CAREY NINEMIRE, LAURA JEAN CAREY VARNER, AND MARK CARLTON CAREY, RECORDED IN DOCUMENT NO. 2014-16824, O.R.D.C.T., AND THE MOST SOUTHERLY SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS "FIRST TRACT" IN A DEED TO BRICE JACKSON, BOBBY C. JACKSON, AND NOLAN P. JACKSON, RECORDED IN VOLUME 4910, PAGE 2975, D.R.D.C.T.;

THENCE NORTH 02°04'42" EAST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST SOUTHERLY EAST LINE OF SAID JACKSON TRACT, A DISTANCE OF 568.51 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "SPIARS ENG", SAID IRON ROD BEING A RE-ENTRANT CORNER OF SAID JACKSON TRACT AND THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T.;

THENCE NORTH 89°28'31" EAST, ALONG A NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST EASTERLY SOUTH LINE OF SAID JACKSON TRACT, A DISTANCE OF 582.75 FEET TO AN EYE BOLT FOUND, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE MOST EASTERLY SOUTHEAST CORNER OF SAID JACKSON TRACT;

THENCE NORTH 00°38'10" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE EAST LINE OF SAID JACKSON TRACT, AT A DISTANCE OF 1047.10 FEET, PASSING A POINT, FROM WHICH AN EYE BOLT UNDER A FENCE BEARS SOUTH 89°21' WEST, 0.6 FEET, CONTINUING IN ALL A TOTAL DISTANCE OF 2646.23 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", SAID IRON ROD BEING AN ELL CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T. AND THE NORTHEAST CORNER OF SAID JACKSON TRACT;

THENCE SOUTH 89°13'46" WEST, ALONG THE MOST WESTERLY SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE NORTH LINE OF SAID JACKSON TRACT AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AT A DISTANCE OF 1482.92 FEET, PASSING A 1/2" RON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", FROM WHICH A PIPE FENCE POST BEARS SOUTH 10°42' WEST, 0.6 FEET, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID JACKSON TRACT AND THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JO LYNN CAREY NINEMIRE, LAURA JEAN CAREY VARNER & MARK CARLTON CAREY, RECORDED IN DOCUMENT NO. 2014-16824, O.R.D.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T. AND THE NORTH LINE OF SAID NINEMIRE, VARNER & CAREY TRACT, IN ALL A TOTAL DISTANCE OF 2481.91 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AND THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS TRACT 4 IN A DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-15963, O.R.D.C.T.;

THENCE NORTH 00°23'13" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AND THE EAST LINE OF SAID CADG SUTTON FIELDS TRACT, A DISTANCE OF 2685.00 FEET TO A 1/2" IRON ROD FOUND IN THE SOUTH LINE OF SAID SORRELLS TRACT, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

DOCUMENT NO. 2006-2064, O.R.D.C.T. AND THE NORTHEAST CORNER OF SAID CADG SUTTON FIELDS TRACT;

THENCE NORTH 89°30'13" EAST, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AND THE SOUTH LINE OF SAID SORRELLS TRACT, A DISTANCE OF 830.46 FEET TO A 1/2" IRON ROD FOUND, BEING THE MOST WESTERLY SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AND THE SOUTHEAST CORNER OF SAID SORRELLS TRACT;

THENCE NORTH 00°53'50" WEST, DEPARTING THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., AND AN EAST LINE OF SAID SORRELLS TRACT, A DISTANCE OF 865.40 FEET TO A BOIS D'ARC FENCE POST FOUND, BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO MARTHA KING AND PEGGY EARTHMAN RECORDED IN VOLUME 3410, PAGE 811, D.R.D.C.T.;

THENCE ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AS FOLLOWS:

(1) NORTH 89°10'42" EAST, ALONG THE SOUTH LINE OF SAID KING AND EARTHMAN TRACT, A DISTANCE OF 2745.66 FEET TO A POINT, IN SAID SMILEY ROAD BEING THE SOUTHEAST CORNER OF SAID KING AND EARTHMAN TRACT AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO SANGANI PROPERTIES, LTD., RECORDED IN DOCUMENT NO. 2004-35477, O.R.D.C.T.;

(2) NORTH 89°17'22" EAST, ALONG SAID SMILEY ROAD AND THE SOUTH LINE OF SAID SANGANI TRACT, A DISTANCE OF 269.35 FEET TO A POINT, BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO ANN A. KEIFER AND PAUL R. KEIFER RECORDED IN VOLUME 4589, PAGE 1880, D.R.D.C.T.;

THENCE SOUTH 00°06'01" EAST, ALONG SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AND THE WEST LINE OF SAID KEIFER TRACT, A DISTANCE OF 376.75 FEET TO A 3/8" IRON ROD FOUND, BEING THE SOUTHWEST CORNER OF SAID KEIFER TRACT AND THE MOST WESTERLY NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T.;

THENCE NORTH 89°05'08" EAST, DEPARTING SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., AND ALONG THE MOST WESTERLY NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T. AND THE SOUTH LINE OF SAID KEIFER TRACT, A DISTANCE OF 925.13 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", BEING THE SOUTHEAST CORNER OF SAID KEIFER TRACT;

THENCE NORTH 00°04'09" WEST, ALONG THE MOST NORTHERLY WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T. AND THE EAST LINE OF SAID KEIFER TRACT, A DISTANCE OF 377.27 FEET TO A 1/2" IRON ROD FOUND IN THE SOUTH LINE OF SAID SANGANI TRACT, SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID KEIFER TRACT AND THE

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MOST NORTHERLY NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T.;

THENCE ALONG THE MOST NORTHERLY NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T AND THE SOUTH LINE OF SAID SANGANI TRACT AS FOLLOWS:

(1) NORTH 89°17'39" EAST, A DISTANCE OF 115.47 FEET TO A 1/2" IRON ROD FOUND;

(2) NORTH 89°11'07" EAST, A DISTANCE OF 378.27 FEET TO A 1/2" IRON ROD FOUND, BEING THE SOUTHEAST CORNER OF SAID SANGANI TRACT AND THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T.;

THENCE NORTH 00°28'30" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., THE EAST LINE OF SAID SANGANI TRACT, AND THE EAST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO DON F. KENDALL & JULIA P. KENDALL, TRUSTEES OF THE KENDALL LIVING TRUST, RECORDED IN DOCUMENT NO. 2012-134665, O.R.D.C.T., A DISTANCE OF 1785.94 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE) IN SAID CAREY ROAD, IN THE SOUTH LINE OF SAID 85.17 ACRE TRACT, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., AND THE NORTHEAST CORNER OF SAID KENDALL TRACT;

THENCE SOUTH 89°22'32" WEST, ALONG SAID CAREY ROAD, THE SOUTH LINE OF SAID 85.17 ACRE TRACT, AND THE NORTH LINE OF SAID KENDALL TRACT, A DISTANCE OF 1685.69 FEET TO A 80D NAIL FOUND IN SAID SMILEY ROAD, BEING THE SOUTHWEST CORNER OF SAID 85.17 ACRE TRACT, THE NORTHWEST CORNER OF SAID KENDALL TRACT, THE NORTHEAST CORNER OF SAID KING AND EARTHMAN TRACT, AND THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T.;

THENCE SOUTH 89°44'12" WEST, DEPARTING SAID SMILEY ROAD, ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T., AND THE NORTH LINE OF SAID KING AND EARTHMAN TRACT, A DISTANCE OF 2042.09 FEET TO A 1/2" IRON ROD FOUND IN AN EAST LINE OF A TRACT OF LAND DESCRIBED IN A TRUSTEE'S DEED TO RITA L. SORRELLS, RECORDED IN DOCUMENT NO. 99-0068678, O.R.D.C.T., SAID IRON ROD ALSO BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T.

THENCE NORTH 00°19'22" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND AN EAST LINE OF SAID SORRELLS TRACT, A DISTANCE OF 1325.01 FEET TO A 3/4" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO PUNKADILLY, LTD., RECORDED IN DOCUMENT NO. 2011-37656, O.R.D.C.T.;

THENCE NORTH 89°41'15" EAST, DEPARTING AN EAST LINE OF SAID SORELLS TRACT AND ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND ALONG THE SOUTH LINE OF SAID PUNKADILLY TRACT, A DISTANCE OF 2040.76 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING IN THE WEST LINE OF A TRACT OF LAND DESCRIBED AS A

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CALLED 85.17 ACRE TRACT IN TRACT 2 OF THE DEED TO SMILEY ROAD, LTD. RECORDED IN DOCUMENT NO. 2005-102909, O.R.D.C.T., THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND THE SOUTHEAST CORNER OF SAID PUNKADILLY TRACT;

THENCE NORTH 00°23'08" WEST, ALONG THE WEST LINE OF SAID 85.17 ACRE TRACT, THE EAST LINE OF SAID PUNKADILLY TRACT AND THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T., A DISTANCE OF 1321.66 FEET TO A POINT, BEING THE NORTHEAST CORNER OF SAID PUNKADILLY TRACT AND THE SOUTHEAST CORNER OF A RIGHT-OF-WAY DEDICATION AS SHOWN ON THE PLAT OF WILLOW WOOD, AN ADDITION TO THE COUNTY OF DENTON, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET M, PAGE 260, PLAT RECORDS, DENTON COUNTY, TEXAS (P.R.D.C.T.);

THENCE NORTH 00°15'28" EAST, ALONG THE EAST LINE OF SAID RIGHT-OF-WAY DEDICATION AND THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T., A DISTANCE OF 370.59 FEET TO 1/2" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO DONALD C. MCCARTY AND JUDITH L. MCCARTY RECORDED IN DOCUMENT NO. 99-0027582, O.R.D.C.T.;

THENCE SOUTH 89°56'03" EAST, DEPARTING THE EAST LINE OF SAID RIGHT-OF-WAY DEDICATION AND ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T. AND THE SOUTH LINE OF SAID MCCARTY TRACT, 1742.68 FEET TO A POINT, BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T., THE SOUTHEAST CORNER OF SAID MCCARTY TRACT, AND IN THE WEST LINE OF SAID 150.69 ACRE TRACT;

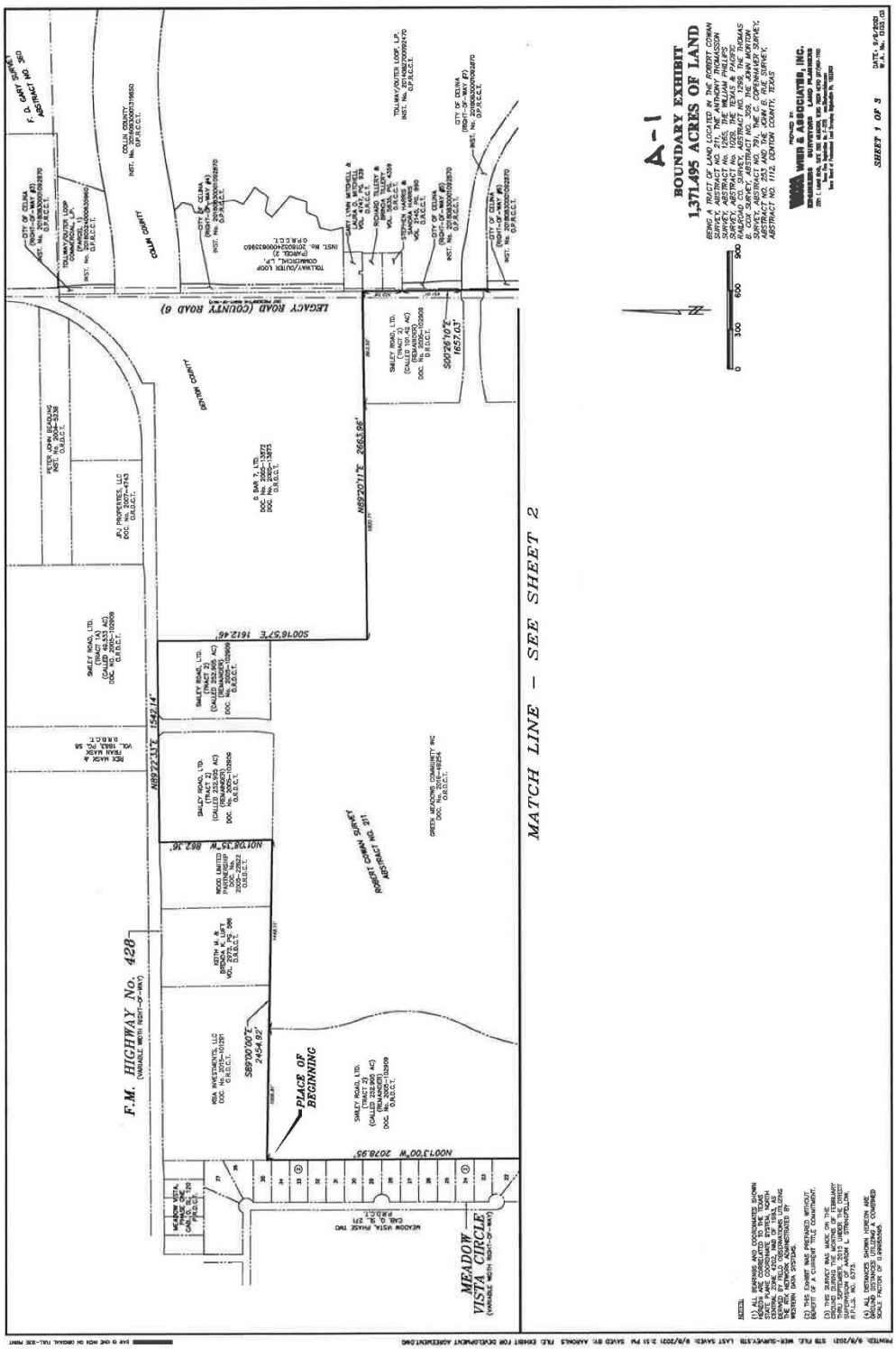
THENCE NORTH 00°24'21" WEST, ALONG THE WEST LINE OF SAID 150.69 ACRE TRACT AND THE EAST LINE OF SAID MCCARTY TRACT, A DISTANCE OF 250.12 FEET TO A POINT, BEING THE NORTHEAST CORNER OF SAID MCCARTY TRACT AND THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO 18 FARM ON SMILEY ROAD, LTD., RECORDED IN DOCUMENT NO. 04-135358, O.R.D.C.T.;

THENCE NORTH 00°42'06" WEST, ALONG THE WEST LINE OF SAID 150.69 ACRE TRACT AND THE EAST LINE OF SAID 18 FARM ON SMILEY ROAD TRACT, A DISTANCE OF 57.00 FEET TO A 1/2" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID 150.69 ACRE TRACT, AND THE SOUTHWEST CORNER OF SAID 252.905 ACRE TRACT;

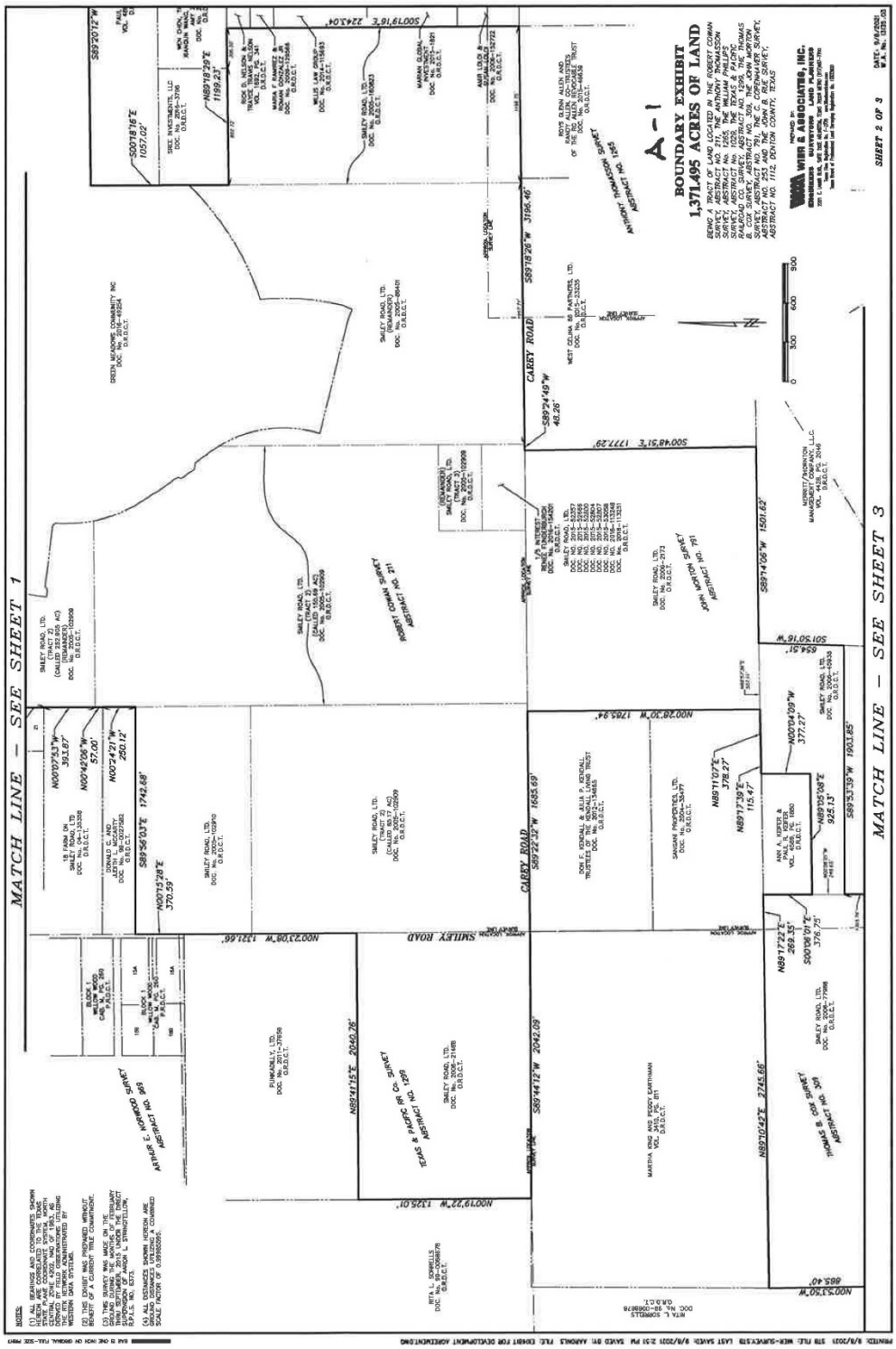
THENCE NORTH 00°07'53" WEST, ALONG THE WEST LINE OF SAID 252.905 ACRE TRACT AND THE EAST LINE OF SAID 18 FARM ON SMILEY ROAD TRACT, A DISTANCE OF 393.87 FEET TO A 5/8" IRON ROD FOUND WITH A CAP STAMPED "HUITT ZOLLARS", BEING THE NORTHEAST CORNER OF SAID 18 FARM ON SMILEY ROAD TRACT AND THE SOUTHEAST CORNER OF LOT 21, BLOCK 2, OF SAID MEADOW VISTA, PHASE TWO ADDITION;

THENCE NORTH 00°13'00" WEST, ALONG THE EAST LINE OF SAID BLOCK 2 AND THE WEST LINE OF SAID 252.905 ACRE TRACT, A DISTANCE OF 2078.95 FEET TO THE PLACE OF BEGINNING AND CONTAINING 1,371.495 ACRES (59,742,332 SQUARE FEET) OF LAND, MORE OR LESS;

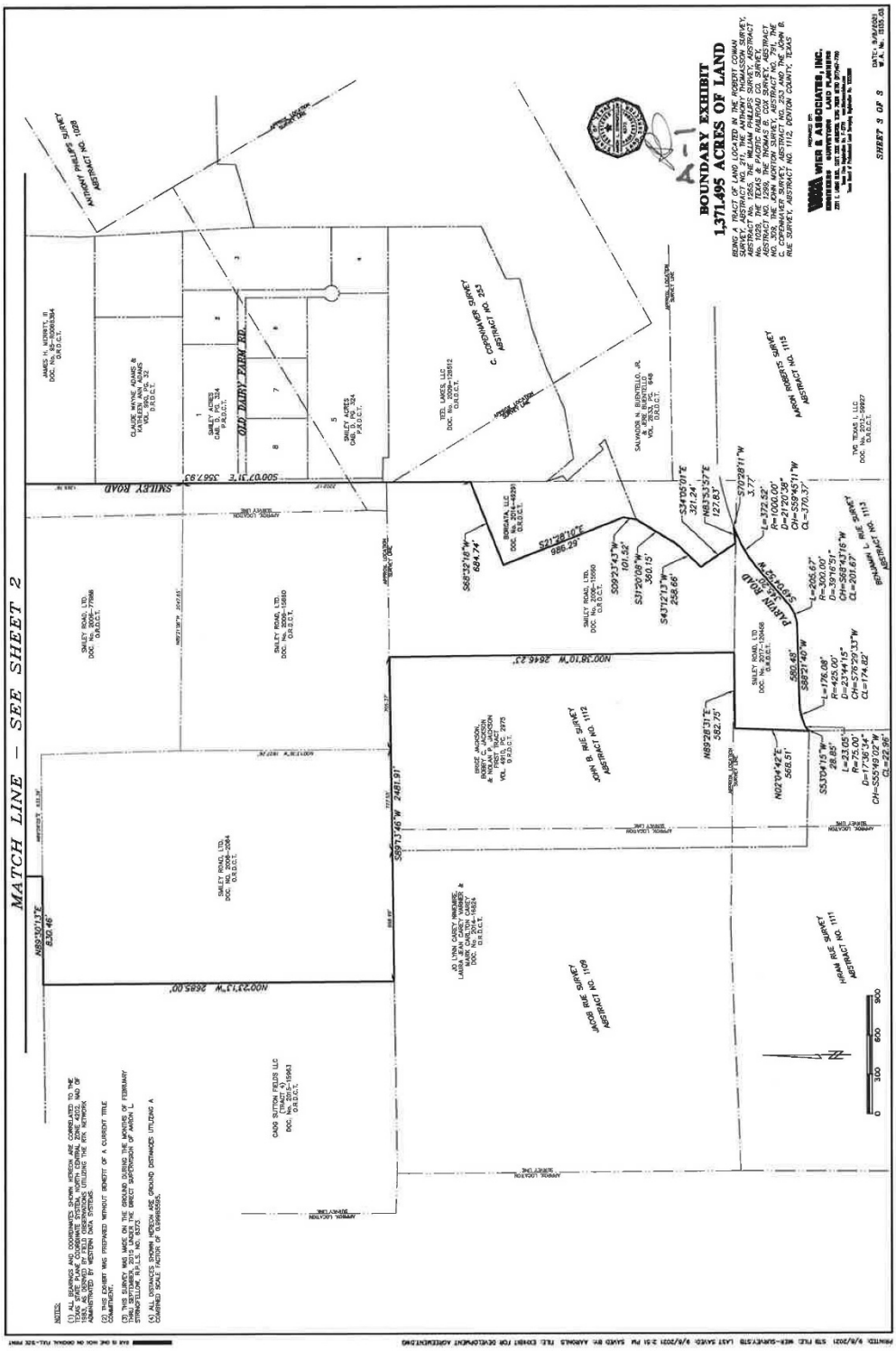
Attachment: Draft Development Agreement (Green Meadows - DA Amendment)



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EXHIBIT-A-2
LEGAL DESCRIPTION
GREEN MEADOWS
TRACT TWO

BEING A TRACT OF LAND situated in Denton County Texas, being part of the Robert Cowan Survey, Abstract No. 211, and being that certain tract of land described as a 49.57 acre tract described in Denton County Clerk Instrument No. 2005-56544 of the Real Property Records of Denton County Texas, and being the

Commencing at the southwest corner of said 49.57 acre tract, on the north right-of-way line of F.M. No. 428 (variable width right-of-way), being a common property corner with the southeast property corner of a called 3.00 acre tract described in a deed to Rex Mask, and wife, recorded in Volume 1883, Page 58, of the Real Property Records of Denton County Texas, and being the PLACE OF BEGINNING:

THENCE North 00 degrees 45 minutes 15 seconds East, along the west line of said 49.57 acre tract, a distance of 1748.07 feet;

THENCE South 89 degrees 42 minutes 14 seconds East, along the north line of said 49.57 acre tract, a distance of 1748.07 feet;

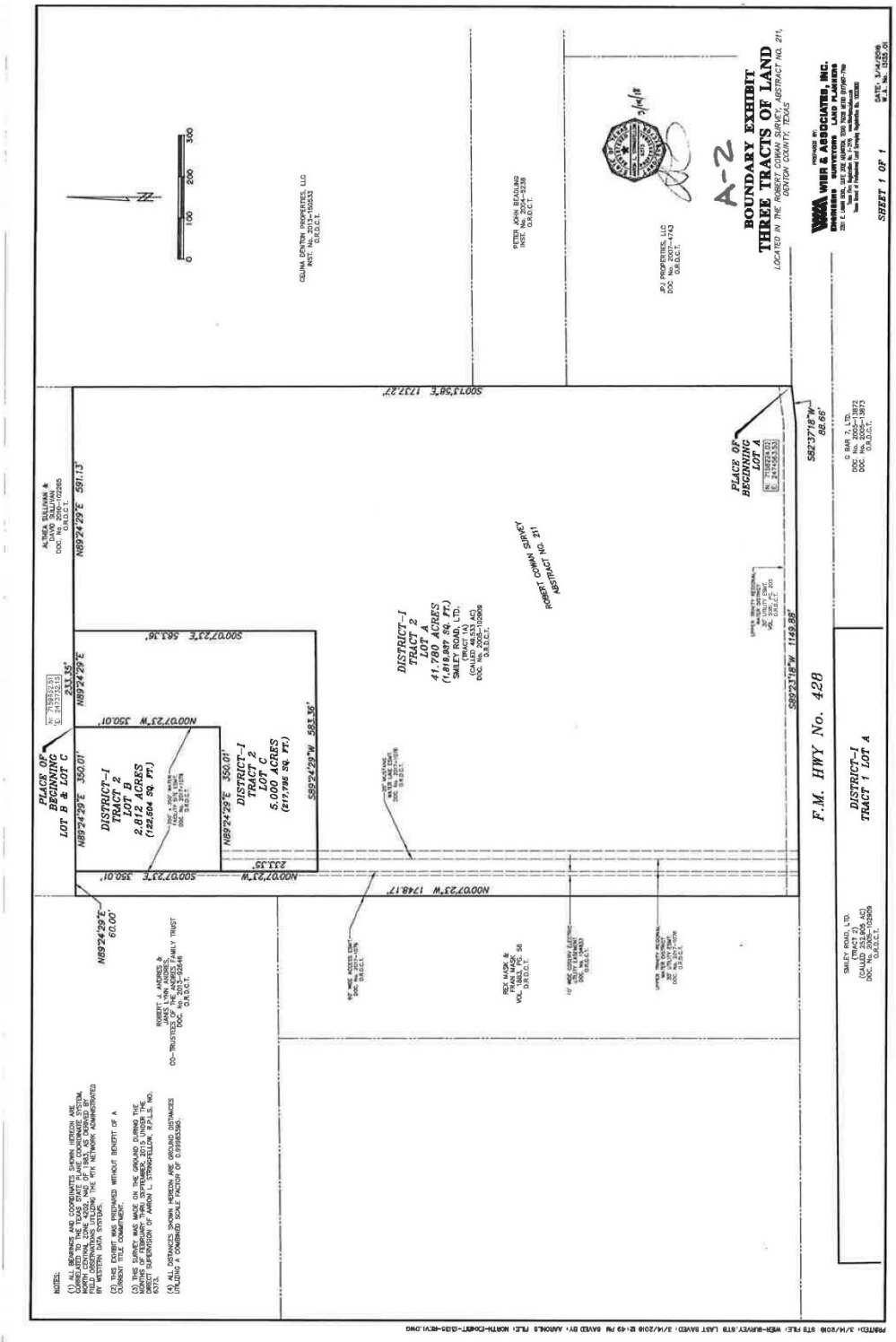
THENCE North 00 degrees 45 minutes 15 seconds East, along the west line of said 49.57 acre tract, a distance of 1234.26 feet;

THENCE South 00 degrees 38 minutes 57 seconds West, along the east line of said 49.57 acre tract, a distance of 1737.40 feet;

THENCE South 83 degrees 47 minutes 25 seconds West, along the South line of said 49.57 acre tract, and on the North R.O.W. of F. M. No. 428, a distance of 88.67 feet;

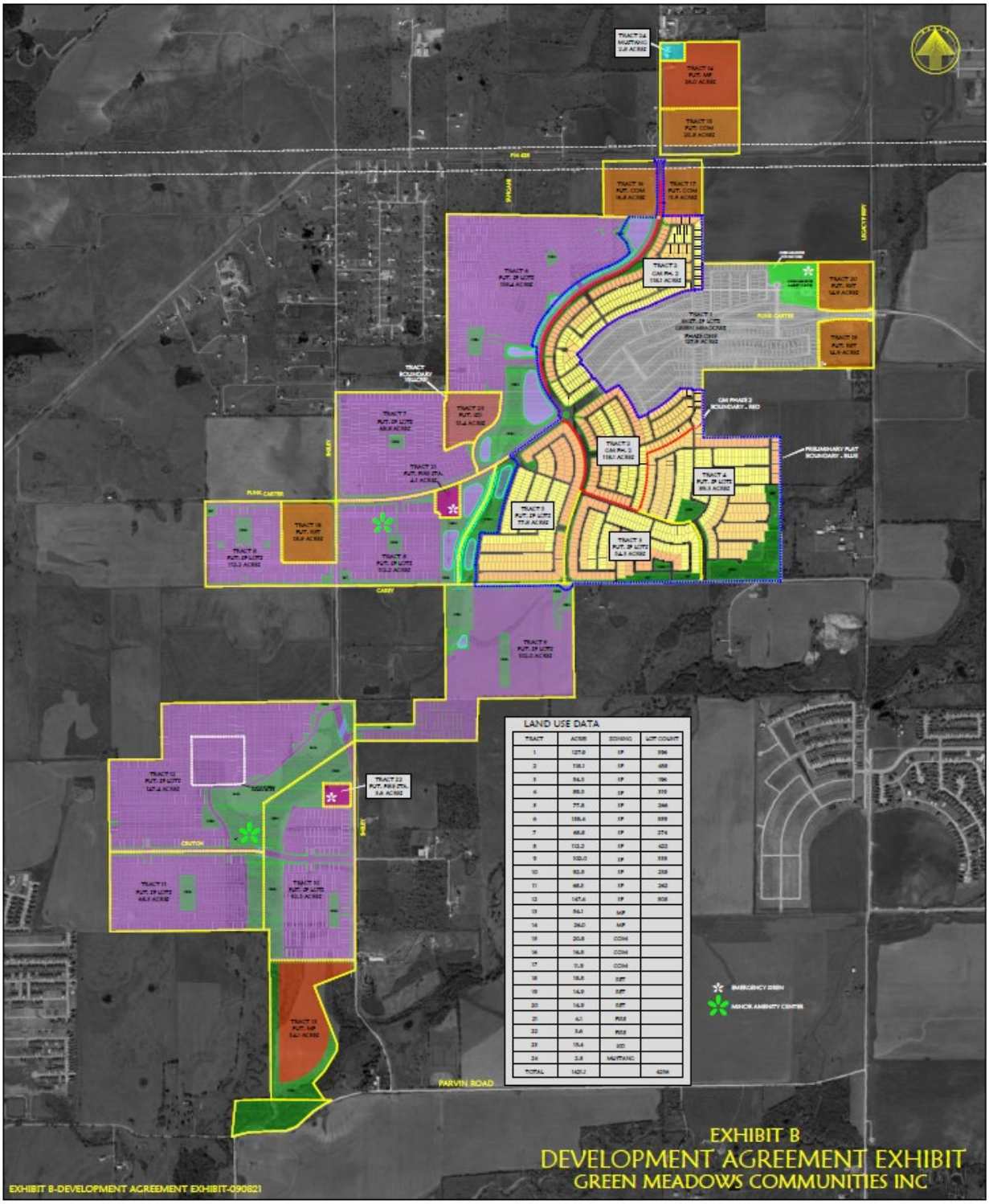
THENCE North 89 degrees 44 minutes 02 seconds West, along the South line of said 49.57 acre tract, and on the North R.O.W. of F.M. No. 428, a distance of 1149.43 feet, to the PLACE OF BEGINNING AND CONTAINING 49.57 acres of land, more or less.

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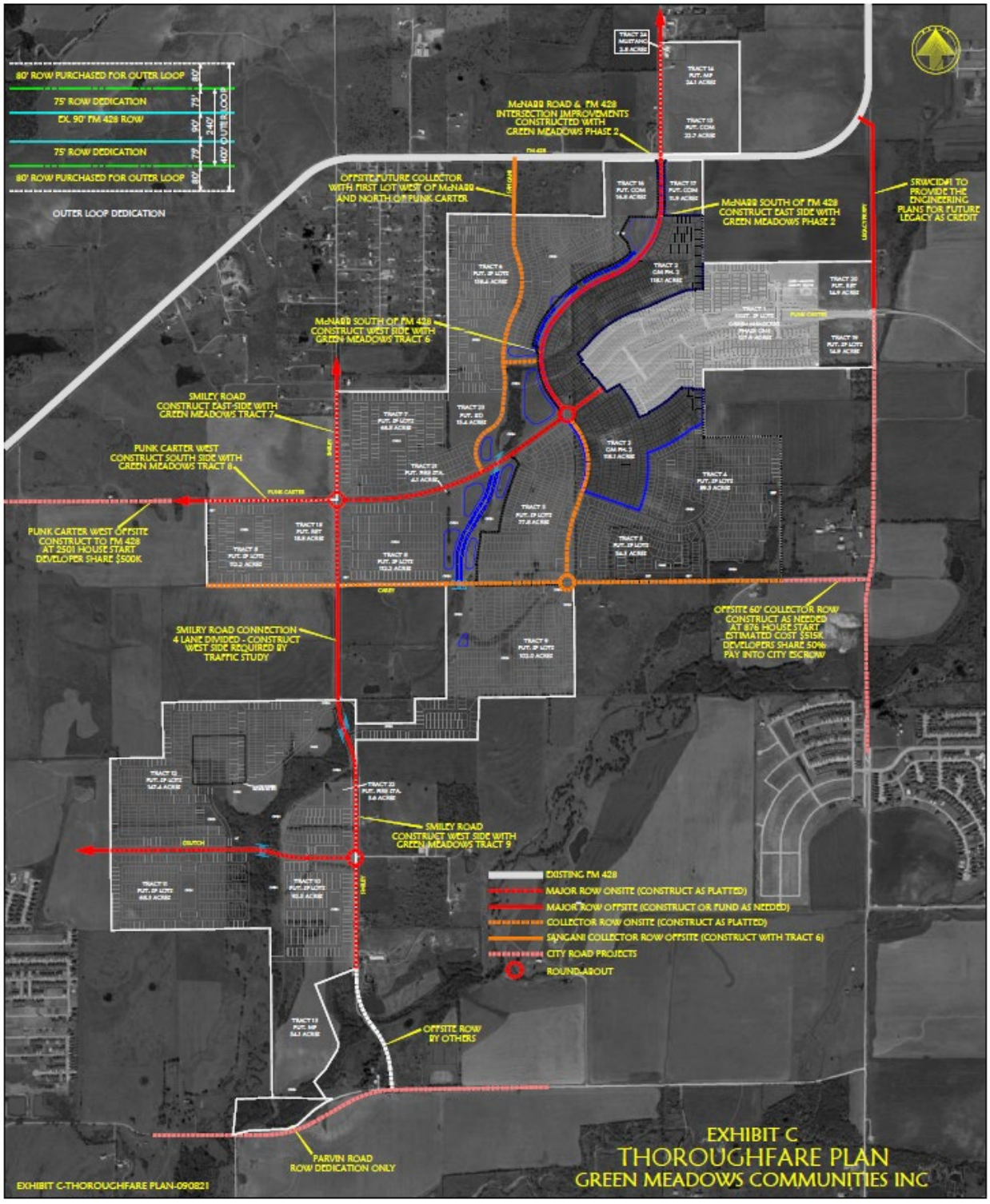
Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

EXHIBIT B
LAND PLAN



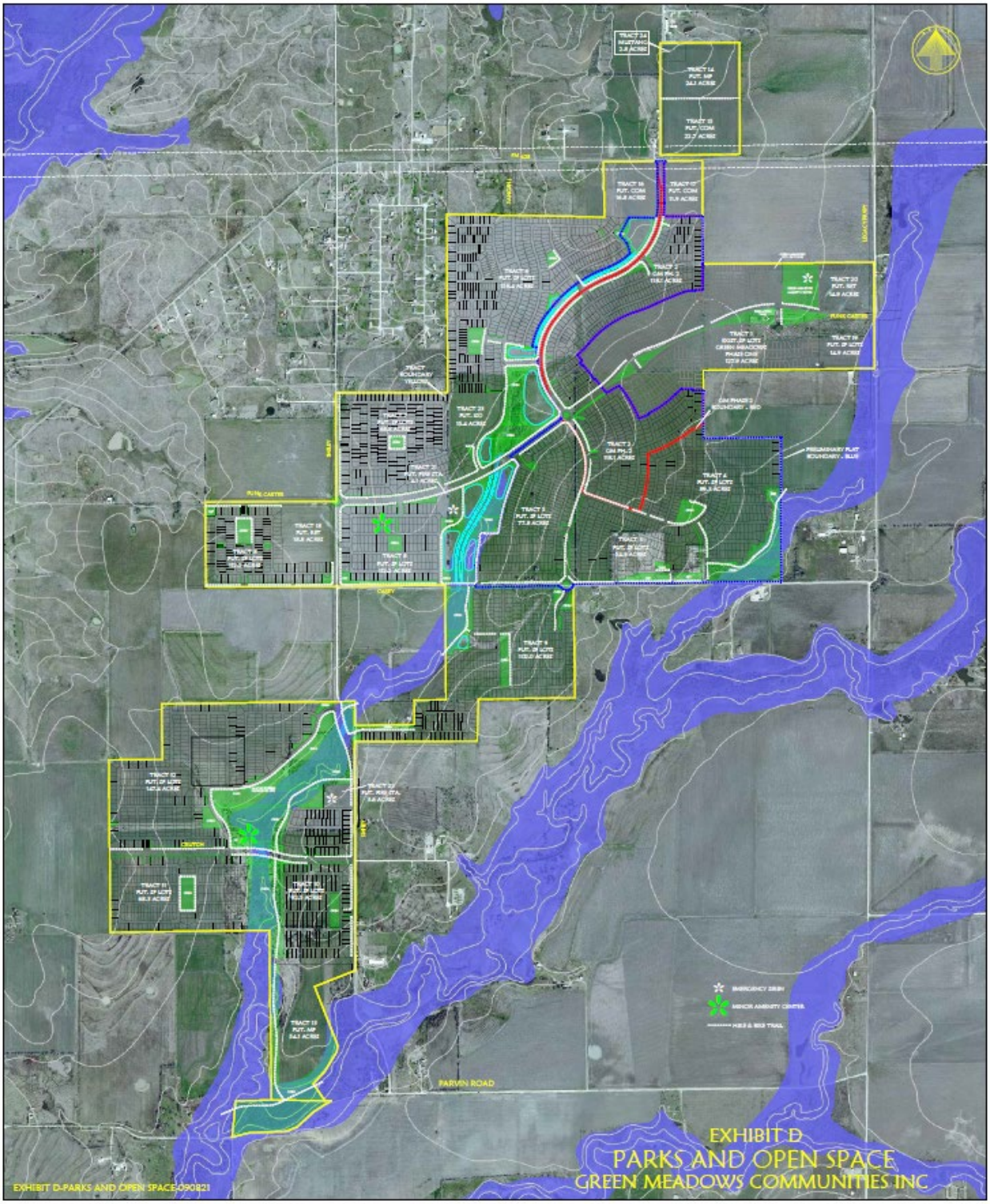
Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

EXHIBIT C
THOROUGHFARE PLAN



Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

EXHIBIT D
PARKS AND OPEN SPACE PLAN



Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

EXHIBIT E
DEVELOPMENT STANDARDS

Concept Plan

The subject property shall generally develop per the attached Concept Plan. The Concept Plan displays the general location and configuration of land uses, arterials, and other area features. Minor modifications due to the final engineering and design of the project (including changes to street layouts), and minor changes to the boundaries and configuration of each land use area, amenity center, and park are permitted at the time of platting and shall be administratively approved by the Director of Development Services if such modifications otherwise comply with these Development Standards. The City Manager of the City may administratively approve any amendments to the Concept Plan that the City Manager deems in his/her reasonable discretion to be minor in nature. All other modifications to the original Concept Plan, such as major relocations of land uses, shall require a revision to the governing Planned Development district zoning or Development Agreement.

Purpose

Green Meadows is envisioned as a mixed use, master planned community generally located along multiple arterials and waterways in the southwestern quadrant of Celina's ultimate growth boundary. Ultimately, with the subject property being annexed in the future, all development shall generally abide by all City design standards and regulations, including landscaping, architecture, signage, engineering design standards, Subdivision regulations, and other applicable regulations, and as amended, unless otherwise modified within this Development Agreement.

Architecture

The subject property is an architecturally, historically, and culturally significant tract of land that is meaningfully located; thus, all structures shall abide by the City's architectural standards, and as may be amended.

Open Space, Trails, & Amenities

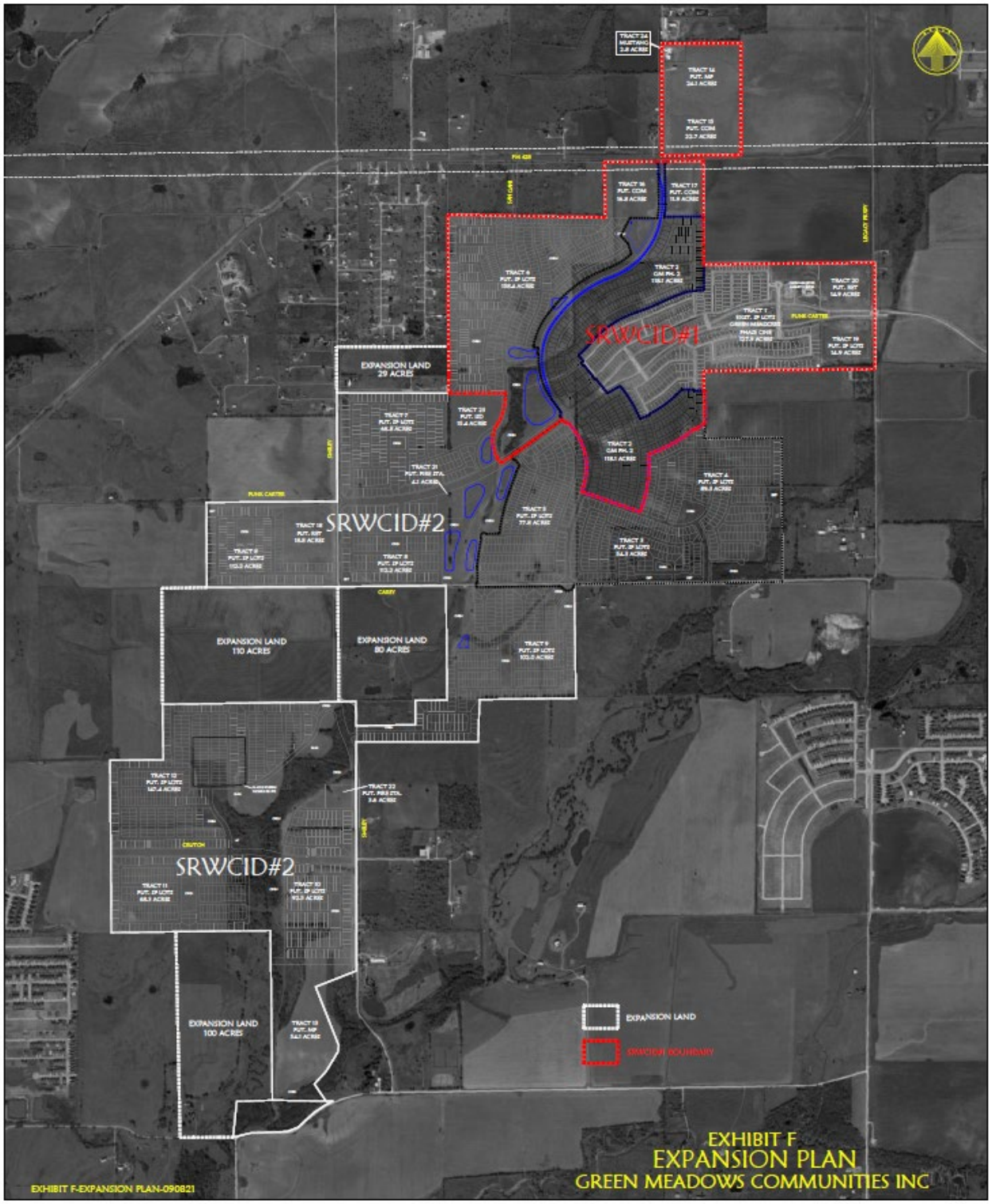
1. The development shall comply with the Neighborhood Vision Book, unless otherwise modified herein.

Zoning

1. The base zoning shall comply with the land use categories displayed on the Concept Plan.
2. Multi-family development shall abide by the MF-0, MF-2, or MF-3 design standards.
3. Single Family development shall be limited to a maximum of 50% 50' wide lots or les and a minimum of 20% 70' wide lots, with the remaining lot sizes being flexible, with at least 3 different lot sizes.
4. Alleys are required on all lots less than 50' in width.
5. Non-residential development shall abide by the City's design standards for Commercial.

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

EXHIBIT F
EXPANSION MAP



Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

EXHIBIT G
ASSIGNMENT FORM

ASSIGNMENT OF DEVELOPMENT AGREEMENT

THIS ASSIGNMENT OF DEVELOPMENT AGREEMENT (this "Agreement") is made this _____ day of _____, 20__, by and between _____, a Texas _____ ("Assignor"), and _____, a Texas _____ ("Assignee").

RECITALS

WHEREAS, on or about June 30, 2009, the City of Celina, Smiley Road Water Control and Improvement District and Smiley Road, Ltd., entered into that certain Development Agreement (the "Original Development Agreement") pertaining to a certain 950.65-acre tract of land in Denton County, Texas, located within the boundaries of the Smiley Water Control and Improvement District (the "Property") as amended by that certain First Amendment to Development Agreement (the "First Amendment") dated effective as of September 13, 2010 that certain Second Amendment to Development Agreement (the "Second Amendment") dated effective as of July __, 2011; and that certain Third Amendment to Development Agreement dated effective as of _____ ___, 2021 (the Original development Agreement as amended by the First, Second and Third Amendments being hereinafter referred to as the "Development Agreement"); and

WHEREAS, the Development Agreement addresses matters related to the development of the Property and the financing of certain infrastructure improvements; and

WHEREAS, Assignor owns land within the Property and is considered to be an "Owner" under the Development Agreement; and

WHEREAS, the Assignor and Assignee wish to memorialize their mutual understanding of the obligations and benefits of the Development Agreement this assignment document ("Assignment"); and

WHEREAS, the City of Celina has approved the form of this Assignment.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants herein contained, and other consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment. Assignor hereby assigns, conveys and transfers to Assignee the Development Agreement rights owned by Assignor and on an "AS IS, WHERE IS" basis, without any representations or warranties from Assignor (except as expressly stated below), and subject to all the terms and conditions relating thereto, including without limitation all terms and

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

conditions of the Agreement as it pertains to the tract of land described in Exhibit A ("Assignor Tract").

2. Assumption. Assignee agrees that it has become a "Developer" as defined in the Development Agreement and as such is subject to all the terms of the Development Agreement, and Assignee (i) assumes the liabilities of a "Developer" (including without limitation any indemnity obligations located therein), and (ii) assumes and agrees to perform the obligations of a "Developer", accruing from and after the date hereof insofar as the Development Agreement pertains to the Assignor Tract.

3. Entire Agreement; Authority. This Assignment, when executed by the parties hereto, contains the complete and entire understanding of the parties with respect to the subject matter hereof, and no changes shall be recognized as valid unless they are made in writing and similarly executed. Each of the parties represents and warrants to the others that they have the full power and authority to enter into this Assignment.

4. Counterparts. This Agreement may be executed in multiple counterparts, each of which, for all purposes, shall be deemed an original, and all of which taken together shall constitute but one and the same instrument.

[*Signature Page Follows.*]

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

EXECUTED as of the date written above.

ASSIGNOR:

By: _____

ASSIGNEE:

By: _____

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, _____ of _____, a Texas _____, in its capacity as _____ of _____, a Texas _____, on behalf of the company and limited partnership.

_____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, _____ of _____, a Texas _____, on behalf of the company.

_____
Notary Public, State of Texas

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

Exhibit A
Description of Assignor Tract

Attachment: Draft Development Agreement (Green Meadows - DA Amendment)

Life Connected.

Development Services
City of Celina, Texas

Memorandum

To:	**Honorable Mayor Terry and the Celina City Council**
From:	Madhuri Mohan AICP, Planning Manager
CC:	Jason Laumer, City Manager
Date:	September 28, 2021
Re:	Dynavest (Legacy Hills) - TIRZ 380 Agreement

Action Requested:
Consider and act to authorize the City Manager to execute an agreement by and between the City of Celina and MM Celina 3200, LLC for Chapter 380 economic incentive funding using tax increment funds under Chapter 380 of the Texas Local Government code. (Dynavest (Legacy Hills) - TIRZ 380 Agreement) (Lopez)

Owner:
MM Celina Dynavest 3200, LLC
1800 Valley View Lane, Suite 300
Farmers Branch, TX 75234

Background Information:
This item has been reviewed by the City Attorney.

Supporting Documents:
- Draft Agreement

Staff Recommendation:
Staff recommends approval.

TIRZ NO. 13 ECONOMIC DEVELOPMENT AGREEMENT

This TIRZ No. 13 Economic Development Agreement (the "Agreement") is entered into as of the 28th day of September, 2021 (the "Effective Date"), by and between the **CITY OF CELINA, TEXAS**, a home-rule municipality situated in Collin and Denton Counties, Texas (the "City"), **MM CELINA 3200, LLC**, a Texas limited liability company (the "Developer"), and the **BOARD OF DIRECTORS** (the "Board") of Reinvestment Zone Number Thirteen, City of Celina, Texas (the "TIRZ") created pursuant to the provisions of Chapter 311, Texas Tax Code, as amended (the "Act").

RECITALS

WHEREAS, the City, the Developer, and the Board are sometimes collectively referenced in this Agreement as "Parties" or, each individually, as a "Party"; and

WHEREAS, the TIRZ was created pursuant to Ordinance No. 2021-74, adopted by the City Council of the City (the "City Council") on September 14, 2021, pursuant to the Act; and

WHEREAS, on September 28, 2021, pursuant to Ordinance No. ____, the City Council approved a Final Project and Finance Plan for the TIRZ (the "Project and Financing Plan"); and

WHEREAS, the boundaries of the TIRZ are described by metes and bounds and depicted on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property"); and

WHEREAS, the Project and Financing Plan provides for the collection of $0.10/$100 of the City's collected ad valorem tax increment based on the City's tax rate in effect on the date of the establishment of the TIRZ (i) for a period of up to thirty-six (36) years, or (ii) until the aggregate amount of the City's TIRZ increment placed into the TIRZ Fund, including interest on any balance, totals $106,494,281, whichever comes first; and

WHEREAS, the TIRZ Revenues are intended by the Board and the City to be dedicated to the payment of a Chapter 380 grant to the Developer as set forth in the Project and Finance Plan as consideration for the Developer's undertaking of a mixed use development for the Property (the "Development") as set forth in that certain Development, Settlement and Annexation Agreement between the City and Dynavest Joint Venture, a joint venture formed under the laws of the State of Texas with its principal place of business in Dallas, Texas, effective as of September 8, 2020, as amended by that certain First Amendment to Development, Settlement and Annexation Agreement between the City, the Developer, and North Parkway Municipal Management District No. 1 (the "MMD"), effective as of August 2, 2021, as amended by that certain Second Amendment to Development, Settlement and Annexation Agreement between the City, the Developer, and the MMD, and as may be amended from time to time (the "Development Agreement"); and

WHEREAS, Article III, Section 52-a of the Texas Constitution and Chapter 380 of Texas Local Government Code provide constitutional and statutory authority for establishing and administering the Program (hereinafter defined) to provide grants or incentives of public money to promote local economic development and to stimulate business and commercial activity in the City; and

Attachment: Draft Agreement (Dynavest (Legacy Hills) - TIRZ 380 Agreement)

WHEREAS, Article III, Section 52-a of the Texas Constitution provides that the development and diversification of the economy of the state is a public purpose; and

WHEREAS, the City has found that providing a grant of funds to Developer in exchange for Developer's undertaking of the Development will promote local economic development and stimulate business and commercial activity and create jobs within the City (the "Program"); and

WHEREAS, the City has determined that the Program will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the Program contain controls likely to ensure that public purpose is accomplished; and

WHEREAS, the Parties have agreed for the Developer to undertake the Development as set forth in the Development Agreement, and the Development Agreement and documents related to the TIRZ contain controls to ensure the public purpose is accomplished; and

WHEREAS, but for the Developer undertaking the Development, the TIRZ would not generate sufficient TIRZ increment to provide the grant to the Developer as set forth in the Project and Financing Plan; and

WHEREAS, pursuant to Section 311.010(h) of the Act, the Board may establish and provide for the administration of one or more programs, including the Program, for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone, and the Board has all the powers of a municipality under Chapter 380, Texas Local Government Code; and

WHEREAS, the City and the Board intend for the TIRZ Revenues collected from the City ad valorem TIRZ increment to provide an economic development grant to the Developer pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"), to be paid annually for the remaining balance of the monies in the TIRZ Fund after payment of TIRZ administrative expenses; and

WHEREAS, capitalized terms used but not defined herein shall have the meanings given to them in the Project and Financing Plan.

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 and agreed by the Parties, the Parties agree as follows:

ARTICLE I
THE DEVELOPMENT

Attachment: Draft Agreement (Dynavest (Legacy Hills) - TIRZ 380 Agreement)

Section 1.01. Completion of the Public Infrastructure. The City agrees to the construction and completion of the Public Infrastructure within the Development, which construction is authorized and provided for in the Development Agreement.

Section 1.02. Use of TIRZ Revenues. Obligation of the Board and the City to dedicate the TIRZ Revenues and commence payments of grant funds.

(a) The City and the Board agree to dedicate $0.10/$100 of the City's collected ad valorem tax increment based on the City's tax rate in effect on the date of the establishment of the TIRZ (i) for a period of up to thirty-six (36) years, or (ii) until the aggregate amount of the City's TIRZ increment placed into the TIRZ Fund, including interest on any balance, totals $106,494,281, whichever comes first.

(b) The City and the Board agree to allocate or dedicate the TIRZ Revenues collected from the City ad valorem TIRZ increment to the City, and such TIRZ Revenues shall be used in the following order of priority:

(i) First, to pay administrative expenses of the TIRZ;

(ii) Second, to provide a grant to the Developer in the form of a Chapter 380 grant each year on or before May 1. Such grant shall be provided as set forth in the Project and Financing Plan as consideration for the undertaking of the Development, which serves the public purpose of economic development under the Program. The grant is authorized by Article III, Section 52-a of the Texas Constitution, Chapter 380, and by Section 311.010(h) of the Act.

(c) Chapter 380 grant payments under item (iii) above to the Developer shall be contingent upon Developer's on-going compliance with the terms and conditions of the Development Agreement and 380 payments hereunder may be suspended during any period of non-compliance.

ARTICLE II

MISCELLANEOUS PROVISIONS

Section 2.01. Term. This Agreement shall be in force and effect from the date of execution hereof until the expiration of the term of the TIRZ, which is the earlier of: (i) thirty-six (36) years, or (ii) until the aggregate amount of the City's TIRZ increment placed into the TIRZ Fund, including interest on any balance, totals $106,494,281, whichever comes first.

Section 2.02 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; and (c) 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.

Attachment: Draft Agreement (Dynavest (Legacy Hills) - TIRZ 380 Agreement)

Section 2.03 Successors and Assigns. All covenants and agreements contained by or on behalf of the TIRZ in this Agreement shall bind its successors and assigns and shall inure to the benefit of the Developer and its successors and assigns. This Agreement and the right to monies available in the TIRZ Fund, including the grant, set forth herein may be assigned, from time to time and in whole or in part, by the Developer to any person or entity and collaterally assigned to any lender. The assignment must be in writing. A copy of the assignment shall be given to the City within thirty (30) days after such assignment; however, City consent to the assignment is not required. Upon any such assignment and notice to the City, Developer shall not be released from performing the duties or obligations that are assigned and that arise after the effective date of the assignment or the date that the City receives notice of the assignment, whichever later occurs; further, the Developer is not released from any liabilities that arose prior to the effective date or date of notice to the City, whichever later occurs, unless the City and the Board agree. The Developer's rights under this Agreement are a personal obligation and do not constitute a covenant running with the land.

Section 2.04 Notices. Any notice, submittal, 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 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:	City of Celina, Texas Attn: City Manager 142 N. Ohio Celina, Texas 75009
With a Copy to:	Julie Fort Messer, Fort, & McDonald, PLLC 6371 Preston Rd. Suite 200 Frisco, Texas 75034
To the Developer:	Mehrdad Moayedi MM CELINA 3200, LLC 1800 Valley View Lane, Suite 300 Farmers Branch, TX 75234
With a Copy to:	J. Prabha Cinclair Miklos Cinclair, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, TX 75234

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.

Section 2.05 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

Attachment: Draft Agreement (Dynavest (Legacy Hills) - TIRZ 380 Agreement)

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.

Section 2.06 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is necessary and required.

Section 2.07 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action of the City Council 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 and is duly authorized to do so. The Board represents and warrants that this Agreement has been approved by official action of the Board 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 Board has been and is duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been and is 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.

Section 2.08 Severability. This Agreement shall not be modified or amended except in writing signed by the Parties. 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.

Section 2.09 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 related to, arising out of, or brought in connection with this Agreement shall be in the Collin County State District Court.

Section 2.10 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 in 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.

Section 2.11 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.

Attachment: Draft Agreement (Dynavest (Legacy Hills) - TIRZ 380 Agreement)

Section 2.12 Complete Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the City and the Developer expressly amending the terms of this Agreement.

Section 2.13 Consideration. This Agreement is executed by the Parties without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

Section 2.14 Developer Indemnification. In the event of any litigation challenging the validity or enforceability of this Agreement, Developer agrees to indemnify the City or the TIRZ Board, as applicable, for its reasonable attorneys' fees and costs spent on defending the validity or enforceability of the Agreement. Developer shall reimburse the City or the TIRZ Board for any grant payments that are made by the City or the TIRZ Board to the Developer, if such payments are deemed by a court with jurisdiction to be illegal or a violation of state or federal law.

[SIGNATURE PAGES FOLLOW]

Attachment: Draft Agreement (Dynavest (Legacy Hills) - TIRZ 380 Agreement)

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

CITY OF CELINA, TEXAS

By: _____
Name: Chad Anderson
Title: Mayor Pro Tem

ATTEST:

By: _____
Name: Vicki Faulkner
Title: City Secretary

TIRZ NO. 13 BOARD:

REINVESTMENT ZONE NUMBER
THIRTEEN, CITY OF CELINA, TEXAS

By:_____
Name: Chad Anderson
Title: Chairman

ATTEST:

By:_____
Name: Vicki Faulkner
Title: City Secretary

Attachment: Draft Agreement (Dynavest (Legacy Hills) - TIRZ 380 Agreement)

DEVELOPER:

MM Celina 3200, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayedi
Its: Manager

Attachment: Draft Agreement (Dynavest (Legacy Hills) - TIRZ 380 Agreement)

EXHIBIT A

Metes and Bounds Description and Depiction of the TIRZ

Attachment: Draft Agreement (Dynavest (Legacy Hills) - TIRZ 380 Agreement)

Life Connected.

Development Services
City of Celina, Texas

Memorandum

To:	**Honorable Mayor Terry and the Celina City Council**
From:	Bella Lopez, Senior Planner
CC:	Jason Laumer, City Manager
Date:	September 28, 2021
Re:	Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution

Action Requested:
Consider and act upon a resolution of the City of Celina, Texas, determining the costs of improvements to be financed within Phase #1A and Phase #1B of the Legacy Hills Public Improvement District; approving a preliminary service plan and assessment plan, including a proposed Phase #1A and Phase #1B Assessment Roll; directing the filing of the proposed Phase #1A and Phase #1B Assessment Roll with the City Secretary; and providing for noticing and calling a public hearing on October 12, 2021, to consider an ordinance levying assessments on property located within Phase #1A and Phase #1B of the Legacy Hills Public Improvement District. (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution) (Lopez)

Background:
Please refer to the attachment for additional information.

Supporting Documents:
- Draft Resolution

Staff Recommendation:
Staff recommends approval.

CITY OF CELINA, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF CELINA, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED BY THE LEGACY HILLS PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED ASSESSMENT ROLLS; CALLING A MEETING AND NOTICING A PUBLIC HEARING FOR *OCTOBER 12, 2021* TO CONSIDER ORDINANCES LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE LEGACY HILLS PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLLS WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

RECITALS

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

WHEREAS, on September 14, 2021, the City Council conducted a public hearing to consider a petition received by the City on August 9, 2021 titled "Petition for the Creation of a Public Improvement District Within the City of Celina, Texas for the Legacy Hills Public Improvement District" requesting the creation of a public improvement district; and

WHEREAS, on September 14, 2021, the City Council approved Resolution No. 2021-84R (the "Authorization Resolution"), authorizing, establishing, and creating the Legacy Hills Public Improvement District (the "District"), which resolution provided that the authorization of the District became effective on the date the resolution was adopted; and

WHEREAS, the City authorized the creation of the District and the issuance of up to $40,000,000.00 in bonds for the District to finance certain public improvements authorized by the Act for the benefit of the property within the District (the "Authorized Improvements"); and

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

WHEREAS, the City Council and the City staff have been presented a "Legacy Hills Public Improvement District Preliminary Service and Assessment Plan", including the proposed assessment rolls attached thereto (the "Proposed Assessment Rolls"), dated September 28, 2021 (collectively, the "Preliminary SAP"), a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes; and

WHEREAS, the Preliminary SAP sets forth the estimated total costs of certain Authorized Improvements to be financed by the District for the initial phase of development and the Proposed Assessment Rolls state the assessments proposed to be levied against each parcel of land in the District as determined by the method of assessment chosen by the City; and

WHEREAS, the Act requires that the Proposed Assessment Rolls be filed with the City Secretary of the City (the "City Secretary") and be subject to public inspection; and

WHEREAS, the Act requires that public hearings (collectively, the "Assessment Hearing") be called to consider proposed assessments 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 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.

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

SECTION 1. THAT 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. THAT the City Council does hereby accept the Preliminary SAP for the District, including the Proposed Assessment Rolls, 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 SAP.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

SECTION 3. THAT the City Council hereby determines that the total costs of the Phase #1A Improvements (as defined in the Preliminary SAP) and the Phase #1B Improvements (as defined in the Preliminary SAP, and together with the Phase #1A Improvements, the "Phase #1A-1B Improvements") to be financed by the District are as set forth in Table III-A of the Preliminary SAP, which costs do include the payment of expenses incurred in the administration of the District.

SECTION 4. THAT the City Council's final determination and approval of the costs of the Phase #1A-1B Improvements, or any portion thereof, shall be subject to and contingent upon City Council approval of a final Service and Assessment Plan which will include final Assessment Rolls, after the properly noticed and held Assessment Hearing.

SECTION 5. THAT the Proposed Assessment Rolls state the assessment proposed to be levied against each parcel of land in the District as determined by the method of assessment chosen by the City in the Authorization Resolution and as more fully described in the Preliminary SAP.

SECTION 6. THAT the City Council expressly defers the levy of assessments against property within future phases of the District for phase-specific improvements that will benefit only the property within each subsequent phase until such time as the costs of such phase-specific improvements can be determined with certainty as referenced in the Preliminary SAP.

SECTION 7. THAT the City Council hereby authorizes and directs the filing of the Proposed Assessment Rolls with the City Secretary and the same shall be available for public inspection.

SECTION 8. THAT the City Council hereby authorizes, and calls, a meeting and a public hearing (the Assessment Hearing as defined above) to be held on *October 12, 2021 at or after 5:00 p.m. at Celina City Council Chambers, 112 N. Colorado St., 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 ordinances levying the assessments as special assessments on property within the District that benefit from the Authorized Improvements (which ordinance shall specify the method of payment of the assessments). In the event that the City Council is unable to meet at the City Council

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Chambers on October 12, 2021, the City will post on its website, www.celina-tx.gov, information for persons to attend the meeting by telephone, videoconference, or other electronic means.

SECTION 9. THAT the City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing to be held on *October 12, 2021*, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in a newspaper of general circulation in the City, on or before October 1, 2021, which is before the tenth (10th) day before the date of the Assessment Hearing, as required by Section 372.016(b) of the Act.

SECTION 10. THAT when the Proposed Assessment Rolls are filed with the City Secretary, the City Council hereby authorizes and directs the City Secretary to mail to owners of property liable for assessment notice of the Assessment Hearing to be held on *October 12, 2021*, on or before October 1, 2021, as required by Section 372.016(c) of the Act.

SECTION 11. THAT 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 *October 12, 2021* special-called meeting of the City Council.

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

[*Remainder of page intentionally left blank; signatures follow*]

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

PASSED AND APPROVED on this the 28th day of September, 2021.

ATTEST:

_____
Mindy Koehne, Mayor Pro-Tem

_____
Vicki Tarrant, City Secretary

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

EXHIBIT A

PRELIMINARY SERVICE AND ASSESSMENT PLAN

LEGACY HILLS PUBLIC IMPROVEMENT DISTRICT

CITY OF CELINA, TEXAS

PRELIMINARY SERVICE AND ASSESSMENT PLAN

September 28, 2021

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

LEGACY HILLS
PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY SERVICE AND ASSESSMENT PLAN

TABLE OF CONTENTS

I. PLAN DESCRIPTION AND DEFINED TERMS 9
A. INTRODUCTION 9
II. PROPERTY INCLUDED IN THE PID 17
A. PROPERTY INCLUDED IN THE PID AND PHASE #1A AND PHASE #1B 17
B. PROPERTY INCLUDED IN FUTURE PHASES 17
III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS 18
A. AUTHORIZED IMPROVEMENT OVERVIEW 18
B. DESCRIPTIONS OF THE PHASE #1A AND PHASE #1B IMPROVEMENTS 19
C. FUTURE PHASES 21
IV. SERVICE PLAN 22
A. SOURCES AND USES OF FUNDS 22
V. ASSESSMENT PLAN 24
A. INTRODUCTION 24
B. SPECIAL BENEFIT 25
C. ASSESSMENT METHODOLOGY 26
D. ASSESSMENTS 28
E. ADMINISTRATIVE EXPENSES 28
VI. TERMS OF THE ASSESSMENTS 29
A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE PID 29
B. REALLOCATION OF ASSESSMENTS 29
C. MANDATORY PREPAYMENT OF ASSESSMENTS 30
D. REDUCTION OF ASSESSMENTS 30
E. PAYMENT OF ASSESSMENTS 31
F. COLLECTION OF ANNUAL INSTALLMENTS 33
VII. THE ASSESSMENT ROLLS 34
A. PHASE #1A ASSESSMENT ROLL 34
B. PHASE #1B ASSESSMENT ROLL 34
C. FUTURE PHASE ASSESSMENT ROLL 35
D. ANNUAL ASSESSMENT ROLL UPDATES 35
VIII. MISCELLANEOUS PROVISIONS 37
A. ADMINISTRATIVE REVIEW 37
B. TERMINATION OF ASSESSMENTS 37
C. AMENDMENTS 37
D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS 38
E. SEVERABILITY 38
F. HOMEBUYER DISCLOSURE 38
APPENDIX A - PID MAP

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

APPENDIX B - ESTIMATED COSTS OF THE AUTHORIZED IMPROVEMENTS
APPENDIX C - DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS
APPENDIX D - LEGAL DESCRIPTION OF THE PID
APPENDIX E - HOMEBUYER DISCLOSURE
APPENDIX F - ASSESSMENT PER UNIT, PROJECTED LEVERAGE, AND PROJECTED TAX RATE EQUIVALENTS
APPENDIX G - PROPOSED PHASE #1A ASSESSMENT ROLL
APPENDIX H - PROPOSED PHASE #1B ASSESSMENT ROLL

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On September 14, 2021 (the "Creation Date") the City Council (the "City Council") of the City of Celina, Texas (the "City") passed and approved Resolution No. _____ approving and authorizing the creation of the Legacy Hills Public Improvement District (the "PID") to finance the costs of certain public improvements for the benefit of property in such public improvement district (the "Authorized Improvements"), all of which was located within the corporate limits of the City at the time the PID was created.

The property in the PID is proposed to be developed in multiple phases. Assessments will be imposed on property within each phase of the PID for the public improvements to be constructed for the benefit of each phase. The assessments will be levied and paid to the District pursuant to an interlocal agreement between the City and the District, and pledged by the District to secure the issuance of contract revenue bonds by the District to finance the Authorized Improvements, which Authorized Improvements will be conveyed to the District, and subsequently conveyed to, operated and maintained by the City.

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 Legacy Hills Public Improvement District 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 (1) cover a period of at least five years; (2) define the annual indebtedness and the projected costs for improvements; and (3) include a copy of the notice form required by Section 5.014, Property Code." Additionally, the PID act requires that "the governing body of the municipality or county shall review and update the service plan 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. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix E.

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 costs of the Authorized Improvements 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

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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 Phase #1A is included as Appendix G of this Service and Assessment Plan and the Assessment Roll for the Phase #1B is included as Appendix H of this Service and Assessment Plan. The Assessments as shown on each Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

(remainder of this page is intentionally left blank)

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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, as specified in a Certification for Payment that has been reviewed and approved by the City and the District. 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, 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, City permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses.

Actual Costs 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.

"Administrator" means the employee or designee of the City, identified in any indenture of trust relating to the Bonds or in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID or costs related to the administration of the assessments or issuance of bonds by the District, 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) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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 in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"Annual Installment" means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Roll, including the Phase #1A Assessment Roll attached hereto as Appendix G and the Phase #1B Assessment Roll attached hereto as Appendix H of this Service and Assessment Plan, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan and (ii) the Administrative Expenses.

"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 the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each 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 including the portion of those Annual Installments 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" means the Phase #1A Assessment Roll, the Phase #1B Assessment Roll and any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

"Bonds" mean any bonds issued by the City or the District in one or more series and secured in whole or in part by the Assessment Revenues.

"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.

"City" means the City of Celina, Texas.

"City Council" means the duly elected governing body of the City.

"**District"** means the North Parkway Municipal Management District No. 1, formerly known as the North Celina Municipal Management District No. 3, created by the 86th Texas Legislature with the passage of House Bill 4706 approving and authorizing the creation of such District to finance the costs of certain public improvements for the benefit of property in the District, all of which is located within the corporate boundaries of the ("City").

"**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.

"Development Agreement" means the Development, Settlement and Annexation Agreement with an effective date of September 8, 2020, between the City and Dynavest Joint Venture, (predecessor in interest to MM Celina 3200, LLC), as amended by a First Amendment to Development, Settlement and Annexation Agreement, between the City, MM Celina 3200, LLC, and the District, with an effective date of August 2, 2021, as amended by the Second Amendment to Development, Settlement and Annexation Agreement, between the City, MM Celina 3200, LLC, and the District, effective as of September 14, 2021, and as may be further amended from time to time in accordance with its terms.

"Developer" means for Phase #1A, MM Celina 294, LLC, a Texas limited liability company and for Phase #1B, MM Celina 40, LLC as Texas limited liability company, and their successors and assigns.

"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 F attached hereto.

"**Future Phases**" means Phases that are developed after Phase #1A and Phase #1B, as such areas are generally depicted and described in Appendix A. The Future Phases are subject to adjustment and are shown for example only.

"Homeowner Association" means a homeowner's association or property owners' association established for the benefit of property owners within the boundaries of the PID.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

"Homeowner Association Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a homeowner's association.

"Interlocal Agreement" means that Interlocal Agreement between the City and the District dated as of October 12, 2021 relating to the Phase #1A Assessments and the Phase #1B Assessments.

"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 average home value for each home at the time of assessment levy, 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.

"Non-Benefited Property" means Parcels that accrue no special benefit from the Authorized Improvements, including 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. 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.E.

"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 real property records of 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 levy of Assessments for the applicable 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 #1A" means one of the initial Phases to be developed, identified as "Phase #1A" and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix G.

"**Phase #1A Assessed Property**" means all Parcels within Phase #1A other than Non-Benefited Property and shown in the Phase #1A Assessment Roll against which a Phase #1A Assessment relating to the Phase #1A Improvements is levied.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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

"Phase #1A Assessment Roll" means the document included in this Service and Assessment Plan as Appendix G**,** 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, if any, or in connection with any Annual Service Plan Update.

"Phase #1A Assessments" means the Assessments levied against Phase #1A Assessed Property.

"**Phase #1A Improvements**" mean the Authorized Improvements which only benefit the Phase #1A Assessed Property, which are described in Section III.C.

"Phase #1A Maximum Assessment Per Unit" means for Phase #1A, an Assessment per unit for Phase #1A Improvements for each applicable Lot Type as follows:

Lot Type 1 (60 Ft) - $27,968.79
Lot Type 2 (50 Ft) - $23,298.00
Lot Type 3 (40 Ft) - $18,655.18

"Phase #1B" means one of the initial Phases to be developed, identified as "Phase #1B" and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix H.

"**Phase #1B Assessed Property**" means all Parcels within Phase #1B other than Non-Benefited Property and shown in the Phase #1B Assessment Roll against which a Phase #1B Assessment relating to the Phase #1B Improvements is levied.

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

"Phase #1B Assessment Roll" means the document included in this Service and Assessment Plan as Appendix H**,** 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, if any, or in connection with any Annual Service Plan Update.

"Phase #1B Assessments" means the Assessments levied against Phase #1B Assessed Property.

"**Phase #1B Improvements**" mean the Authorized Improvements which only benefit the Phase #1B Assessed Property, which are described in Section III.C.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

"Phase #1B Maximum Assessment Per Unit" means for Phase #1B, an Assessment per unit for Phase #1B Improvements for each applicable Lot Type as follows:

Lot Type 1 (60 Ft) - $27,968.79
Lot Type 2 (50 Ft) - $23,298.00
Lot Type 3 (40 Ft) - $18,655.18

"Phase 1A-1B" means, collectively, Phase #1A and Phase #1B.

"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 located within the Phase in question.

"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.

"Phase #1A Reimbursement Agreement" means that certain Legacy Hills Public Improvement District Reimbursement Agreement dated as of October 12, 2021, by and between the City and the District.

"Phase #1B Reimbursement Agreement" means that certain Legacy Hills Public Improvement District Reimbursement Agreement dated as of October 12, 2021, by and between the City and the District.

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

"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.

"**Zoning Ordinance**" means Ordinance No. 2021-67 adopted by the City Council on August 10, 2021, which ordinance establishes the permitted uses of, and standards for the development of the property within the PID.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID AND PHASE #1A AND PHASE #1B

The PID is presently located within the City and contains approximately 331.5 acres of land. Phase #1A consists of approximately 114 acres and Phase #1B consists of approximately 39.6 acres. A map of the property within the PID, including Phase #1A and Phase #1B is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,402 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. At completion, Phase #1A-1B is expected to consist of approximately 613 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to Phase #1A-1B.

The property within Phase #1A-1B is proposed to be developed as follows:

Table II-A
Proposed Development – Phase# 1A-1B

Proposed Development	Phase #1A	Phase #1B	Measurement
Single-Family - 60 Ft	94	0	Units
Single-Family - 50 Ft	213	0	Units
Single-Family - 40 Ft	114	192	Units
Total	**421**	**192**	**Units**

B. PROPERTY INCLUDED IN FUTURE PHASES

As Future Phases are developed, Bonds may be issued by the City or the District and/or assessments may be levied pursuant to a reimbursement agreement for each new phase. In connection with the issuance of each new Bond or execution of a reimbursement agreement, this Service and Assessment Plan will be updated to add additional details of each Future Phase as shown for Phase #1A and Phase #1B above. A map of the projected property within each Future Phase in the same manner as shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in Phase #1A are shown on the Phase #1A Assessment Roll included as Appendix G. The current Parcels in Phase #1B are shown on the Phase #1B Assessment Roll included as Appendix H.

The estimated number of units at the build-out of the PID is based on the land use approvals for the property within the PID, 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.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

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 PID, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;

(xiv) payment of expenses incurred in the establishment, administration and operation of the PID; and

(xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed in Section III.B, which may also be financed by the District, and shown in the opinion of probable costs and on the diagrams included as Appendix B for the benefit of the Assessed Property. Any change to the list

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. DESCRIPTIONS OF THE PHASE #1A AND PHASE #1B IMPROVEMENTS

The Phase #1A Improvement and the Phase #1B Improvement descriptions are presented below as provided by the project engineer. The estimated costs of the Phase #1A Improvements and the Phase #1B Improvements are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within Phase #1A and Phase #1B.

A description of the Phase #1A Improvements are as follows:

Road Improvements

The road improvement portion of the Phase #1A Improvements consists of the construction of road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Phase #1A Assessed Property. 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 Improvements

The water improvements portion of the Phase #1A Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Phase #1A Assessed Property. The water improvements will be designed and constructed according to City standards and will be owned and operated by the City.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Phase #1A Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Phase #1A Assessed Property. The sanitary sewer improvements will be designed and constructed according to City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

The storm drainage improvement portion of the Phase #1A Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Phase #1A Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Soft and Miscellaneous Costs

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

The soft and miscellaneous costs of the Phase #1A Improvements include engineering, testing, and contingency.

A description of the Phase #1B Improvements are as follows:

Road Improvements

The road improvement portion of the Phase #1B Improvements consists of the construction of road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Phase #1B Assessed Property. 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 Improvements

The water improvements portion of the Phase #1B Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Phase #1B Assessed Property. The water improvements will be designed and constructed according to City standards and will be owned and operated by the City.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Phase #1B Improvements consists of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Phase #1B Assessed Property. The sanitary sewer improvements will be designed and constructed according to City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

The storm drainage improvement portion of the Phase #1B Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Phase #1B Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Soft and Miscellaneous Costs

The soft and miscellaneous costs of the Phase #1B Improvements include engineering, survey, geo test, project management, inspection, and performance bonds.

Table III-A

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Estimated Phase #1A Improvement and Phase #1B Improvement Costs

Authorized Improvements	Phase #1A	Phase #1B	Total
Road Improvements	$5,884,500	$2,355,015	$8,239,515
Water Improvements	$1,040,720	$614,210	$1,654,930
Sanitary Sewer Improvements	$1,550,000	$644,000	$2,194,000
Storm Drainage Improvements	$1,991,000	$645,506	$2,636,506
Other Soft and Miscellaneous Costs	$1,963,679	$1,005,879	$2,969,558
Total Authorized Improvements	**$12,429,899**	**$5,264,610**	**$17,694,509**

Note: Costs provided by KFM and Halff Associates. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the Total Authorized Improvements amount does not change.

C. FUTURE PHASES

As Future Phases are developed and Bonds are issued and/or reimbursement agreements executed, this Service and Assessment Plan will be amended to identify the specific Authorized Improvements benefitting the Future Phases that confer a special benefit to the property inside each Future Phase (e.g. a Table III-B will be added to show the costs for the specific Authorized Improvements financed within the specific Future Phase being developed.)

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Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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. It is anticipated that it will take approximately 12-18 months for the Phase #1A Improvements and the Phase #1B Improvements to be constructed.

The estimated Actual Costs for Phase #1A Improvements and payment of expenses incurred in the establishment, administration and operation of the PID are $12,429,899 and the estimated Actual Costs for Phase #1B Improvements and payment of expenses incurred in the establishment, administration and operation of the PID are $5,264,610, 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 estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an "Annual Service Plan Update."

As Future Phases are developed in connection with the issuance of Bonds and/or execution of a reimbursement agreement, this Service and Assessment Plan will be amended (e.g. a table will be added for Phase #2, etc.).

The Phase #1A Improvements are being financed through the Interlocal Agreement and the Phase #1A Reimbursement Agreement and the Phase #1B Improvements are being financed through the Interlocal Agreement and the Phase #1B Reimbursement Agreement.

Table IV-A
Estimated Sources and Uses – Phase #1A and Phase #1B

Sources of Funds	Phase #1A	Phase #1B	Total
Assessments	$9,718,212	$3,581,788	$13,300,000
Other funding sources	$2,711,687	$1,682,823	$4,394,509
Total Sources	**$12,429,899**	**$5,264,610**	**$17,694,509**
Uses of Funds			
Roadway Improvements	$5,884,500	$2,355,015	$8,239,515
Water Improvements	$1,040,720	$614,210	$1,654,930
Wastewater Improvements	$1,550,000	$644,000	$2,194,000
Storm Drainage Improvements	$1,991,000	$645,506	$2,636,506
Other Soft and Miscellaneous Costs	$1,963,679	$1,005,879	$2,969,558
Total Uses	**$12,429,899**	**$5,264,610**	**$17,694,509**

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

The annual projected costs and annual projected indebtedness is shown by Table IV-B. 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. Savings from one line item may be applied to cost overruns in other line items.

Table IV-B
Annual Projected Costs and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Sources other than Assessments	Projected Annual Installments – Phase #1A	Projected Annual Installments – Phase #1B
2021	$8,847,255	$13,300,000	$0	$645,567	$237,933
2022	$8,847,255	$0	$4,394,509	$645,877	$238,048
2023	$0	$0	$0	$645,874	$238,046
2024	$0	$0	$0	$645,556	$237,929
2025	$0	$0	$0	$644,925	$237,696
2026	$0	$0	$0	$643,981	$237,348
2027	$0	$0	$0	$642,723	$236,885
Total	**$17,694,509**	**$13,300,000**	**$4,394,509**	**$4,514,503**	**$1,663,886**

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Phase #1A Improvements and the Phase #1B Improvements shown in Table III-A and the costs associated with setting up the PID shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the applicable Developer with respect to its applicable phase.

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Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Authorized Improvements shall be allocated in such a manner that the costs of the Authorized Improvements that only benefit the PID shall be allocated on the basis of Equivalent Units calculated using the average home price of each Lot Type 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.

At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Phases will receive from the direct Authorized Improvements that will benefit each individual phase and that are to be financed with Phased PID Bonds and/ or applicable reimbursement agreements. Therefore, Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Phase #1A and Phase #1B Improvements.

In connection with the issuance of Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Phased PID Bonds and/or reimbursement agreements for with respect to that Future Phase. Prior to assessing Parcels located within Future Phases in connection with issuance of Phased PID Bonds and/ or reimbursement agreements, each owner of the Parcels to be assessed must acknowledge that the Authorized Improvements to be financed confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs of such Authorized Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Phase #1A Improvements or Phase #1B Improvements, as applicable, (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 #1A Assessed Property and the Phase #1B Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Phase #1A and Phase #1B Improvements to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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 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 the close proximity of these improvements to the Assessed Property and the specific purpose of these 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 can be 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 expected to be 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.

The special assessments will repay financing that is on advantageous terms, as the Bonds issued to finance the Authorized Improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

tax- exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing 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; (ii) the Service and Assessment Plan and the Assessment Ordinance, and (iii) 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 the most beneficial means of doing so. 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 or pursuant to contract with the District is determined to be the most beneficial means of providing for the Authorized Improvements; 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 costs of the Authorized Improvements may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1A Improvements and the Phase #1B Improvements to be financed through the Interlocal Agreement, the Phase #1A Reimbursement Agreement and the Phase #1B Reimbursement Agreement, as applicable. The Costs of the Phase #1A Improvements shall be allocated to the Phase #1A Assessed Property by spreading the entire Phase #1A Assessment across the Parcels in Phase #1A based on the estimated number of Equivalent Units anticipated to be developed on each Parcel within Phase #1A. The Costs of the Phase #1B Improvements shall be allocated to the Phase #1B Assessed Property by spreading the entire Phase #1B Assessment across the Parcels in Phase #1B based on the estimated number of Equivalent Units anticipated to be developed on each Parcel within Phase #1B

2. Assessment Methodology for Phase #1A-1B

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Authorized Improvements shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of units anticipated to be developed on each Parcel within Phase #1A and Phase #1B.

Based on the estimates of the costs of the Phase #1A Improvements, as set forth in Table III-A, the City Council has determined that the benefit to Phase #1A Assessed Property from the Phase #1A Improvements is at least equal to the Phase #1A Assessments levied on the Phase #1A Assessed Property.

Based on the estimates of the costs of the Phase #1B Improvements, as set forth in Table III-A, the City Council has determined that the benefit to Phase #1B Assessed Property from the Phase #1B Improvements is at least equal to the Phase #1B Assessments levied on the Phase #1B Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated number of units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated number of Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

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

3. Assessment Methodology for Future Phases

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

When any given Future Phase is developed, and Phased PID Bonds are to be issued and/ or assessments are to be levied under a reimbursement agreement for that Future Phase, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within that Phase.

D. ASSESSMENTS

The Assessments for the Phase #1A Reimbursement Agreement will be levied on each Parcel or Lot according to the Phase #1A Assessment Roll. The Assessments for the Phase #1B Reimbursement Agreement will be levied on each Parcel or Lot according to the Phase #1B Assessment Roll. The Annual Installments for the Phase #1A Reimbursement Agreement and the Phase #1B Reimbursement Agreement will be collected on the dates and in the amounts shown on the Phase #1AAssessment Roll and the Phase #1B Assessment Roll, respectively, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

See Appendix F for Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

E. ADMINISTRATIVE EXPENSES

The cost of administering the PID, including the costs of administration by the PID related to the Bonds 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 each Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

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Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE PID

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

The Annual Installments shall be collected from Phase #1A Assessed Property in an amount sufficient to pay (i) principal and interest on the Phase #1A Reimbursement Agreement and (ii) to pay Administrative Expenses related to the PID or the District.

The Annual Installments shall be collected from Phase #1B Assessed Property in an amount sufficient to pay (i) principal and interest on the Phase #1B Reimbursement Agreement and (ii) to pay Administrative Expenses related to the PID or the District.

B. 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 number of Equivalent Units to be built on each new subdivided Parcel
D = the sum of the estimated number of 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

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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. 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.

C. 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. If at any time the Assessment per unit on a Parcel in Phase #1Aor Phase #1B, as applicable, exceeds the applicable Phase #1A Maximum Assessment Per Unit or the Phase #1B Maximum Assessment Per Unit, as applicable, calculated in this Service and Assessment Plan solely as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Unit for the Parcel exceeds the Phase #1A Maximum Assessment Per Unit or the Phase #1B Maximum Assessment Per Unit, as applicable, calculated in this Service and Assessment Plan.

3. 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 PID Act.

D. 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 Actual Costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds, resulting in excess Assessment Revenues and/or 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

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs and the City Council shall direct such excess Bond proceeds to be applied by the District 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 solely as provided in the Interlocal Agreement. Any excess Bond proceeds shall be applied to redeem Bonds of such series as provided in the applicable Trust Indenture. Any excess Assessment Revenues that are in excess of the costs of the Authorized Improvements as set forth herein, shall be used to reduce the outstanding principal amount of the applicable reimbursement agreement or used to redeem Bonds, as applicable. The Assessments shall not be reduced to an amount less than the related outstanding amounts due pursuant to the applicable reimbursement agreement and/or series of Bonds.

2. If all the Authorized Improvements are not undertaken and the Developer has indicated that such Authorized Improvements will not be undertaken, resulting in excess Assessment Revenues and/or Bond proceeds, 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 amounts due pursuant to the applicable reimbursement agreement and/or repay the Bonds, including interest on the Bonds or due pursuant to the applicable reimbursement agreement and Administrative Expenses. The City Council shall direct the District that such excess Bond proceeds shall be applied to redeem Bonds as set forth in the applicable indenture. 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 the number of units, or (iii) in any other manner determined by the City Council to be the most fair and practical means of reducing the Assessments for Assessed Property such that the sum of the resulting reduced Assessments equals the amount required to repay amount due pursuant to the applicable reimbursement agreement and/or the Bonds, including interest and Administrative Expenses.

E. 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 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

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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 Rolls, as updated as provided for herein, which include interest and Administrative Expenses. Payment of the Annual Installments for Phase #1A-1B shall commence with tax bills mailed in the first calendar year after the execution of the Phase #1A Reimbursement Agreement and the Phase #1B Reimbursement Agreement.

The Phase #1A Assessment shall be paid with interest of no more than the Phase #1A Reimbursement Agreement Phase #1B Reimbursement Agreement. The City has determined that the Phase #1A Assessments shall bear interest at the interest rate of 4.50% per annum for each Annual Installment in accordance with the Phase #1A Reimbursement Agreement. The City has determined that the Phase #1B Assessments shall bear interest at the interest rate of 4.50% per annum for each Annual Installment in accordance with the Phase #1B Reimbursement Agreement. Such rates do not to exceed two hundred basis points above the highest average index rate for tax-exempt bond reported in a daily or weekly bond index approved by the City and reported in the month prior to the establishment of the Phase #1A Assessments and Phase #1B Assessments. The index approved by the City is the S&P High Yield Municipal Bond Index, for which the highest average rate during September 2021 was _____%. Furthermore, the Annual Installments may not exceed the amounts shown on the Phase #1A Assessment Roll and the Phase #1B Assessment Roll. The Phase #1A Assessment Roll sets forth for each year the Annual Installment for each Parcel in Phase #1A based on an estimated interest rate of 4.50%. The Phase #1B Assessment Roll sets forth for each year the Annual Installment for each Parcel in Phase #1B based on an estimated interest rate of 4.50%.

The Annual Installments shall be reduced to equal the actual costs of repaying the Bonds 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 and the District reserve and shall have the right and option to refund the Bonds in accordance with Section 372.027 of the PID Act. 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

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

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.

F. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall consider, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls 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. 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 and the Interlocal Agreement. The Assessments shall have lien priority as specified in the PID Act.

Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments 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 Annual Installments against such property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. Collection of the initial Annual Installments relating to the Authorized Improvements that benefit the Assessed Property will be due when billed and will be delinquent if not paid prior to the first February 1 following the earlier of (i) the recording of a final subdivision plat in the official public records of the County for the Assessed Property, (ii) upon issuance of Bonds issued by the City or the District that are secured by the Assessment Revenues from Parcels within Phase #1A and Phase #1B, or (iii) the second anniversary of the date of levy of the Assessment.

(remainder of this page is intentionally left blank)

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

VII. THE ASSESSMENT ROLLS

A. PHASE #1A ASSESSMENT ROLL

The City Council has evaluated each Parcel in the PID (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Phase #1A.

The Phase #1A Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Phase #1A Improvements. Table VII-A summarizes the $12,429,899 in special benefit received by the Phase #1A Assessed Property from the Phase #1A Improvements. The total Assessment to be applied to all the Phase #1A Assessed Property is $9,718,212, which is less than the benefit received by the Phase #1A Assessed Property. The Assessment for each Phase #1A Assessed Property is calculated based on the allocation methodologies described in Section V.C. The Phase #1A Assessment Roll is attached hereto as Appendix G.

Table VII-A
Phase #1A
Special Benefit Summary

Special Benefit	Total Cost
Total Authorized Improvements (a)	$12,429,899
PID Formation/Bond Costs of Issuance:	
Cost of Issuance	$0
Capitalized interest	$0
Reserve Fund	$0
Administrative Expense	$0
Underwriters Discount	$0
PID Formation/Bond Cost of Issuance	*$0*
Total Special Benefit	**$12,429,899**
Special Benefit:	
Total Special Benefit	$12,429,899
Projected Special Assessment	$9,718,212
Excess Benefit	**$2,711,687**

(a) See Table III-A for details.

B. PHASE #1B ASSESSMENT ROLL

The City Council has evaluated each Parcel in the PID (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Phase #1B.

The Phase #1B Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Phase #1B Improvements. Table VII-B summarizes the $5,264,610 in special benefit received by the Phase #1B Assessed Property from the Phase #1B Improvements. The total Assessment to be applied to all the Phase #1B Assessed Property is $3,581,788 which is less than the benefit received by the Phase #1B Assessed Property. The Assessment for each Phase #1B Assessed Property is calculated based on the allocation methodologies described in Section V.C. The Phase #1B Assessment Roll is attached hereto as Appendix H.

Table VII-B
Phase #1B
Special Benefit Summary

Special Benefit	Total Cost
Total Authorized Improvements (a)	$5,264,610
PID Formation/Bond Costs of Issuance:	
Cost of Issuance	$0
Capitalized interest	$0
Reserve Fund	$0
Administrative Expense	$0
Underwriters Discount	$0
PID Formation/Bond Cost of Issuance	*$0*
Total Special Benefit	**$5,264,610**
Special Benefit:	
Total Special Benefit	$5,264,610
Projected Special Assessment	$3,581,788
Excess Benefit	**$1,682,823**

(a) See Table III-A for details.

C. Future Phase Assessment Roll

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment for each Parcel or Lot located within such Future Phase (e.g. an appendix will be added as the Assessment Roll for Future Phase).

D. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Assessment Rolls 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

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

permitted by the PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.E of this Service and Assessment Plan.

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Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator. The City shall notify the Developer and the District 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 Roll(s), 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 Roll(s) 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.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

The City Council reserves the right to the extent permitted by the PID Act 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; and (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.

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, such determination 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.

F. HOMEBUYER DISCLOSURE

The PID Act requires that this Service and Assessment Plan and each Annual Service Plan Update include a copy of the notice form required by Section 5.014 of the Texas Property Code. The homebuilder or any seller of property within the PID may include the required disclosure in its notice to purchaser as long as the notice complies with and provided the information from this Service and Assessment Plan as required by Section 5.014 of the Texas Property Code. The homebuyer disclosure is attached hereto as Appendix E and may be updated in an Annual Service Plan Update.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

APPENDIX A
PID MAP

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

APPENDIX B
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

APPENDIX C
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

APPENDIX D
LEGAL DESCRIPTION

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

APPENDIX E
HOMEBUYER DISCLOSURE

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

AFTER RECORDING RETURN TO:

_____
_____
_____
_____
_____][1]

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CELINA, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: $_____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Celina, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Legacy Hills Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF COLLIN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF COLLIN §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

APPENDIX F
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE EQUIVALENTS

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Appendix F

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of three Lot Types.

"Lot Type 1" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 60 feet, as provided by Zoning Ordinance.

"Lot Type 2" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet, as provided by Zoning Ordinance.

"Lot Type 3" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 40 feet, as provided by Zoning Ordinance.

A) Proposed Development

The following table shows the proposed residential units to be developed within Phase #1A-1B.

Table F-1
Proposed Development- Phase #1A-1B

Proposed Development	Phase #1A	Phase #1B	Measurement
Single-Family - 60 Ft	94	0	Units
Single-Family - 50 Ft	213	0	Units
Single-Family - 40 Ft	114	192	Units
Total	**421**	**192**	**Units**

B) Calculation of Equivalent Units

As explained under Section IV, for purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Authorized Improvements to be financed with the Phase #1A Reimbursement Agreement and/or Phase #1B Reimbursement Agreement shall be allocated to the Phase #1A Assessed Property and the Phase #1B Assessed Property by spreading the entire Assessment across the Parcels in Phase #1A and Phase #1B, as applicable, based on the estimated Equivalent Units therein.

For purposes of this Plan, the City Council has determined that the Assessments shall be allocated to the Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 60 Ft lots, 50 Ft lots, 40 Ft lots, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

creating classifications of benefited Parcels based on the Lot Types described above. These classifications from Lot Type 1 (60 Ft Lot) representing the highest value to Lot Type 3 (40 Ft Lot) representing the lowest value for residential lots are set forth in Table F-2 below. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (60 Ft) to 1.0.

Table F-2
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor	
Lot Type 1 (60 Ft)	$412,500	1.000	per unit
Lot Type 2 (50 Ft)	$343,750	0.833	per unit
Lot Type 3 (40 Ft)	$275,000	0.667	per unit

The total Equivalent Units for the Phase #1A-1B are shown in Table F-3 below as calculated based on the Equivalent Unit factors shown above in Table F-2, and the estimated Lot Types and number of units estimated to be built within Phase #1A-1B.

Table F-3
Estimated Equivalent Units- Phase #1A-1B

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60 Ft)	94	1.000	94.000
Lot Type 2 (50 Ft)	213	0.833	177.429
Lot Type 3 (40 Ft)	306	0.667	204.102
Total Equivalent Units	**613**		**475.531**

The total Equivalent Units for the Phase #1A are shown in Table F-4 below as calculated based on the Equivalent Unit factors shown above in Table F-2, and the estimated Lot Types and number of units estimated to be built within Phase #1A.

Table F-4
Estimated Equivalent Units- Phase #1A

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60 Ft)	94	1.000	94.000
Lot Type 2 (50 Ft)	213	0.833	177.429
Lot Type 3 (40 Ft)	114	0.667	76.038

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Total Equivalent Units	**421**	**347.467**

The total Equivalent Units for the Phase #1B are shown in Table F-5 below as calculated based on the Equivalent Unit factors shown above in Table F-2, and the estimated Lot Types and number of units estimated to be built within Phase #1B.

Table F-5
Estimated Equivalent Units- Phase #1B

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60 Ft)	0	1.000	0.000
Lot Type 2 (50 Ft)	0	0.833	0.000
Lot Type 3 (40 Ft)	192	0.667	128.064
Total Equivalent Units	**192**		**128.064**

C) Allocation of Assessments to Lots within Phase #1A

The total amount of the Phase #1A Reimbursement Agreement which represents the total Assessment to be allocated on all Parcels within Phase #1A, is $9,718,232. As shown in Table F-4, there are a total of 347.467 Equivalent Units in Phase #1A, resulting in an Assessment per Unit of $27,968.79 (i.e., $9,718,232 ÷ 347.467 = $27,968.79).

Table F-6 below sets forth the Assessment per dwelling unit within Phase #1A.

Table F-6
Assessment Per Unit – Phase #1A

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Lot Type 1 (60 Ft)	94	$27,968.79	1.000	$27,968.79	per dwelling unit	$2,629,067
Lot Type 2 (50 Ft)	213	$27,968.79	0.833	$23,298.00	per dwelling unit	$4,962,475
Lot Type 3 (40 Ft)	114	$27,968.79	0.667	$18,655.18	per dwelling unit	$2,126,691
Total	**421**					**$9,718,232**

The projected leverage calculated the projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within Phase #1A is shown in Table F-7 on the following page.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Table F-7
Projected Leverage – Phase #1A

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit[1]	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (60 Ft)	94	$72,000	$412,500	$27,969	2.57	14.75
Lot Type 2 (50 Ft)	213	$60,000	$343,750	$23,298	2.58	14.75
Lot Type 3 (40 Ft)	114	$48,000	$275,000	$18,655	2.57	14.74

1 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within Phase #1A is shown in Table F-8 below.

Table F-8
Estimated Tax Rate Equivalent per unit – Phase #1A

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 1 (60 Ft)	94	$72,000	$412,500	$1,849	$2.57	$0.448
Lot Type 2 (50 Ft)	213	$60,000	$343,750	$1,539	$2.57	$0.448
Lot Type 3 (40 Ft)	114	$48,000	$275,000	$1,233	$2.57	$0.448

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

D) Allocation of Assessments to Lots within Phase #1B

The total amount of the Phase #1B Reimbursement Agreement which represents the total Assessment to be allocated on all Parcels within Phase #1B, is $3,581,795. As shown in Table F-5, there are a total of 128.064 Equivalent Units in Phase #1B, resulting in an Assessment per Unit of $27,968.79 (i.e., $3,581,795 ÷ 128.064 = $27,968.79).

Table F-9 on the following page sets forth the Assessment per dwelling unit within Phase #1B.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Table F-9
Assessment Per Unit – Phase #1B

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Lot Type 1 (60 Ft)	-	-	-	-	-	-
Lot Type 2 (50 Ft)	-	-	-	-	-	-
Lot Type 3 (40 Ft)	192	$27,968.79	0.667	$18,655.18	per dwelling unit	$3,581,795
Total	**192**					**$3,581,795**

The projected leverage calculated the projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within Phase #1B is shown in Table F-10 below.

Table F-10
Projected Leverage – Phase #1B

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit[1]	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (60 Ft)	-	-	-	-	-	-
Lot Type 2 (50 Ft)	-	-	-	-	-	-
Lot Type 3 (40 Ft)	192	$48,000	$275,000	$18,655	2.57	14.74

1 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within Phase #1B is shown in Table F-11 below.

Table F-11
Estimated Tax Rate Equivalent per unit – Phase #1B

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 1 (60 Ft)	-	-	-	-	-	-

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Lot Type 2 (50 Ft)	-	-	-	-	-	-
Lot Type 3 (40 Ft)	192	$48,000	$275,000	$1,233	$2.57	$0.448

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

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

APPENDIX G
PROPOSED PHASE #1A ASSESSMENT ROLL

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Appendix G-1
Proposed Phase #1A Assessment Roll

Parcel	**All Parcels**
Equivalent Units	**347.467**
Assessment	**$9,718,232**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Total Annual Installment
9/30/2022	$171,713	$437,320	$36,535	$645,567
9/30/2023	$179,020	$429,592	$37,265	$645,877
9/30/2024	$186,327	$421,537	$38,011	$645,874
9/30/2025	$193,634	$413,152	$38,771	$645,556
9/30/2026	$200,940	$404,438	$39,546	$644,925
9/30/2027	$208,247	$395,396	$40,337	$643,981
9/30/2028	$215,554	$386,025	$41,144	$642,723
9/30/2029	$226,515	$376,325	$41,967	$644,807
9/30/2030	$233,822	$366,132	$42,806	$642,760
9/30/2031	$244,782	$355,610	$43,662	$644,054
9/30/2032	$252,089	$344,595	$44,536	$641,219
9/30/2033	$263,049	$333,251	$45,426	$641,726
9/30/2034	$274,010	$321,413	$46,335	$641,758
9/30/2035	$284,970	$309,083	$47,261	$641,315
9/30/2036	$295,931	$296,259	$48,207	$640,397
9/30/2037	$310,544	$282,942	$49,171	$642,658
9/30/2038	$321,505	$268,968	$50,154	$640,627
9/30/2039	$336,119	$254,500	$51,157	$641,776
9/30/2040	$350,732	$239,375	$52,180	$642,288
9/30/2041	$365,346	$223,592	$53,224	$642,162
9/30/2042	$379,960	$207,151	$54,289	$641,400
9/30/2043	$394,574	$190,053	$55,374	$640,001
9/30/2044	$412,841	$172,297	$56,482	$641,620
9/30/2045	$427,455	$153,719	$57,611	$638,786
9/30/2046	$445,723	$134,484	$58,764	$638,970
9/30/2047	$467,643	$114,426	$59,939	$642,009
9/30/2048	$485,911	$93,383	$61,138	$640,431
9/30/2049	$507,831	$71,517	$62,360	$641,708
9/30/2050	$529,752	$48,664	$63,608	$642,024
9/30/2051	$551,673	$24,825	$64,880	$641,378
Total	**$9,718,212**	**$8,070,025**	**$1,482,140**	**$19,270,377**

1 – The 9/30/XX dates represent the fiscal year end.
2- Annual Installments are calculated assuming an estimated 4.50% interest rate on the Phase #1A Reimbursement Agreement and will be updated at the time of levy.
3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Appendix G-2
Proposed Phase #1A Assessment Roll by Lot Type

Lot Type	**Lot Type 1 (60 Ft)**
Assessment	**$27,968.73**
Equivalent Unit	**1.000**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Total Annual Installment
9/30/2022	$494	$1,259	$105	$1,858
9/30/2023	$515	$1,236	$107	$1,859
9/30/2024	$536	$1,213	$109	$1,859
9/30/2025	$557	$1,189	$112	$1,858
9/30/2026	$578	$1,164	$114	$1,856
9/30/2027	$599	$1,138	$116	$1,853
9/30/2028	$620	$1,111	$118	$1,850
9/30/2029	$652	$1,083	$121	$1,856
9/30/2030	$673	$1,054	$123	$1,850
9/30/2031	$704	$1,023	$126	$1,854
9/30/2032	$726	$992	$128	$1,845
9/30/2033	$757	$959	$131	$1,847
9/30/2034	$789	$925	$133	$1,847
9/30/2035	$820	$890	$136	$1,846
9/30/2036	$852	$853	$139	$1,843
9/30/2037	$894	$814	$142	$1,850
9/30/2038	$925	$774	$144	$1,844
9/30/2039	$967	$732	$147	$1,847
9/30/2040	$1,009	$689	$150	$1,848
9/30/2041	$1,051	$643	$153	$1,848
9/30/2042	$1,094	$596	$156	$1,846
9/30/2043	$1,136	$547	$159	$1,842
9/30/2044	$1,188	$496	$163	$1,847
9/30/2045	$1,230	$442	$166	$1,838
9/30/2046	$1,283	$387	$169	$1,839
9/30/2047	$1,346	$329	$173	$1,848
9/30/2048	$1,398	$269	$176	$1,843
9/30/2049	$1,462	$206	$179	$1,847
9/30/2050	$1,525	$140	$183	$1,848
9/30/2051	$1,588	$71	$187	$1,846
Total	**$27,969**	**$23,225**	**$4,266**	**$55,460**

1 – The 9/30/XX dates represent the fiscal year end.
2 - Annual Installments are calculated assuming an estimated 4.50% interest rate on the Phase #1A Reimbursement Agreement and will be updated at the time of levy.
3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Appendix G-3
Proposed Phase #1A Assessment Roll by Lot Type

Lot Type	**Lot Type 2 (50 Ft)**
Assessment	**$23,297.96**
Equivalent Unit	**0.833**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Total Annual Installment
9/30/2022	$412	$1,048	$88	$1,548
9/30/2023	$429	$1,030	$89	$1,548
9/30/2024	$447	$1,011	$91	$1,548
9/30/2025	$464	$990	$93	$1,548
9/30/2026	$482	$970	$95	$1,546
9/30/2027	$499	$948	$97	$1,544
9/30/2028	$517	$925	$99	$1,541
9/30/2029	$543	$902	$101	$1,546
9/30/2030	$561	$878	$103	$1,541
9/30/2031	$587	$853	$105	$1,544
9/30/2032	$604	$826	$107	$1,537
9/30/2033	$631	$799	$109	$1,538
9/30/2034	$657	$771	$111	$1,539
9/30/2035	$683	$741	$113	$1,537
9/30/2036	$709	$710	$116	$1,535
9/30/2037	$744	$678	$118	$1,541
9/30/2038	$771	$645	$120	$1,536
9/30/2039	$806	$610	$123	$1,539
9/30/2040	$841	$574	$125	$1,540
9/30/2041	$876	$536	$128	$1,539
9/30/2042	$911	$497	$130	$1,538
9/30/2043	$946	$456	$133	$1,534
9/30/2044	$990	$413	$135	$1,538
9/30/2045	$1,025	$369	$138	$1,531
9/30/2046	$1,069	$322	$141	$1,532
9/30/2047	$1,121	$274	$144	$1,539
9/30/2048	$1,165	$224	$147	$1,535
9/30/2049	$1,217	$171	$149	$1,538
9/30/2050	$1,270	$117	$152	$1,539
9/30/2051	$1,323	$60	$156	$1,538
Total	**$23,298**	**$19,347**	**$3,553**	**$46,198**

1 – The 9/30/XX dates represent the fiscal year end.
2 - Annual Installments are calculated assuming an estimated 4.50% interest rate on the Phase #1A Reimbursement Agreement and will be updated at the time of levy.
3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Appendix G-4
Proposed Phase #1A Assessment Roll by Lot Type

Lot Type	**Lot Type 3 (40 Ft)**
Assessment	**$18,655.15**
Equivalent Unit	**0.667**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Total Annual Installment
9/30/2022	$330	$839	$70	$1,239
9/30/2023	$344	$825	$72	$1,240
9/30/2024	$358	$809	$73	$1,240
9/30/2025	$372	$793	$74	$1,239
9/30/2026	$386	$776	$76	$1,238
9/30/2027	$400	$759	$77	$1,236
9/30/2028	$414	$741	$79	$1,234
9/30/2029	$435	$722	$81	$1,238
9/30/2030	$449	$703	$82	$1,234
9/30/2031	$470	$683	$84	$1,236
9/30/2032	$484	$661	$85	$1,231
9/30/2033	$505	$640	$87	$1,232
9/30/2034	$526	$617	$89	$1,232
9/30/2035	$547	$593	$91	$1,231
9/30/2036	$568	$569	$93	$1,229
9/30/2037	$596	$543	$94	$1,234
9/30/2038	$617	$516	$96	$1,230
9/30/2039	$645	$489	$98	$1,232
9/30/2040	$673	$460	$100	$1,233
9/30/2041	$701	$429	$102	$1,233
9/30/2042	$729	$398	$104	$1,231
9/30/2043	$757	$365	$106	$1,229
9/30/2044	$792	$331	$108	$1,232
9/30/2045	$821	$295	$111	$1,226
9/30/2046	$856	$258	$113	$1,227
9/30/2047	$898	$220	$115	$1,232
9/30/2048	$933	$179	$117	$1,229
9/30/2049	$975	$137	$120	$1,232
9/30/2050	$1,017	$93	$122	$1,232
9/30/2051	$1,059	$48	$125	$1,231
Total	**$18,655**	**$15,491**	**$2,845**	**$36,992**

1 – The 9/30/XX dates represent the fiscal year end.
2- Annual Installments are calculated assuming an estimated 4.50% interest rate on the Phase #1A Reimbursement Agreement and will be updated at the time of levy.
3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

APPENDIX H
PROPOSED PHASE #1B ASSESSMENT ROLL

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Appendix H-1
Proposed Phase #1B Assessment Roll

Parcel	**All Parcels**
Equivalent Units	**128.064**
Assessment	**$3,581,788**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Total Annual Installment
9/30/22	$63,287	$161,180	$13,465	$237,933
9/30/23	$65,980	$158,333	$13,735	$238,048
9/30/24	$68,673	$155,363	$14,009	$238,046
9/30/25	$71,366	$152,273	$14,290	$237,929
9/30/26	$74,060	$149,062	$14,575	$237,696
9/30/27	$76,753	$145,729	$14,867	$237,348
9/30/28	$79,446	$142,275	$15,164	$236,885
9/30/29	$83,485	$138,700	$15,467	$237,653
9/30/30	$86,178	$134,943	$15,777	$236,898
9/30/31	$90,218	$131,065	$16,092	$237,375
9/30/32	$92,911	$127,005	$16,414	$236,331
9/30/33	$96,951	$122,824	$16,742	$236,517
9/30/34	$100,990	$118,462	$17,077	$236,529
9/30/35	$105,030	$113,917	$17,419	$236,366
9/30/36	$109,069	$109,191	$17,767	$236,027
9/30/37	$114,456	$104,283	$18,123	$236,861
9/30/38	$118,495	$99,132	$18,485	$236,112
9/30/39	$123,881	$93,800	$18,855	$236,536
9/30/40	$129,268	$88,225	$19,232	$236,724
9/30/41	$134,654	$82,408	$19,616	$236,678
9/30/42	$140,040	$76,349	$20,009	$236,397
9/30/43	$145,426	$70,047	$20,409	$235,882
9/30/44	$152,159	$63,503	$20,817	$236,479
9/30/45	$157,545	$56,656	$21,234	$235,434
9/30/46	$164,277	$49,566	$21,658	$235,502
9/30/47	$172,357	$42,174	$22,091	$236,622
9/30/48	$179,089	$34,417	$22,533	$236,040
9/30/49	$187,169	$26,358	$22,984	$236,511
9/30/50	$195,248	$17,936	$23,444	$236,627
9/30/51	$203,327	$9,150	$23,912	$236,389
Total	**$3,581,788**	**$2,974,325**	**$546,264**	**$7,102,377**

1 – The 9/30/XX dates represent the fiscal year end.
2- Annual Installments are calculated assuming an estimated 4.50% interest rate on the Phase #1B Reimbursement Agreement and will be updated at the time of levy.
3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Appendix H-2
Proposed Phase #1B Assessment Roll by Lot Type

Lot Type	**Lot Type 1 (60 Ft)**
Assessment	**$27,968.73**
Equivalent Unit	**1.000**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Total Annual Installment
9/30/2022	$494	$1,259	$105	$1,858
9/30/2023	$515	$1,236	$107	$1,859
9/30/2024	$536	$1,213	$109	$1,859
9/30/2025	$557	$1,189	$112	$1,858
9/30/2026	$578	$1,164	$114	$1,856
9/30/2027	$599	$1,138	$116	$1,853
9/30/2028	$620	$1,111	$118	$1,850
9/30/2029	$652	$1,083	$121	$1,856
9/30/2030	$673	$1,054	$123	$1,850
9/30/2031	$704	$1,023	$126	$1,854
9/30/2032	$726	$992	$128	$1,845
9/30/2033	$757	$959	$131	$1,847
9/30/2034	$789	$925	$133	$1,847
9/30/2035	$820	$890	$136	$1,846
9/30/2036	$852	$853	$139	$1,843
9/30/2037	$894	$814	$142	$1,850
9/30/2038	$925	$774	$144	$1,844
9/30/2039	$967	$732	$147	$1,847
9/30/2040	$1,009	$689	$150	$1,848
9/30/2041	$1,051	$643	$153	$1,848
9/30/2042	$1,094	$596	$156	$1,846
9/30/2043	$1,136	$547	$159	$1,842
9/30/2044	$1,188	$496	$163	$1,847
9/30/2045	$1,230	$442	$166	$1,838
9/30/2046	$1,283	$387	$169	$1,839
9/30/2047	$1,346	$329	$173	$1,848
9/30/2048	$1,398	$269	$176	$1,843
9/30/2049	$1,462	$206	$179	$1,847
9/30/2050	$1,525	$140	$183	$1,848
9/30/2051	$1,588	$71	$187	$1,846
Total	**$27,969**	**$23,225**	**$4,266**	**$55,460**

1 – The 9/30/XX dates represent the fiscal year end.
2- Annual Installments are calculated assuming an estimated 4.50% interest rate on the Phase #1B Reimbursement Agreement and will be updated at the time of levy.
3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Appendix H-3
Proposed Phase #1B Assessment Roll by Lot Type

Lot Type	**Lot Type 2 (50 Ft)**
Assessment	**$23,297.96**
Equivalent Unit	**0.833**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Total Annual Installment
9/30/2022	$412	$1,048	$88	$1,548
9/30/2023	$429	$1,030	$89	$1,548
9/30/2024	$447	$1,011	$91	$1,548
9/30/2025	$464	$990	$93	$1,548
9/30/2026	$482	$970	$95	$1,546
9/30/2027	$499	$948	$97	$1,544
9/30/2028	$517	$925	$99	$1,541
9/30/2029	$543	$902	$101	$1,546
9/30/2030	$561	$878	$103	$1,541
9/30/2031	$587	$853	$105	$1,544
9/30/2032	$604	$826	$107	$1,537
9/30/2033	$631	$799	$109	$1,538
9/30/2034	$657	$771	$111	$1,539
9/30/2035	$683	$741	$113	$1,537
9/30/2036	$709	$710	$116	$1,535
9/30/2037	$744	$678	$118	$1,541
9/30/2038	$771	$645	$120	$1,536
9/30/2039	$806	$610	$123	$1,539
9/30/2040	$841	$574	$125	$1,540
9/30/2041	$876	$536	$128	$1,539
9/30/2042	$911	$497	$130	$1,538
9/30/2043	$946	$456	$133	$1,534
9/30/2044	$990	$413	$135	$1,538
9/30/2045	$1,025	$369	$138	$1,531
9/30/2046	$1,069	$322	$141	$1,532
9/30/2047	$1,121	$274	$144	$1,539
9/30/2048	$1,165	$224	$147	$1,535
9/30/2049	$1,217	$171	$149	$1,538
9/30/2050	$1,270	$117	$152	$1,539
9/30/2051	$1,323	$60	$156	$1,538
Total	**$23,298**	**$19,347**	**$3,553**	**$46,198**

1 – The 9/30/XX dates represent the fiscal year end.
2- Annual Installments are calculated assuming an estimated 4.50% interest rate on the Phase #1B Reimbursement Agreement and will be updated at the time of levy.
3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Appendix H-4
Proposed Phase #1B Assessment Roll by Lot Type

Lot Type	**Lot Type 3 (40 Ft)**
Assessment	**$18,655.15**
Equivalent Unit	**0.667**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Total Annual Installment
9/30/2022	$330	$839	$70	$1,239
9/30/2023	$344	$825	$72	$1,240
9/30/2024	$358	$809	$73	$1,240
9/30/2025	$372	$793	$74	$1,239
9/30/2026	$386	$776	$76	$1,238
9/30/2027	$400	$759	$77	$1,236
9/30/2028	$414	$741	$79	$1,234
9/30/2029	$435	$722	$81	$1,238
9/30/2030	$449	$703	$82	$1,234
9/30/2031	$470	$683	$84	$1,236
9/30/2032	$484	$661	$85	$1,231
9/30/2033	$505	$640	$87	$1,232
9/30/2034	$526	$617	$89	$1,232
9/30/2035	$547	$593	$91	$1,231
9/30/2036	$568	$569	$93	$1,229
9/30/2037	$596	$543	$94	$1,234
9/30/2038	$617	$516	$96	$1,230
9/30/2039	$645	$489	$98	$1,232
9/30/2040	$673	$460	$100	$1,233
9/30/2041	$701	$429	$102	$1,233
9/30/2042	$729	$398	$104	$1,231
9/30/2043	$757	$365	$106	$1,229
9/30/2044	$792	$331	$108	$1,232
9/30/2045	$821	$295	$111	$1,226
9/30/2046	$856	$258	$113	$1,227
9/30/2047	$898	$220	$115	$1,232
9/30/2048	$933	$179	$117	$1,229
9/30/2049	$975	$137	$120	$1,232
9/30/2050	$1,017	$93	$122	$1,232
9/30/2051	$1,059	$48	$125	$1,231
Total	**$18,655**	**$15,491**	**$2,845**	**$36,992**

1 – The 9/30/XX dates represent the fiscal year end.
2- Annual Installments are calculated assuming an estimated 4.50% interest rate on the Phase #1B Reimbursement Agreement and will be updated at the time of levy.
3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – 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 *October 12, 2021 at or after 5:00 p.m.at Celina City Council Chambers, 112 N. Colorado St., Celina, Texas 75009*. In the event that the City Council is unable to meet at the City Council Chambers on October 12, 2021, the City will post on its website, www.celina-tx.gov, information for persons to attend the meeting by telephone, videoconference, or other electronic means. The public hearing will be held to consider proposed assessments to be levied against the assessable property within the Legacy Hills Public Improvement District (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The general nature of the proposed public improvements (collectively, the "Authorized Improvements") may include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the District; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (v) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (v) above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the property within the District.

The total costs of the Authorized Improvements that benefit Phase #1A and Phase #1B of the District (the "Phase #1A-1B Improvements"), including the costs of creating the District, is approximately $17,694,509.

The boundaries of the District include approximately *331.531* acres of land generally located *west of Celina Parkway and North of G A Moore Parkway*, located within the City and as more particularly described by a metes and bounds description available at Celina City Hall located 142 N. Ohio Dr., 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 #1AAssessment Roll and the Phase #1B Assessment Roll relating to the Phase #1A-1B Improvements (the "Assessment Rolls"), which Assessment Rolls include the assessments to be levied against each parcel in the District for the Phase #1A-1B Improvements, is available for public inspection at the office of the City Secretary, 142 N. Ohio Dr., Celina, Texas 75009.

Attachment: Draft Resolution (Legacy Hills PID Pre-SAP Phases 1A & 1B – Resolution)

Life Connected.

Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Kim Brawner, Executive Director of Public Services
Date: September 28, 2021
Re: First Amendment to Green Meadows Police Interlocal Agreement

---

Action Requested:
Consider and act upon an amendment to the Interlocal agreement with the Smiley Water Control and Improvement Districts, Nos. 1 and 2, for law enforcement services; generally located west of Legacy Drive and north of Parvin Road. (Green Meadows Police Interlocal Agreement) (Brawner)

Background Information:
In October 2020, the City of Celina City Council approved an interlocal agreement with Smiley Water control and Improvement Districts to provide emergency services. The agreement states

Section 5.1 of the agreement states that the "Such services shall be provided by the City during the term of the agreement in consideration of a monthly fee initially in the amount of $40.00 per water meter." The original intention was to charge $20 for police and $20 for fire or $40.00 total for emergency services. The amendment address the proposed revision to read "$10 for police and $10 for fire".

Board Review/Citizen Input:
City council could chose to not approve the amendment.

Alternatives:
NA

Financial Considerations:
None to the City of Celina. The proposed amendment was accounted for in the original calculations.

Legal Review:
Legal council has reviewed and approved the amendment.

Supporting Documents:
Location Map
Agreement

Staff Recommendation:
Approve the amendment

FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT FOR LAW ENFORCEMENT SERVICES

This First Amendment to the Interlocal Cooperation Agreement for Law Enforcement Services ("**Amendment**") is made and entered into by the SMILEY ROAD WATER CONTROL AND IMPROVEMENT DISTRICT NOS. 1 AND 2 ("**Districts**"), and the CITY OF CELINA, TEXAS ("**City**"), a Texas municipal corporation (collectively "**Parties**" and each individually, "**Party**") in light of the following Recitals which are incorporated into and made a part of this Amendment for all purposes:

R E C I T A L S:

WHEREAS, the Districts and the City entered into an Interlocal Cooperation Agreement for Law Enforcement Services ("**Agreement**") on the 20th day of October, 2020 wherein the City would provide all Law Enforcement Services to the Districts in consideration of a monthly fee ("**Service Fee**") initially in the amount of $40.00 per water meter; and

WHEREAS, the Parties now desire to amend the Agreement by reducing the Service Fee to $20.00 per water meter.

NOW THEREFORE, for and in consideration of these premises and of the mutual promises, obligations, covenants and benefits herein contained, the Parties contract and agree as follows:

1. **Amendments to Section 5.1(b):**

   a. The second sentence of **Section 5.1(b)** shall be amended to read as follows:

      Such services shall be provided by the City during the term of the agreement in consideration of a monthly fee in the amount of $20.00 per water meter when a meter is issued for all types of construction, such as residential and commercial, and continuing for each month thereafter ("Service Fee").

   b. The last sentence of **Section 5.1(b)** shall be amended to read as follows:

      The $20.00 Service Fee amount shall remain in effect until at least two (2) years have elapsed after 100% of the infrastructure for Phase I development in a particular District has been accepted ("Initial Term").

2. **Effective Date of Applicability of Amendment:** After the City and Districts execute this Amendment, this Amendment shall be deemed immediately effective as to the entire Agreement. Unless further amended, this Amendment shall expire concurrently with the Agreement.

Attachment: First Amendment to Police ILA_v2 (MFM 8.30.21) (Amendment to Green Meadows Police Interlocal Agreement)

3. **Severability:** If any provision of this Amendment is illegal, invalid, or unenforceable in whole or in part for any reason, under present or future laws, then and in that event, it is the intention of the parties hereto that the remaining provisions of this Amendment shall remain in full force and effect and shall not be affected.

4. **Binding Obligation:** This Amendment shall bind and inure to the benefit of the Parties, their successors, and their permitted assignees.

5. **Authority:** Districts represents and warrants that: (1) it has sufficient legal authority to conduct business in the State of Texas; (2) it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Amendment; and (3) that the person or persons executing this Amendment on its behalf has been duly authorized to do so.

6. **Agreement in Effect:** Except to the extent amended by this Amendment, the Parties acknowledge and agree the Agreement remains in full force and effect without further amendment.

IN WITNESS WHEREOF, the undersigned parties have executed this Amendment as of the date last set forth below:

Districts

SMILEY ROAD WATER CONTROL AND IMPROVEMENT DISTRICT NOS. 1 AND 2

By: _____

Print Name: _____

Title: _____

Date: _____

Attachment: First Amendment to Police ILA_v2 (MFM 8.30.21) (Amendment to Green Meadows Police Interlocal Agreement)

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2021, by

_____ (name), _____ (title).

_____
Notary Public in and for the State of Texas

City

City of Celina, Texas
a Texas home rule municipality

By: _____
Jason Laumer, City Manager

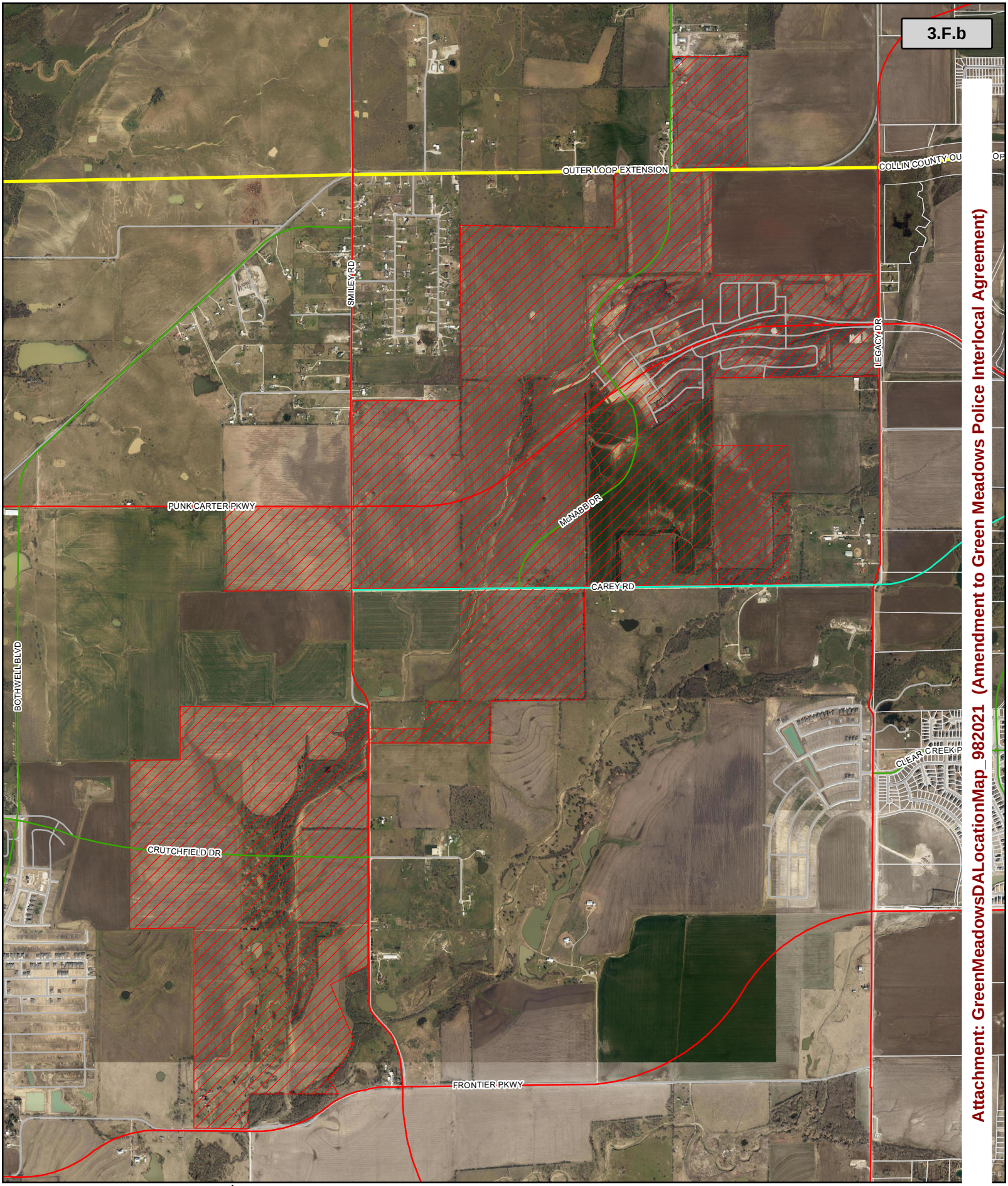
Date: _____

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2021, by Jason Laumer, City Manager of the City of Celina, Texas.

_____
Notary Public in and for the State of Texas

Attachment: First Amendment to Police ILA_v2 (MFM 8.30.21) (Amendment to Green Meadows Police Interlocal Agreement)



Attachment: GreenMeadowsDALocationMap_982021 (Amendment to Green Meadows Police Interlocal Agreement)

CELINA TEXAS EST. 1876
Life Connected.

Location Map
Green Meadows

Date:09/08/2021

Legend

- Roads
- GreenMeadows
- Parcels

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Life Connected.

Engineering
City of Celina, Texas

Memorandum

To:	**Honorable Mayor Terry and the Celina City Council**
From:	Kim Brawner, Executive Director of Public Services
CC:	Andy Glasgow, Director of Engineering
Date:	September 28, 2021
Re:	First Amendment to Green Meadows Fire Interlocal Agreement

Action Requested:
Consider and act upon an interlocal agreement with the Smiley Water Control and Improvement Districts, Nos. 1 and 2, for fire-fighting services; generally located west of Legacy Drive and north of Parvin Road. (Brawner)

Background Information:
In October 2020, the City of Celina City Council approved an interlocal agreement with Smiley Water control and Improvement Districts to provide emergency services. The agreement states

Section 5.1 of the agreement states that the "Such services shall be provided by the City during the term of the agreement in consideration of a monthly fee initially in the amount of $40.00 per water meter." The original intention was to charge $20 for police and $20 for fire or $40.00 total for emergency services. The amendment address the proposed revision to read "$10 for police and $10 for fire".

Board Review/Citizen Input:
City council could chose to not approve the amendment.

Alternatives:
NA

Financial Considerations:
None to the City of Celina. The proposed amendment was accounted for in the original calculations.

Legal Review:
Legal council has reviewed and approved the amendment.

Supporting Documents:
Location Map
Agreement

Staff Recommendation:
Authorize the Change Order

FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT FOR FIRE PROTECTION SERVICES

This First Amendment to the Interlocal Cooperation Agreement for Fire Protection Services ("**Amendment**") is made and entered into by the SMILEY ROAD WATER CONTROL AND IMPROVEMENT DISTRICT NOS. 1 AND 2 ("**Districts**"), and the CITY OF CELINA, TEXAS ("**City**"), a Texas municipal corporation (collectively "**Parties**" and each individually, "**Party**") in light of the following Recitals which are incorporated into and made a part of this Amendment for all purposes:

R E C I T A L S:

WHEREAS, the Districts and the City entered into an Interlocal Cooperation Agreement for Fire Protection Services ("**Agreement**") on the 20th day of October, 2020 wherein the City would provide Fire-Fighting Services to the Districts in consideration of a monthly fee ("**Service Fee**") initially in the amount of $40.00 per water meter; and

WHEREAS, the Parties now desire to amend the Agreement by reducing the Service Fee to $20.00 per water meter.

NOW THEREFORE, for and in consideration of these premises and of the mutual promises, obligations, covenants and benefits herein contained, the Parties contract and agree as follows:

1. **Amendments to Section 5.1(b):**

   a. The second sentence of **Section 5.1(b)** shall be amended to read as follows:

      Such services shall be provided by the City during the term of the agreement in consideration of a monthly fee in the amount of $20.00 per water meter when a meter is issued for all types of construction, such as residential and commercial, and continuing for each month thereafter ("Service Fee").

   b. The last sentence of **Section 5.1(b)** shall be amended to read as follows:

      The $20.00 Service Fee amount shall remain in effect until at least two (2) years have elapsed after 100% of the infrastructure for Phase I development in a particular District has been accepted ("Initial Term").

2. **Effective Date of Applicability of Amendment:** After the City and the Districts execute this Amendment, this Amendment shall be deemed immediately effective as to the entire Agreement. Unless further amended, this Amendment shall expire concurrently with the Agreement.

Attachment: First Amendment to Fire ILA_v2 (MFM 8.30.21) (Amendment to Green Meadows Fire Interlocal Agreement)

3. **Severability:** If any provision of this Amendment is illegal, invalid, or unenforceable in whole or in part for any reason, under present or future laws, then and in that event, it is the intention of the parties hereto that the remaining provisions of this Amendment shall remain in full force and effect and shall not be affected.

4. **Binding Obligation:** This Amendment shall bind and inure to the benefit of the Parties, their successors, and their permitted assignees.

5. **Authority:** Districts represents and warrants that: (1) it has sufficient legal authority to conduct business in the State of Texas; (2) it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Amendment; and (3) that the person or persons executing this Amendment on its behalf has been duly authorized to do so.

6. **Agreement in Effect:** Except to the extent amended by this Amendment, the Parties acknowledge and agree the Agreement remains in full force and effect without further amendment.

IN WITNESS WHEREOF, the undersigned parties have executed this Amendment as of the date last set forth below:

Districts

SMILEY ROAD WATER CONTROL AND IMPROVEMENT DISTRICT NOS. 1 AND 2

By: _____

Print Name: _____

Title: _____

Date: _____

Attachment: First Amendment to Fire ILA_v2 (MFM 8.30.21) (Amendment to Green Meadows Fire Interlocal Agreement)

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2021, by _____ (name), _____ (title).

_____
Notary Public in and for the State of Texas

City

City of Celina, Texas
a Texas home rule municipality

By: _____
Jason Laumer, City Manager

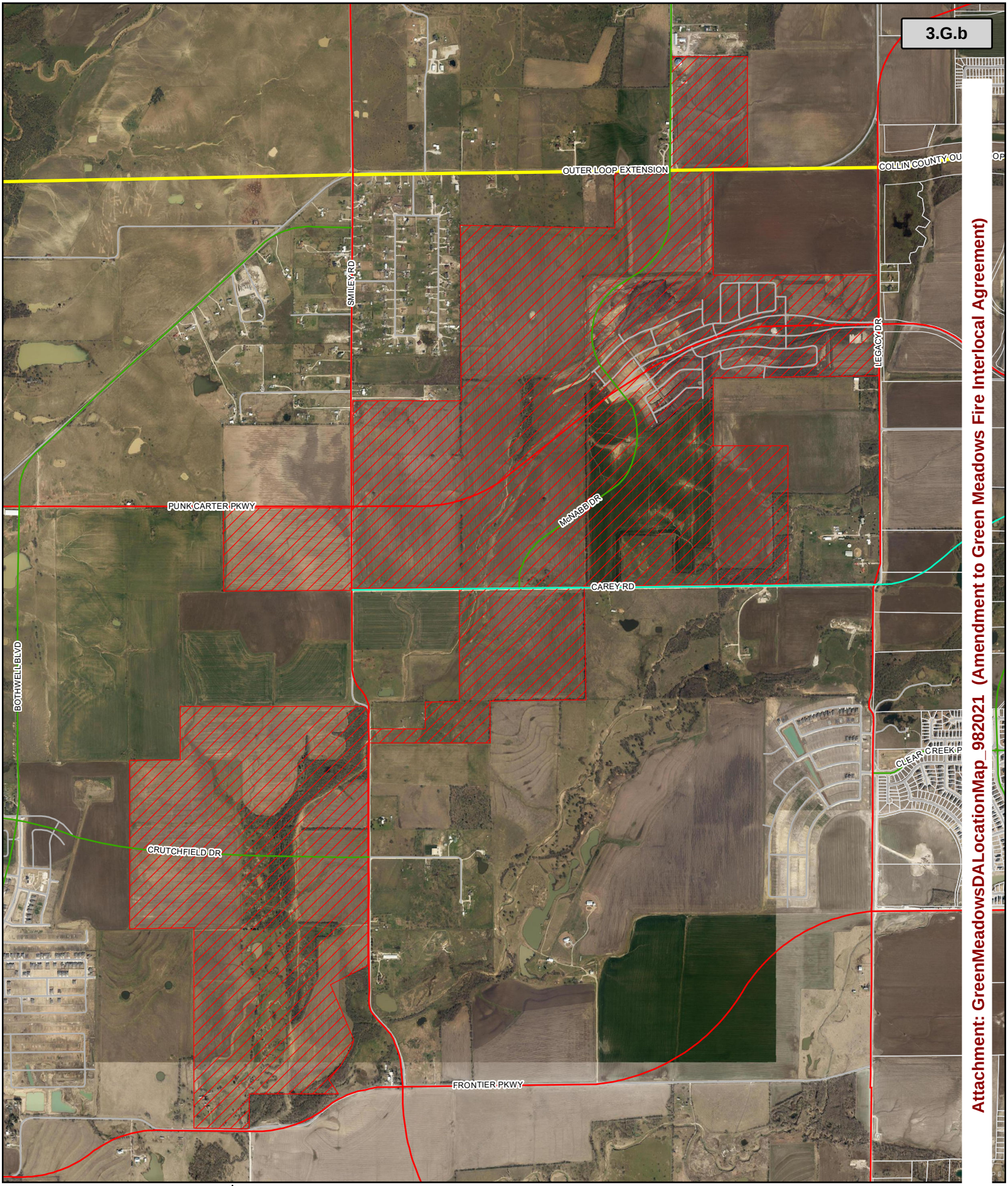
Date: _____

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2021, by Jason Laumer, City Manager of the City of Celina, Texas.

_____
Notary Public in and for the State of Texas

Attachment: First Amendment to Fire ILA_v2 (MFM 8.30.21) (Amendment to Green Meadows Fire Interlocal Agreement)



Attachment: GreenMeadowsDALocationMap_982021 (Amendment to Green Meadows Fire Interlocal Agreement)

CELINA TEXAS EST. 1876
Life Connected.

Location Map
Green Meadows

Date:09/08/2021

Legend

- Roads
- GreenMeadows
- Parcels

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Life Connected.

Engineering
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Kim Brawner, Executive Director of Public Services
Date: September 28, 2021
Re: Mustang Billing Agreement Amendment

Action Requested:
Consider and act to authorize the City Manager to enter into an amendment to the Interlocal Agreement with Mustang Special Utility District for Global Billing Services. (Brawner)

Background Information:
In July 2017, the City of Celina entered into an agreement with Mustang Special Utility District for global billing services for those properties within the Mustang water and sewer CCN. The agreement provides the ability for Mustang to collect fees with Celina related to franchise fees, waste/trash collection and/or stormwater fees related to Sutton Fields subdivision.

In January 2021, the City updated the Global Billing agreement to address new issues. The City entered into an agreement with Smiley Road Water Control and Improvement Districts Number 1 and Number 2 to provide emergency services for the District. The proposed amendment amends the Interlocal between the City of Celina and Mustang SUD to allow for the collection of the established fees.

Board Review/Citizen Input:
N/A

Alternatives:
City Council could choose to not approve the proposed agreement.

Financial Considerations:
N/A

Legal Review:
Legal counsel has reviewed an approved the agreement.

Supporting Documents:
Agreement

Staff Recommendation:
Authorize the Change Order

State of Texas §
County of Denton §

FIRST AMENDMENT TO INTERLOCAL AGREEMENT

FOR GLOBAL BILLING SERVICES

THIS FIRST AMENDMENT TO INTERLOCAL AGREEMENT FOR GLOCBAL BILLING SERVICES ("Amendment") is entered into this 28th day of September, 2021 between the City of Celina (the "City"), a Texas home rule municipality, and the Mustang Special Utility District ("MSUD"), a Texas special utility district, collectively the "Parties," pursuant to the authority granted by the "Texas Interlocal Cooperation Act," Chapter 791 Texas Government Code, providing for the cooperation and contracting between local governmental bodies, and therefore, the Parties hereto, in consideration of the premises and mutual promises contained herein, agree as follows:

RECITALS

WHEREAS, the Parties entered into that certain Interlocal Agreement for Global Billing Services entered January 12, 2021 ("Agreement"); and

WHEREAS, the Parties desire to amend the Agreement to provide for MSUD to collect certain police and fire service fees in areas that have agreed to pay such fees; and

WHEREAS, Chapter 791 of the Texas Local Government Code authorizes a local government and special district to enter into an interlocal contract to provide a governmental function or service that each Party is authorized to perform individually; and

NOW THEREFORE, the Parties, pursuant to the foregoing considerations, agree as follows:

1. **Amendment:** The Parties agree to amend Section 2., "Services and Summary Billing Services in MSUD Service Area", Subsection a. "Services" of the Agreement to add item iv., so that the entirety of Subsection a. will read as follows:

   a. Services. MSUD will provide billing services on behalf of the City to its residents or customers located in the MSUD Service Area for the following services or charges (collectively, the "City's Fees"):

      i. Franchise fee, if any;
      ii. Waste, trash, and recycling collection (the "Refuse Fees");
      iii. Stormwater utility fee (the "Drainage Fees"); and
      iv. Service fees for police and/or fire services.

2. **Effective Date of Applicability of Amendment:** After the Parties execute this Amendment, this Amendment shall be deemed immediately effective as to the entire Agreement. Unless further amended, this Amendment shall expire concurrently with the Agreement.

Attachment: MSUD-Celina Global Billing Agreement MFM 9.15.21 (Amendment Mustang Billing Agreement)

3. **Severability:** If any provision of this Amendment is illegal, invalid, or unenforceable in whole or in part for any reason, under present or future laws, then and in that event, it is the intention of the parties hereto that the remaining provisions of this Amendment shall remain in full force and effect and shall not be affected.

4. **Binding Obligation:** This Amendment shall bind and inure to the benefit of the Parties, their successors, and their permitted assignees.

5. **Authority:** Each Party represents and warrants that: (1) it has sufficient legal authority to conduct business in the State of Texas; (2) it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Second Amendment; and (3) that the person or persons executing this Second Amendment on its behalf has been duly authorized to do so.

6. **Agreement in Effect:** Except to the extent amended by this Amendment, the Parties acknowledge and agree the Agreement remains in full force and effect without further amendment.

7. **Defined Terms:** Any capitalized terms not defined herein shall have the meaning ascribed in the Agreement.

8. **Entire Agreement**: This Amendment, along with the Agreement, contains the entire agreement of the Parties with respect to the subject matter of the Agreement and this Amendment. No Agreement statement, or promise made by any party or by any employee, agent, or officer of any party, with reference to the subject matter of this agreement, that is not contained in the Agreement or this Amendment will be valid, binding, or of any force or effect. Any amendments must be in writing and signed by the party or parties to be charged.

9. **Successors and Assigns:** This Amendment will be binding upon the Parties hereto and their respective successors, representatives and assign.

10. **Agreement Drafted Equally**: This Amendment will be deemed drafted equally by the Parties hereto. The language of all parts of this Amendment will be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party will not apply.

11. **Severability:** Should any provision of this Amendment be declared void by a court of competent jurisdiction, the remaining provisions of the Amendment will remain in full force and effect.

12. **Effective Date:** This Agreement shall be effective as of September 28, 2021 following of approval by the duly elected Board of Directors of MSUD and the City Council members of the City of Celina.

(Signature pages to follow.)

Attachment: MSUD-Celina Global Billing Agreement MFM 9.15.21 (Amendment Mustang Billing Agreement)

EXECUTED on this ____ day of _____, 2021, by: CITY OF CELINA, TEXAS

By: _____
Jason Laumer, City Manager

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the___day of_____, 2021 by Jason Laumer, the City Manager of the City of Celina, Texas on behalf of said City.

_____
Notary Public, State of Texas

(SEAL)

_____

Name printed or typed

Commission Expires:_____

EXECUTED on this ____ day of _____, 2021, by: MSUD SPECIAL UTILITY DISTRICT

By: _____
Chris Boyd, General Manager

ATTEST:

STATE OF TEXAS §
§
COUNTY OF___ §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on _____, 2021, personally appeared _____, _____ of Mustang Special Utility District, a Texas limited liability company and acknowledged that he executed the foregoing document on behalf of said limited liability company.

_____
Notary Public in and for the State of Texas

Attachment: MSUD-Celina Global Billing Agreement MFM 9.15.21 (Amendment Mustang Billing Agreement)

Life Connected.

Finance Department
City of Celina, Texas

Memorandum

To:	**Honorable Mayor Terry and the Celina City Council**
From:	Robin Bromiley, Director of Finance
CC:	Karla Stovall, Assistant City Manager
Date:	September 28, 2021
Re:	Interlocal Public Improvement District Collection Agreement

Action Requested:
Consider and act upon an interlocal agreement for public improvement assessment collection for Sutton Fields II Public Improvement District between the City of Celina and Denton County. (Bromiley)

Background Information:
Pursuant to Chapter 372.0175 of the Texas Local Government Code, the City of Celina has the authority to contract with the County to perform duties of the City relating to collection of special assessments levied by the Districts.

Board Review/Citizen Input:

Alternatives:

Financial Considerations:

Legal Review:

Supporting Documents:
Agreement

Staff Recommendation:
Approval

THE STATE OF TEXAS §

COUNTY OF DENTON §

INTERLOCAL COOPERATION AGREEMENT FOR PROPERTY ASSESSMENTSASSESSMENT AND COLLECTION BETWEEN DENTON COUNTY, TEXAS AND CITY/TOWN OF Celina - Sutton Fields II PID **PUBLIC IMPROVEMENT DISTRICT**

INTERLOCAL COOPERATION AGREEMENT – ASSESSMENTSCOLLECTION

THIS AGREEMENT is made and entered into by and between **DENTON COUNTY**, a political subdivision of the State of Texas, hereinafter referred to as "**COUNTY**," and Celina - Sutton Fields II PID**,** Denton County, Texas**,** also a political subdivision of the State of Texas, hereinafter referred to as "**CITY/TOWN.**"

WHEREAS, COUNTY and **CITY/TOWN** mutually desire to be subject to the provisions of Texas Government Code, Chapter 791, the Interlocal Cooperation Act, and;

WHEREAS, pursuant to Chapter 372 of the Texas Local Government Code, Subchapter A, **CITY/TOWN** has created the

Sutton Fields II PID

PUBLIC IMPROVEMENT DISTRICT # 37, hereinafter referred to as **DISTRICT**, and has levied special assessments on properties within the boundaries of the **CITY/TOWN**, and

WHEREAS, pursuant to §372.0175 of the Texas Local Government Code**, CITY/TOWN** has the authority to contract with the **COUNTY** to perform the duties of

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

CITY/TOWN relating to collection of special assessments levied by **DISTRICT** under Chapter 372, Subchapter A, and,

NOW THEREFORE, COUNTY and **CITY/TOWN,** for and in consideration of the mutual promises, covenants, and agreements herein contained, do agree as follows:

Throughout this Agreement, the term "Property Tax Code" means Title 1 of the Texas Tax Code. Throughout this Agreement, the term "tax year" means the calendar year in which the applicable tax lien attaches to the taxable property. The term "collection year" refers to the period commencing on October 1st of the applicable tax year and continuing through the end of the applicable term (September 30th of the following year), in which collection and billing services are to be performed under this Agreement.

I.

The effective date of this Agreement shall be October 1, 2021. The initial term of this Agreement shall be for a period of one year commencing October 1, 2021 and ending September 30, 2022. Following the initial term, this Agreement shall automatically renew for subsequent one-year terms, unless written notice of termination is provided by **COUNTY** or **CITY/TOWN** no later than one hundred-eighty (180) days prior to the expiration date of the then-current term of the Agreement. If said notice is provided, this Agreement shall terminate at the end of the then-current term. Each renewal term shall be for property tax rate calculation, billing and collection services for the applicable tax year (the first renewal term will be for tax year 2022, the second renewal terms for tax year 2023, etc.).

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

II.

For the purposes and consideration herein stated and contemplated, **COUNTY** shall provide the following necessary and appropriate services for **CITY/TOWN** to the maximum extent authorized by this Agreement, without regard to race, sex, religion, color, age, disability, or national origin:

1. **COUNTY**, by and through its duly qualified Tax Assessor-Collector, shall collect **DISTRICT** assessments for current tax year. **CITY/TOWN** does hereby expressly authorize **COUNTY** and **COUNTY** agrees to do and perform for **CITY/TOWN** all acts necessary and proper to collect said **DISTRICT** assessments**. COUNTY** agrees to collect base assessments, penalties, interest, and attorney's fees.

2. **COUNTY** agrees to prepare and mail all assessment statements (included on the tax statement for each parcel, provide daily, monthly and annual collection reports to **CITY/TOWN,** maintain both current and delinquent assessment rolls, disburse assessment monies to **CITY/TOWN** daily (business day) based on prior day assessment postings, and to develop and maintain such other records and forms as are necessary or required by State law, rules or regulations to **CITY/TOWN**. If daily disbursal is to be delayed, **COUNTY** will notify **CITY/TOWN** in the secured web entity folder the reason for the delay.

3. If **COUNTY** determines, based on **DISTRICT** assessment roll, that a person erred in paying a **DISTRICT** assessment by making a duplicate or erroneous payment **COUNTY** agrees to refund the payment to the person who erred in making it from current **DISTRICT** assessment collections. **COUNTY** agrees that such refund will be made as soon as practicable after **COUNTY** discovers the erroneous payment. The refund shall be

accompanied by a description of the property subject to the assessment sufficient to identify the property. If the property is assigned an account number, **COUNTY** shall include that number.

4. If **COUNTY** determines, based on **DISTRICT** assessment roll, that there has been an overpayment of a **DISTRICT** assessment, **COUNTY** shall send the owner a refund application. Upon owner's return of the accurate and fully completed refund application, **COUNTY** will issue, from current **DISTRICT** assessment collections, a refund of the overpayment.

5. **COUNTY** agrees to develop and maintain written policies and procedures of its operation. **COUNTY** further agrees to make available full information about the operation of the County Tax Office to **CITY/TOWN**, and to promptly furnish written reports to keep **CITY/TOWN** informed of all financial information affecting it.

6. **CITY/TOWN** agrees to promptly deliver to **COUNTY** all records that it has accumulated and developed in the assessment and collection of assessments, and to cooperate in furnishing or locating any other information and records needed by **COUNTY** to perform its duties under the terms and conditions of this Agreement.

7. **COUNTY** agrees to allow an audit of the assessment collection records of **CITY/TOWN** in **COUNTY'S** possession during normal working hours with at least 72 hours advance, written notice to **COUNTY**. The expense of any and all such audits shall be paid by **CITY/TOWN**. A copy of any and all such audits shall be furnished to **COUNTY.**

8. **COUNTY** agrees that it will post a notice on its website, as a reminder that delinquent assessment penalties will apply to all assessments that are not paid by January 31st of the collection year**.**

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

9. **COUNTY** agrees that it will post to a secure website collection reports for **CITY/TOWN** listing current assessments, delinquent assessments, and penalties and interest on a daily basis through September 30th of the collection year. **COUNTY** will provide monthly collection reports; provide monthly recap reports; and provide monthly attorney fee collection reports.

10. **CITY/TOWN** retains its right to select its own delinquent collection attorney and **COUNTY** agrees to reasonably cooperate with the attorney selected by **CITY/TOWN** in the collection of delinquent assessments and related activities.

11. **CITY/TOWN** will provide **COUNTY** with notice of any change in collection attorney at least 7 days before the effective date of the new collection attorney contract.

12. For assessments that become delinquent on February 1st of the tax year, COUNTY, in its sole discretion, may mail a reminder notice to the owner of each parcel having delinquent assessments.

III.

COUNTY hereby designates the Denton County Tax Assessor/ Collector to act on behalf of the County Tax Office and to serve as Liaison for **COUNTY** with **CITY/TOWN.** The County Tax Assessor/Collector, and/or his/her designated substitute, shall ensure the performance of all duties and obligations of **COUNTY**; shall devote sufficient time and attention to the execution of said duties on behalf of **COUNTY** in full compliance with the terms and conditions of this Agreement; and shall provide immediate and direct supervision of the County Tax Office employees, agents, contractors, subcontractors, and/or laborers, if any, in the furtherance of the purposes, terms and conditions of this

Agreement for the mutual benefit of **COUNTY** and **CITY/TOWN.** This Agreement is subject to and the parties herein shall comply with all applicable provisions of the Texas Property Tax Code and all other applicable Texas statutes.

IV.

COUNTY accepts responsibility for the acts, negligence, and/or omissions related to property assessments service of all **COUNTY** employees and agents, sub-contractors and/or contract laborers, and for those actions of other persons doing work under a contract or agreement with **COUNTY** to the extent allowed by law.

It is understood and agreed between **COUNTY** and **CITY/TOWN** that the **CITY/TOWN**, in performing its obligations hereunder, is acting independently, and the **COUNTY** assumes no responsibility or liabilities in connection therewith to third parties. It is further understood and agreed between **COUNTY** and **CITY/TOWN** that the **COUNTY**, in performing its obligations hereunder, is acting independently, and the **CITY/TOWN** assumes no responsibilities in connection therewith to third parties. Nothing in this **AGREEMENT** is intended to benefit any third party beneficiary.

CITY/TOWN agrees that it will protect, defend, indemnify, and hold harmless **COUNTY** and all of its officers, agents, and employees from and against all claims, demands, causes of action, damages, judgments, losses and expenses, including attorney's fees, of whatsoever nature, character, or description that any person or entity has or may have arising from or on account of any injuries or damages received or sustained by person, persons, or property, on account of or arising out of, or in connection with the performance of the services, including without limiting the generality of the foregoing, any negligent act or omission of the **CITY/TOWN** or any employee, officer, agent, subcontractor, servant, invitee, or assignee of

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

the **CITY/TOWN** in the execution or performance of this **AGREEMENT**. This provision shall survive the termination of this **AGREEMENT**.

V.

CITY/TOWN accepts responsibility for the acts, negligence, and/or omissions of all **CITY/TOWN** employees and agents, sub-contractors and/or contract laborers, and for those of all other persons doing work under a contract or agreement with **CITY/TOWN** to the extent allowed by law**.**

VI.

CITY/TOWN understands and agrees that **CITY/TOWN,** its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of **COUNTY. COUNTY** understands and agrees that **COUNTY**, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of **CITY/TOWN.**

VII.

For the services rendered during the assessment year, **CITY/TOWN** agrees to pay **COUNTY** for the receipting, bookkeeping, issuing, and mailing of assessment statements as follows:

1. The current assessment statements will be mailed by October 10th of the assessments year or as soon thereafter as practical. If **CITY/TOWN** does not provide **COUNTY** with the fixed lien assessment levied and the assessment roll by **CITY/TOWN's** governing body under Local Government Code Section 372.017 on or before September 10th, **COUNTY** may charge a $5,000 late processing fee, plus the per statement fee not to exceed $1.00 each. The assessment roll is to be accompanied by the resolution passed by the governing body for the current assessment year. All assessments

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

become due on receipt of the assessment/tax statement each year. The **DISTRICT** assessment shall be entered in to the **COUNTY** records as a fixed lien and applied to the properties assessed by the **DISTRICT** as reflected on the **APPRAISAL DISTRICT** records submitted to **COUNTY**. An additional notice will be sent during the month of March following the initial mailing provided that **CITY/TOWN** has requested such a notice on or before February 28th of the collection year. During the initial term of this Agreement, the fee for this service will be **$1.00** per statement. During the first and second renewal terms of this Agreement, the fee for this service will be the per statement rate approved by Commissioners Court for the applicable assessments year, provided notice of that rate is provided to **CITY/TOWN** as described in Section 8 of this Article VII. In the event **COUNTY** does not provide **CITY/TOWN** with said notice, the rate charged during the preceding term will apply.

2. All unpaid assessments become delinquent on February 1st of the year following the assessment year. Penalty and interest fees accrue at the same rate and time schedule as the same year's ad valorem property tax. (Property Tax Code, Section 31.02(a) and 33.01(a))**.**

3. Delinquent assessment collection attorneys become involved at the same times as do the delinquent ad valorem property tax attorneys. (Property Tax Code, Sections 6.30, 33.07, 33.08, 33.11, and 33.48).

4. At least 30 days, but no more than 60 days prior to April 1st of the collection year and following the initial mailing, a delinquent assessments statement meeting the requirements of Section 33.11 of the Property Tax Code will be mailed to the owner of each parcel having delinquent assessments.

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

5. At least 30 days, but no more than 60 days prior to July 1st of the collection year and following the initial mailing, a delinquent assessments statement meeting the requirements of Section 33.07 of the Property Tax Code will be mailed to the owner of each parcel having delinquent assessments.

6. For accounts that become delinquent on or after June 1st of the collection year, **COUNTY** shall mail a delinquent assessments statement meeting the requirements of Section 33.08 of the Property Tax Code to the owner of each parcel having delinquent assessments.

7. In the event **DISTRICT** levies a supplemental corrected assessment by order of its governing body after the assessment statements have already been mailed, **CITY/TOWN** shall provide **COUNTY** with an updated assessment roll identifying the corrected assessments levied by **DISTRICT'S** governing body under Local Government Code Section 372.017, as corrected by any supplemental assessments levied by its governing body under Section 372.019. **CITY/TOWN** agrees to pay **COUNTY** a programming charge of $5,000.00. **COUNTY** will mail corrected statements to the owner of each affected parcel. County will charge a fee for preparing and mailing will be at rate not to exceed **$1.00** per corrected statement. The **DISTRICT** assessment shall be entered into the **COUNTY** records as a fixed lien and applied to the properties assessed by the **DISTRICT** as reflected on the Appraisal District records submitted to **COUNTY. The corrected assessment is to be accompanied by the resolution passed by the governing body for the assessment year**. The fee for this service will be the same per statement rate described in Section 1 of this Article VII. When a refund is required per Property Tax Code Section 26.07(g), **COUNTY** will charge a $.25 processing fee per check, in addition to the corrected statement mailing costs. Issuance of refunds, in the event of

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

a corrected assessment roll, will be the responsibility of the **COUNTY. CITY/TOWN** will be billed for the refunds, postage and processing fees.

8. **CITY/TOWN** understands and agrees that **COUNTY** will, no later than January 31st of the assessment year, deduct from current collections of **CITY/TOWN** the "Total Cost" of providing all services described in Sections 1-5 above. This "Total Cost" includes any such services that have not yet been performed at the time of deduction. During the initial term of this Agreement, the "Total Cost" of providing all services described in Sections 1-5 above shall be the total of: **$1.00** (the "per parcel rate") x the total number of parcels listed on **CITY/TOWN's** preceding assessments year Assessment Roll on September 30th of the assessments year. During the first and second renewal terms of this agreement, the "per parcel rate" will be the per parcel rate approved by Commissioners Court for the applicable assessments year, provided notice of that rate is provided to **CITY/TOWN** as described in Section 9 of this Article VII. In the event **COUNTY** does not provide **CITY/TOWN** with said notice, the per parcel rate charged during the preceding term will apply.

In the event costs for additional delayed assessments statements, processing and mailing are incurred as described in Section 1, **COUNTY** shall bill **CITY/TOWN** for such amounts. **CITY/TOWN** shall pay **COUNTY** all such billed amounts within 30 days of its receipt of said bill.

9. The County Budget Office establishes collection rates annually based on a survey of actual annual costs incurred by the County in performing assessments collection services. The collection rate for each tax year is approved by County Commissioners' Court, and all entities are assessed the same per parcel collection rate. Following approval

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

of the collection rate for each assessments year, **COUNTY** will, at least sixty (60) days prior to the expiration date of the then-current term of this Agreement, provide **CITY/TOWN** with written notice of that rate.

VIII.

COUNTY agrees to remit all assessments, penalties, and interest collected on **CITY/TOWN's** behalf and to deposit such funds into the **CITY/TOWN's** depositories, as designated:

1. For deposits of assessments, penalties, and interest, payment shall be by wire transfer or ACH to **CITY/TOWN's** depository accounts only as applicable, specific on the Direct Deposit Authorization executed between the **CITY/TOWN** and **COUNTY.** Only in the event of failure of electronic transfer protocol will a check for deposits of assessments, penalty and interest be sent by mail to **CITY/TOWN**.

2. In anticipation of renewal of this Agreement, **COUNTY** further agrees that deposits will be made daily through September 30th of the collection year. It is expressly understood, however, that this obligation of **COUNTY** shall not survive termination of this Agreement, whether by termination by either party or by failure of the parties to renew this Agreement.

3. In event that **COUNTY** experiences shortage in collections as a result of an outstanding assessment debt of **CITY/TOWN**, the **CITY/TOWN** agrees a payment in the amount of shortage shall be made by check or ACH to **COUNTY** within 15 days after notification of such shortage. Failure to remit payment of shortage restricts release of collected assessments until such time as payment is remitted.

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

IX.

In the event of termination, the terminating party shall be obligated to make such payments as are required by this Agreement through the balance of the assessments year in which notice is given. **COUNTY** shall be obligated to provide services pursuant to this Agreement during such period.

X.

This Agreement represents the entire agreement between **CITY/TOWN** and **COUNTY** and supersedes all prior negotiations, representations, and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by the governing bodies of both **CITY/TOWN** and **COUNTY** or those authorized to sign on behalf of those governing bodies.

XI.

Any and all written notices required to be given under this Agreement shall be delivered or mailed to the listed addresses:

COUNTY:

County Judge of Denton County
110 West Hickory
Denton, Texas 76201
Telephone: 940-349-2820

CITY/TOWN:

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

XII.

CITY/TOWN hereby designates _____ to act on behalf of **CITY/TOWN**, and to serve as Liaison for **CITY/TOWN** to ensure the performance of all duties and obligations of **CITY/TOWN** as stated in this Agreement. **CITY/TOWN**'s designee shall devote sufficient time and attention to the execution of said duties on behalf of **CITY/TOWN** in full compliance with the terms and conditions of this Agreement; shall provide immediate and direct supervision of the **CITY/TOWN** employees, agents, contractors, subcontractors, and/or laborers, if any, in the furtherance of the purposes, terms and conditions of this Agreement for the mutual benefit of **CITY/TOWN** and **COUNTY.**

XIII.

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties that the remaining portions shall remain valid and in full force and effect to the extent possible.

XIV.

The undersigned officers and/or agents of the parties are the properly authorized officials and have the necessary authority to execute this agreement on behalf of the parties. Each party hereby certifies to the other that any resolutions necessary for this Agreement have been duly passed and are now in full force and effect.

Executed in triplicate originals this, _____ day of _____ 20____.

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

COUNTY

Denton County Texas
110 West Hickory
Denton, Texas 76201

BY:_____
Honorable Andy Eads
County Judge

ATTEST:

BY:_____
Juli Luke
Denton County Clerk

APPROVED FORM AND CONTENT:

_____
Michelle French

Tax Assessor/Collector

CITY/TOWN

_____

BY:_____
Name: _____
Title: _____

ATTEST:

BY:_____
Name_____
Title_____

APPROVED AS TO FORM:

_____
Attorney Denton County

Attachment: Sutton Fields - ILA 2021 Denton County PID assessment collection 09.28.2021 (ILA Denton County Sutton Fields II PID Collection)

Life Connected.

Purchasing
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Dawn Berry, Purchasing Manager
CC: Karla Stovall, Assistant City Manager
Date: September 28, 2021
Re: Strategies 360

Action Requested:
Consider and act to authorize an agreement for public information services with Strategies 360 in an amount not to exceed $90,000. (Berry)

Background Information:
Strategies 360 will provide public information services for the City during the contract period of October 1, 2021 through September 30, 2022. The agreement including the fee schedule and timeline are attached.

Alternatives:
Council may reject the authorization and direct staff.

Financial Considerations:
Funding is available in the current budget. Expenditures will not exceed funds appropriated and funds will be committed at the issuance of a purchase order

Legal Review:
Contract has been previously reviewed and approved.

Supporting Documents:
Agreement

Staff Recommendation:
Authorize Agreement

SERVICES AGREEMENT

This services agreement ("Agreement") is entered into by and between Strategies 360, Inc. ("Consultant") with its principal offices at 1505 Westlake Ave N, Suite 1000, Seattle, Washington, 98109, and **The City of Celina, Texas** ("Client"), with its principal address being **142 North Ohio Street Celina, TX 75009**, hereinafter sometimes referred to collectively as the ("Parties").

RECITALS

A. Client wishes to contract with Consultant to provide services in the field of **Comprehensive Strategic Communications Planning** on the terms and conditions set forth herein.

B. Consultant is willing to perform such services in accordance with this Agreement.

In consideration of the mutual promises and agreements contained herein, the Parties agree as follows:

1. Scope of Services. Consultant is retained and appointed to implement the services outlined in the attached Appendix A ("Services"), which are designed to accomplish the objectives of the Client. Consultant shall use Consultant's best efforts to perform the Services such that the results are satisfactory to Client.

2. Contract Administration; Communications. Consultant's employees will be responsible for performing the Services under this Agreement. Client and Consultant shall identify and maintain a mutually agreeable communication process to keep Client fully and currently informed about activities of Consultant on behalf of Client. Consultant will work closely with other consultants, team members, and related organizations and individuals as designated by Client, and as necessary to accomplish the objectives of the Client.

   - Primary Strategies 360 Contact: **Marc Rylander** (**MarcR@Strategies360.com]**)
   - Primary Client Contact: **Jason Laumer, City Manager** (**JLaumer@Celina-TX.gov**)

3. Compensation. Consultant will perform the Services described in this Agreement for a fee of $**7500** per month from **October 1, 2021** ("Effective Date") through **September 30, 2022** ("Termination Date").

Attachment: Strategies 360 09.2021 10.01.2021-09.30.2022 Final cc 09282021 (S360)

Except as otherwise provided, Consultant's fees for service do not include additional costs deemed necessary by Client such as creating and printing materials, conducting public opinion research (e.g. polling), and providing other strategic and/or support services as requested by the Client. Client shall be responsible for applicable state or local sales or excise taxes associated with the Services, if any.

4. Expenses. In addition to compensation payable to Consultant pursuant to this Agreement, Client will reimburse Consultant for costs and disbursements incurred in performing the Agreement including, but not limited to, transportation and travel costs, food, lodging and automobile mileage at the applicable federal rate per business mile, and for necessary entertainment. Consultant shall include an accounting of costs and disbursements and the amount owed on the periodic statements rendered to Client. Total monthly charges to Client under this section of the Agreement will not exceed 10% of monthly service retainer without advance approval from Client.

5. Payment.
Consultant shall send monthly invoices to the Client on the first day of each month of service for the fees jointly agreed by the Parties. Client shall pay Consultant's fees in full by the 15th day of each month of service ("Due Date").

- Strategies 360 Billing Contact: Laura Lukito (laural@strategies360.com)
- City of Celina Billing Contact: accountspayable@celina-tx.gov

Payment terms are Net30. If any invoiced amount is not received by Consultant by the Due Date, those charges may accrue late interest at the rate permitted by Texas law.

Consultant will not exercise these rights if Client disagrees with the applicable charges reasonably and in good faith and is cooperating diligently to resolve the disagreement.

6. Terms of Service and Termination. This Agreement will commence on the Effective Date. Either Party may terminate this Agreement without cause by providing the other Party 30 days' notice in writing. Upon termination, Consultant will render Client an invoice and within 15 days after receipt of said invoice, Client shall pay Consultant in full whatever sums may be due for work performed.

7. Confidential Matters and Proprietary Information. The Consultant shall keep in confidence all information that may be acquired in connection with or as a result of the Agreement. The Consultant shall not publish, communicate, divulge, disclose or use any of such information, which has been designated by Client as proprietary or confidential or which from the surrounding circumstances in good conscience ought to be treated by the Consultant as proprietary or confidential, without the prior written consent of Client. Upon termination or expiration of the Agreement, the Consultant shall deliver all relevant records, data, information, and other documents and all copies thereof requested by Client, which shall remain the property of Client.

Attachment: Strategies 360 09.2021 10.01.2021-09.30.2022 Final cc 09282021 (S360)

8. Conflict of Interest. The Consultant has performed an internal conflict of interest check and determined that there is not a conflict of interest under Consultant policy as between the work to be performed under this Agreement and that work performed for other clients of the Consultant's state or local branch office which is managing this agreement. Consultant shall advise if such a conflict arises in the future.

9. Intellectual Property. To the extent Consultant's work includes the creation or modification of any intellectual property in any medium including print, design, video, audio, digital or otherwise, upon completion of the work and expressly conditioned upon full payment of all fees and costs due, Consultant grants to Client limited usage rights of the final content as provided to Client. These rights shall include the right for Client to modify such work. All other rights, including copyrights, are reserved by Consultant. In the event the Consultant's work is for creation or modification of Client's trademark content, conditioned upon full payment of all fees and costs due, Consultant assigns to Client all rights to such trademarks except that Consultant may utilize such trademark in its own marketing and educational materials. Consultant shall cooperate with Client and shall execute any additional documents reasonably requested by Client to evidence such assignment. Client shall be solely responsible for ensuring any trademarks or domain names do not conflict with the rights of any third party. Client shall also be solely responsible for registering all such trademark or domain names and for any other steps necessary to protect such trademark or domain name along with any related regulatory compliance. The costs of such screening of trademarks or domain names, registration, and other measures shall be born solely by Client. Client shall have sole responsibility for ensuring that trademarks, intellectual property or other content provided by Client to Consultant do not infringe the rights of third parties, and Client shall indemnify, save and hold harmless Consultant from any and all damages, liabilities, costs, losses or expenses arising out of any claim, demand, or action by a third party alleging such infringement.

10. Independent Contractor. In all matters relating to this Agreement, the Consultant shall be acting as an independent contractor. The Consultant is not an employee of Client under the meaning or application of any federal or state unemployment insurance or workers' compensation laws, and the Consultant shall assume all liabilities and obligations imposed by any one or more of such laws. Consultant will work with the Client to determine the time, the place and the manner in which it will accomplish its services.

11. Entire Agreement. This Agreement constitutes the entire agreement between Client and the Consultant in regard to the subject matter hereof and supersedes all prior or contemporaneous communications, representations, or agreements, whether oral or written, with respect thereto. No agreements hereafter made between the parties shall be binding on either party unless reduced to writing and signed by authorized representatives of the parties.

12. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be entirely performed within the State of Texas, without resort to its conflict of law

Attachment: Strategies 360 09.2021 10.01.2021-09.30.2022 Final cc 09282021 (S360)

provisions. The state or federal court in Collin County, Texas will be the jurisdiction in which any suits should be filed if they relate to this Agreement.

13. Non-Solicitation of Consultant Employees. During the Term of this Agreement and for a period of one (1) year after the termination of this Agreement, Client will not solicit, induce, recruit or encourage directly or indirectly (nor will Client direct, encourage or assist anyone else to solicit, induce, recruit or encourage) any of the Consultant's employees to terminate their employment with Consultant or to work elsewhere.

14. Indemnification and Insurance. Client shall indemnify, defend, and hold harmless Consultant and its directors, officers, and employees from any and all claims arising from or in connection with the performance of services including but not limited to statutory violations, Contractor's independent contractor status, or for injury or death of any and all persons whatsoever and from any and all damage to property.

THE CONSULTANT AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, TO INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES (HEREINAFTER COLLECTIVELY REFERRED TO AS "INDEMNITEES") FROM AND AGAINST SUITS, ACTIONS, CLAIMS, LOSSES, ANY DAMAGE, LIABILITY, AND FROM AND AGAINST ANY COSTS AND EXPENSES, INCLUDING, IN PART, ATTORNEY'S FEES INCIDENTAL TO THE DEFENSE OF SUCH SUITS, ACTIONS CLAIMS, LOSSES, DAMAGES OR LIABILITY ON ACCOUNT OF INJURY, DISEASE, SICKNESS, INCLUDING DEATH, TO ANY PERSON OR DAMAGE TO PROPERTY INCLUDING, IN PART, THE LOSS OF USE RESULTING THEREFROM, ARISING FROM ANY NEGLIGENT ACT, ERROR OR OMISSION OF THE CONSULTANT, ITS OFFICERS, EMPLOYEES, SERVANTS, AGENTS OR SUBCONTRACTORS, OR ANYONE ELSE UNDER THE CONSULTANT'S DIRECTION AND CONTROL, AND ARISING OUT OF, RESULTING FROM, OR CAUSED BY THE PERFORMANCE OR FAILURE OF PERFORMANCE OF ANY WORK OR SERVICES UNDER THIS AGREEMENT, OR FROM CONDITIONS CREATED BY THE PERFORMANCE OR NON-PERFORMANCE OF SAID WORK OR SERVICES. IN THE EVENT ONE OR MORE OF THE INDEMNITEES IS DETERMINED BY A COURT OF LAW TO BE JOINTLY OR DERIVATIVELY NEGLIGENT OR LIABLE FOR SUCH DAMAGE OR INJURY, THE CONSULTANT SHALL BE OBLIGATED TO INDEMNIFY INDEMNITEES AS PROVIDED HEREIN ON A PROPORTIONATE BASIS IN ACCORDANCE WITH THE FINAL JUDGMENT, AFTER ALL APPEALS ARE EXHAUSTED, DETERMINING SUCH JOINT OR DERIVATIVE NEGLIGENCE OR LIABILITY. THIS INDEMNIFICATION IS SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE, § 271.904(A) AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002(B), AS SAME MAY BE APPLICABLE TO CONSULTANT AS A MATTER OF LAW.

Consultant agrees to purchase and/or maintain insurance as required in Exhibit A-Insurance Requirements, attached and part of this agreement.

15. Warranty and Limitation of Damages. Consultant shall seek to carry out the Services in accordance with good industry practice and in a professional manner**. However, the Services and other work is provided "AS IS" and no express or implied warranty or guarantee is made and all such warranties, including merchantability and fitness for a particular purpose, are specifically disclaimed.** Consultant's liability of any nature to

Attachment: Strategies 360 09.2021 10.01.2021-09.30.2022 Final cc 09282021 (S360)

Client shall be limited to the amount of the net profits of Consultant in performing services under this Agreement. Consultant shall not be liable for any indirect, special, incidental, punitive, or consequential damages of any kind including, but not limited to lost profits, lost data, loss of goodwill or business interruption.

16. Counterparts. This Agreement may be executed in counterparts by exchange of signature pages by mail, facsimile, email or other electronic means, each of which will be deemed an original and all of which will together constitute the same instrument.

By executing this Agreement each signatory affirms that they have read, understand, and agree with its terms, and that each has the full power and authority to enter this Agreement on behalf of the entity for which they have signed.

Executed in the County of King, Washington:

For: **STRATEGIES 360, INC.**
1505 Westlake Ave N, Suite 1000
Seattle, Washington 98109
TEL: 206/282-1990 FAX: 206/282-2704

y: _____ Date: _____
Ron Dotzauer, CEO

For: **City of Celina**
142 North Ohio Street
Celina, Texas 75009

By: _____ Date: _____
Jason Laumer, City Manager

Attachment: Strategies 360 09.2021 10.01.2021-09.30.2022 Final cc 09282021 (S360)

Appendix A
Scope of Work

Strategies 360 Marc Rylander

Function as Public Information Officer for the City

Strategies 360 SVP for Communications for Texas, Marc Rylander, will function as the Public Information Officer for the City of Celina during the contracted period of this agreement. He will serve as the chief communications liaison between the City and members of the media/press. He will have ongoing communications with the media, organize media activity in the city, determine what information will be distributed from the city and to whom it will be distributed, and will monitor and provide input on any/all social media activity by the City.

Write initial drafts of all press releases/media advisories/statements

Strategies 360 will continue to write initial drafts of all press releases, media advisories, and statements issued by the City. They will work collectively with the Mayor and Council, City Manager, Chiefs, and/or Directors to maintain accuracy and consistency in statements that are issued for public distribution or as response to inquiries from credentialed media/press agencies.

Maintain/updating a press/media database for the City and EDC

Strategies 360 will regularly review and update the media database for the City of Celina. While anyone is welcome to join this distribution list, a concerted effort will be placed on maintaining email information for correspondents, reporters, and writers who cover Collin County stories for the four network television affiliate stations, the two largest Spanish-speaking affiliates, the news radio stations in the area, and for the major Dallas and Collin County newspapers. Furthermore, this list will include elected officials and staff in their district offices, as well as any state or national media/press representatives who tend to cover news stories in this region.

Assist with messaging and creative planning for events in City

Strategies 360 will, when requested, participate in planning meeting for City events and will assist in the marketing and messaging of the events, as needed.

Formulate quarterly messaging schedules for press/media, social media, and newsletter articles

Attachment: Strategies 360 09.2021 10.01.2021-09.30.2022 Final cc 09282021 (S360)

Strategies 360 will obtain City scheduling at a weekly meeting with the Marketing and Communications team and will formulate a messaging and media strategy for all necessary activities. This will include drafting and scheduling press releases for citywide events, creating social media posts and scheduling them to coincide with the releases, and assisting with copy for newsletter articles.

Conduct ongoing media and social media training for City and EDC officials

Strategies 360 will prepare and present materials for ongoing media and social media training sessions for all City officials who have such interaction in their official capacities. This will include training sessions for elected officials and city managers, directors, chiefs, and departmental public information officers. These trainings will take place at a time determined by the Mayor, City Manager, and/or Assistant City Manager.

Assist with any special projects that require creative writing for city staff

Strategies 360 will draft and/or edit all-staff or citywide communications as requested.

Review websites and monitoring social media for updates and changes

The Strategies 360 team will monitor and offer update suggestions of all electronic platforms of the city. This includes but is not limited to websites and social media platforms.

Serve as the backup 24/7 on-call communications contact for the City

Strategies 360 SVP for Communications for Texas, Marc Rylander, will serve as the backup on-call communications contact for the City at all times. He will be ready to engage with any unplanned activity in the city that could be press-worthy when contacted. In the event that the Director of Marketing and Communications is off-duty, he will serve as the primary person on-call. He will work with the City Manager and Chiefs during such situations to create and execute a communications strategy.

Plan/execute press conferences as needed for any highly visible newsworthy activity in the City

Strategies 360 SVP for Communications for Texas, Marc Rylander, will organize, alert the press, and conduct press conferences for any acute newsworthy activities in the City. He will communicate with City, Police, and Fire Administration to coordinate and carry-out these meetings with the media/press. He will also be available to assist with any media activity on the scene at any police and/or fire event in the City.

Meet regularly with City leadership to foster open and up-to-date information to avoid any communications gaps

Attachment: Strategies 360 09.2021 10.01.2021-09.30.2022 Final cc 09282021 (S360)

Strategies 360 SVP for Communications for Texas, Marc Rylander, will meet individually or collectively with the Mayor, Council, City Manager, Police Chief, Fire Chief, EDC Director and others, as needed, to maintain strong and open communications which will help avoid communication gaps as the City grows.

Create a comprehensive communications strategy and media/press policies document for the City

As the City continues to grow, a comprehensive communications strategy is necessary to offer a holistic look into how the City will communicate activities in an honest, transparent, and effective manner. The document will detail communications policies and procedures relating to but not limited to information shared on websites, social media platforms, press releases, issued and responsive statements, and other engagement between the City, its officials, and the public.

Attachment: Strategies 360 09.2021 10.01.2021-09.30.2022 Final cc 09282021 (S360)

Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Bella Lopez, Senior Planner
CC: Jason Laumer, City Manager
Date: September 28, 2021
Re: Wells South PID - Levy Ordinance

Action Requested:
Conduct a public hearing (continued from September 14, 2021) to consider testimony and act upon an ordinance accepting and approving a final Wells South Public Improvement District Amended and Restated Service and Assessment Plan, including the Neighborhood Improvement Area #4 assessment roll; making a finding of special benefit to property within Neighborhood Improvement Area #4 of the Wells South Public Improvement District; levying special assessments against such property and establishing a lien on such property; providing for the method of assessment and the payment of the assessments levied against Neighborhood Improvement Area #4 assessed property, in accordance with Chapter 372 of the Texas Local Government Code, as amended. (Wells South PID – Levy Ordinance) (Lopez)

Background:
This item is being continued from the regular City Council meeting held on September 14, 2021.
Please refer to the attachment for additional information.

Supporting Documents:
· Draft Ordinance

Staff Recommendation:
Staff recommends approval.

ORDINANCE NO. 2021-____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS ACCEPTING AND APPROVING AN AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN AND NEIGHBORHOOD IMPROVEMENT AREA #4 ASSESSMENT ROLL FOR THE WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN NEIGHBORHOOD IMPROVEMENT AREA #4 OF THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN NEIGHBORHOOD IMPROVEMENT AREA #4 OF THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE NEIGHBORHOOD IMPROVEMENT AREA #4 ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on May 21, 2015, a petition was submitted and filed with the City Secretary (the "City Secretary") of the City of Celina, Texas (the "City") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act"), requesting the creation of a public improvement district in the extraterritorial jurisdiction of the City; and

WHEREAS, the petition contained the signature of the owner of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Collin Central Appraisal District, and the signature of the record owner of real taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on July 14, 2015, after due notice, the City Council of the City (the "City Council") held a public hearing in the manner required by law on the advisability of the public improvements and services described in the petition as required by Section 372.009 of the PID Act and made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2015-34R (the "Authorization Resolution") adopted by a majority of the members of the City Council, authorized and created the Wells South Public Improvement District (the "District") in accordance with its finding as to the advisability of the Authorized Improvements; and

WHEREAS, the City published the Authorization Resolution as required by law; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary; and

WHEREAS, the District is now located entirely within the corporate limits of the City; and

WHEREAS, the City has issued $8,040,000 City of Celina, Texas Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Major Improvement

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Area Project) (the "Major Improvement Area Bonds") that are secured by special assessments levied on the Major Improvement Area Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the City has issued $5,790,000 City of Celina, Texas Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Neighborhood Improvement Area #1 Project) (the "Neighborhood Improvement Area #1 Bonds") that are secured by special assessments levied on the Neighborhood Improvement Area #1 Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the City has issued $3,195,000 City of Celina, Texas Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project) (the "Neighborhood Improvement Areas #2-3 Bonds") that are secured by (i) special assessments levied on the Neighborhood Improvement Area #2 Assessed Property (as defined in the Service and Assessment Plan) and (ii) special assessments levied on the Neighborhood Improvement Area #3 Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, on August 10, 2021, the City Council adopted a resolution approving a preliminary amended and restated service and assessment plan update, including a proposed assessment roll for Neighborhood Improvement Area #4 of the District; calling for a public hearing to consider an ordinance levying assessments on property within Neighborhood Improvement Area #4 of the District (the “Neighborhood Improvement Area #4 Assessments”); authorizing and directing the City Secretary of the City to file the proposed assessment roll for Neighborhood Improvement Area #4 of the District and make such assessment roll available for public inspection; authorizing and directing the publication of notice of a public hearing to consider the levying of the Neighborhood Improvement Area #4 Assessments against the property within the District (the “Levy and Assessment Hearing”); authorizing and directing the mailing of notice of the Levy and Assessment Hearing to owners of property liable for assessment; and directing related action; and

WHEREAS, on August 11, 2021, the City Secretary filed the Neighborhood Improvement Area #4 Assessment Roll (defined below) and made the same available for public inspection; and

WHEREAS, the City Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Levy and Assessment Hearing on August 16, 2021 in *The Celina Record*, a newspaper of general circulation in the City; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, mailed the notice of the Levy and Assessment Hearing to the last known addresses of the owners of the property liable for the Neighborhood Improvement Area #4 Assessments; and

WHEREAS, the City Council opened and convened the Levy and Assessment Hearing on September 14, 2021, and then the City Council recessed such public hearing until September 28, 2021; and

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

WHEREAS, the City Council opened and reconvened the Levy and Assessment Hearing on September 28, 2021, and at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Neighborhood Improvement Area #4 Assessment Roll, and the proposed Neighborhood Improvement Area #4 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Neighborhood Improvement Area #4 Assessments, the allocation of the Actual Costs of the Authorized Improvements to be undertaken for the benefit of the Neighborhood Improvement Area #4 Assessed Property (as defined in the Service and Assessment Plan) (the "Neighborhood Improvement Area #4 Improvements"), the purposes of the Neighborhood Improvement Area #4 Assessments, the special benefits of the Neighborhood Improvement Area #4 Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Neighborhood Improvement Area #4 Assessments; and

WHEREAS, the City Council finds and determines that the Neighborhood Improvement Area #4 Assessment Roll and the Wells South Public Improvement District Amended and Restated Service and Assessment Plan, dated December 7, 2015, as updated for Neighborhood Improvement Area #2 on July 10, 2018, Neighborhood Improvement Area #3 on September 8, 2020, and Neighborhood Improvement Area #4 on September 28, 2021, 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 (as updated, the "Service and Assessment Plan"), and which is incorporated herein for all purposes, should be approved and that the Neighborhood Improvement Area #4 Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan and the assessment roll attached thereto as Appendix G (the "Neighborhood Improvement Area #4 Assessment Roll"); and

WHEREAS, the City Council further finds that there were no objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the Actual Costs of the Neighborhood Improvement Area #4 Improvements (as described in the Service and Assessment Plan), the Neighborhood Improvement Area #4 Assessment Roll, or the levy of the Neighborhood Improvement Area #4 Assessments against the Neighborhood Improvement Area #4 Assessed Property; and

WHEREAS, the owners (the "Landowners"), or their representatives, of the majority of the privately-owned and taxable property located within Neighborhood Improvement Area #4 of the District, who are the persons to be assessed pursuant to this Ordinance, have indicated their approval and acceptance of the Service and Assessment Plan, approval of the Neighborhood Improvement Area #4 Assessment Roll, approval of this Ordinance, and approval of the levy of the Neighborhood Improvement Area #4 Assessments against their property located within Neighborhood Improvement Area #4 of the District; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

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

Section 1. **Terms**.

Terms not otherwise defined herein are defined in the Service and Assessment Plan.

Section 2. **Findings**.

The findings and determinations set forth in the preambles hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section. The City Council hereby finds, determines, and ordains, as follows:

(a) The apportionment of the Actual Costs of the Neighborhood Improvement Area #4 Improvements (as reflected in the Service and Assessment Plan), and the Administrative Expenses (as defined in and as described by the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each assessed parcel within the Neighborhood Improvement Area #4 Assessed Property will receive from the construction of the Neighborhood Improvement Area #4 Improvements identified in the Service and Assessment Plan, and is hereby approved;

(b) The Service and Assessment Plan (i) covers a period of at least five years, (ii) defines the annual indebtedness and projected costs for the Neighborhood Improvement Area #4 Improvements, and (iii) includes a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service and Assessment Plan and has been reviewed and updated annually, including the updated Service and Assessment Plan attached hereto as ***Exhibit A****;*

(c) The Service and Assessment Plan apportions the Actual Costs of the Neighborhood Improvement Area #4 Improvements to be assessed against the Neighborhood Improvement Area #4 Assessed Property as Neighborhood Improvement Area #4 Assessments and such apportionment is made on the basis of special benefits accruing to the property because of the Neighborhood Improvement Area #4 Improvements;

(d) All of the real property in Neighborhood Improvement Area #4 of the District which is being assessed in the amounts shown in the Neighborhood Improvement Area #4 Assessment Roll will be benefited by the Neighborhood Improvement Area #4 Improvements proposed to be constructed as described in the Service and Assessment Plan, and each assessed parcel of Neighborhood Improvement Area #4 Assessed Property will receive special benefits during the term of the Neighborhood Improvement Area #4 Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the Actual Costs of the Neighborhood Improvement Area #4 Improvements and Administrative Expenses set forth in the

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Neighborhood Improvement Area #4 Improvements and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the Actual Costs;

(f) The Service and Assessment Plan should be approved as the service plan and assessment plan for the District as described in Sections 372.013 and 372.014 of the PID Act;

(g) The Neighborhood Improvement Area #4 Assessment Roll should be approved as the Neighborhood Improvement Area #4 Assessment Roll for the Neighborhood Improvement Area #4 Assessed Property within the District;

(h) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Neighborhood Improvement Area #4 Assessments, interest on Annual Installments, interest and penalties on delinquent Neighborhood Improvement Area #4 Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Neighborhood Improvement Area #4 Assessments should be approved and will expedite collection of the Neighborhood Improvement Area #4 Assessments in a timely manner in order to provide the services and improvements needed and required for Neighborhood Improvement Area #4 of the District; and

(i) A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

Section 3. Service and Assessment Plan.

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan for the District.

Section 4. Neighborhood Improvement Area #4 Assessment Roll.

The Neighborhood Improvement Area #4 Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Neighborhood Improvement Area #4 Assessment Roll of the District.

Section 5. Levy and Payment of Neighborhood Improvement Area #4 Assessments for Actual Costs of the Neighborhood Improvement Area #4 Improvements.

(a) The City Council hereby levies an assessment on each parcel of Neighborhood Improvement Area #4 Assessed Property (excluding Non-Benefitted

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Property, as defined in the Service and Assessment Plan), as shown and described in the Service and Assessment Plan and the Neighborhood Improvement Area #4 Assessment Roll, in the respective amounts shown on the Neighborhood Improvement Area #4 Assessment Roll, as a special assessment on the properties set forth in the Neighborhood Improvement Area #4 Assessment Roll.

(b) The levy of the Neighborhood Improvement Area #4 Assessments shall be effective on the date of execution of this Ordinance levying Neighborhood Improvement Area #4 Assessments and strictly in accordance with the terms of the Service and Assessment Plan and the PID Act.

(c) The collection of the Neighborhood Improvement Area #4 Assessments shall be as described in the Service and Assessment Plan and the PID Act.

(d) Each Neighborhood Improvement Area #4 Assessment may be paid in a lump sum at any time or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Neighborhood Improvement Area #4 Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.

(f) Each Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) The Administrative Expenses for Neighborhood Improvement Area #4 Assessed Property shall be calculated and collected pursuant to the terms of the Service and Assessment Plan.

Section 6. **Method of Assessment**.

The method of apportioning the Actual Costs of the Neighborhood Improvement Area #4 Improvements and Administrative Expenses are set forth in the Service and Assessment Plan.

Section 7. **Penalties and Interest on Delinquent Neighborhood Improvement Area #4 Assessments.**

Delinquent Neighborhood Improvement Area #4 Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. **Prepayments of Neighborhood Improvement Area #4 Assessments**.

As provided in Section VI of the Service and Assessment Plan, the owner of any Neighborhood Improvement Area #4 Assessed Property subject to a Neighborhood Improvement Area #4 Assessment may prepay the Neighborhood Improvement Area #4 Assessments levied by this Ordinance.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Section 9. **Lien Priority**.

The City Council and the Landowners intend for the obligations, covenants and burdens on the Landowners of each parcel of Neighborhood Improvement Area #4 Assessed Property, including without limitation such Landowners' obligations related to payment of the Neighborhood Improvement Area #4 Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Neighborhood Improvement Area #4 Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the Landowners, as the owners of each parcel of Neighborhood Improvement Area #4 Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Neighborhood Improvement Area #4 Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. **Appointment of Administrator and Collector of Assessments**.

(a) Appointment of Administrator.

MuniCap, Inc., is hereby appointed and designated to initially serve, or until otherwise determined by the City Council, as the Administrator of the Service and Assessment Plan and of the Neighborhood Improvement Area #4 Assessments levied by this Ordinance. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator's fees, charges and expenses for providing such service shall constitute an Administrative Expense.

(b) Appointment of Collector.

The Collin County Tax Assessor and Collector is hereby appointed and designated as the collector of the Neighborhood Improvement Area #4 Assessments.

Section 11. **Applicability of Tax Code**.

To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of the Neighborhood Improvement Area #4 Assessments by the City.

Section 12. **Filing in Land Records**. The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and the Neighborhood Improvement Area #4 Assessment Roll, to be recorded in the real property records of Collin County, not later than the seventh day after the date the City Council adopts this Ordinance approving the Service and Assessment Plan. The City Secretary is further directed to similarly file each Annual Service Plan Update (as defined in the Service and Assessment Plan) approved by the City Council not later than the seventh day after the date that the City Council approves each Annual Service Plan Update.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Section 13. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of the same to 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 Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity or any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section 14. Effective Date.

This Ordinance shall take effect, and the levy of the Neighborhood Improvement Area #4 Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and execution hereof.

[Remainder of Page Intentionally Left Blank; Signatures to Follow]

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

PASSED AND ADOPTED, this the 28th day of September, 2021.

CITY OF CELINA, TEXAS

_____
Mayor

ATTEST:

_____
City Secretary

(City Seal)

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2021 by Sean Terry, Mayor of the City of Celina, Texas on behalf of said City.

_____
Notary Public, State of Texas

(SEAL)

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

EXHIBIT A

Service and Assessment Plan

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT

CITY OF CELINA, TEXAS

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

December 7, 2015

As updated for Neighborhood Improvement Area #2 on July 10, 2018, Neighborhood Improvement Area #3 on September 8, 2020, and Neighborhood Improvement Area #4 on _____, 2021

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

WELLS SOUTH
PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

TABLE OF CONTENTS

RECITALS 3

I. PLAN DESCRIPTION AND DEFINED TERMS 5

A. INTRODUCTION 5

II. PROPERTY INCLUDED IN THE PID 14

A. PROPERTY INCLUDED IN THE PID 14
B. PROPERTY LOCATED IN THE MAJOR IMPROVEMENT AREA, NEIGHBORHOOD IMPROVEMENT AREA #1, NEIGHBORHOOD IMPROVEMENT AREA #2, NEIGHBORHOOD IMPROVEMENT AREA #3, AND NEIGHBORHOOD IMPROVEMENT AREA #4 15
C. PROPERTY INCLUDED IN FUTURE NEIGHBORHOOD IMPROVEMENT AREAS 16

III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS 18

A. AUTHORIZED IMPROVEMENT OVERVIEW 18
B. DESCRIPTIONS AND COSTS OF MAJOR IMPROVEMENTS 18
C. DESCRIPTIONS AND COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #1 IMPROVEMENTS 20
D. DESCRIPTIONS AND COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #2 IMPROVEMENTS 21
E. DESCRIPTIONS AND COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #3 IMPROVEMENTS 23
F. DESCRIPTIONS AND COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS 24
G. FUTURE NEIGHBORHOOD IMPROVEMENT AREA IMPROVEMENTS 25

IV. ASSESSMENT PLAN 26

A. INTRODUCTION 26
B. SPECIAL BENEFIT 27
C. ALLOCATION OF ACTUAL COSTS OF MAJOR IMPROVEMENTS 28
D. ALLOCATION OF ACTUAL COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #1 PROJECTS 28
E. ALLOCATION OF ACTUAL COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #2 IMPROVEMENTS 29
F. ALLOCATION OF ACTUAL COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #3 IMPROVEMENTS 29
G. ALLOCATION OF ACTUAL COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS 30
H. ALLOCATION OF ACTUAL COSTS OF FUTURE IMPROVEMENT AREA IMPROVEMENTS 30
I. SPECIAL ASSESSMENT METHODOLOGY 31
J. SPECIAL ASSESSMENT AND ANNUAL INSTALLMENTS 44
K. ADMINISTRATIVE EXPENSES 44
L. ADDITIONAL INTEREST RATE 44
M. PREPAYMENT RESERVE – MIA & NIA #1 BONDS 44
N. DELINQUENCY RESERVE – MAJOR IMPROVEMENT AREA & NEIGHBORHOOD IMPROVEMENT AREA #1 BONDS 45
O. ADDITIONAL INTEREST RESERVE – NEIGHBORHOOD IMPROVEMENT AREAS #2-3 BONDS & NEIGHBORHOOD IMPROVEMENT AREA #4 BONDS 45

V. SERVICE PLAN 46

A. INTRODUCTION 46

VI. TERMS OF THE SPECIAL ASSESSMENTS 55

A. AMOUNT OF SPECIAL ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE MAJOR IMPROVEMENT AREA 55

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

B. Amount of Special Assessments and Annual Installments for Parcels Located Within Neighborhood Improvement Area #1, Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, and Neighborhood Improvement Area #4 55
C. Amount of Special Assessments and Annual Installments for Parcels Located Within Future Neighborhood Improvement Areas 56
D. Reallocation of Assessments for Parcels Located Within the PID 56
E. Reallocation of Assessments for Parcels Located Within Future Neighborhood Improvement Areas 58
F. Mandatory Prepayment of Assessments 58
G. Reduction of Special Assessments 58
H. Payment of Special Assessments 59
I. Collection of Annual Installments 61
J. Surplus Funds Remaining in the Major Improvement Area Bond Account 62
K. Surplus Funds Remaining in the Neighborhood Improvement Area #1 Bond Account 62
L. Surplus Funds Remaining in the Neighborhood Improvement Areas #2-3 Bond Account 62
M. Surplus Funds Remaining in the Neighborhood Improvement Area #4 Bond Account 62

VII. The Assessment Roll 63

A. Major Improvement Assessment Roll 63
B. Neighborhood Improvement Area #1 Assessment Roll 64
C. Neighborhood Improvement Area #2 Assessment Roll 65
D. Neighborhood Improvement Area #3 Assessment Roll 66
E. Neighborhood Improvement Area #4 Assessment Roll 67
F. Future Neighborhood Improvement Area Assessment Roll 68
G. Annual Assessment Roll Updates 68

VIII. Miscellaneous Provisions 69

A. Administrative Review 69
B. Termination of Assessments 69
C. Amendments 69
D. Administration and Interpretation of Provisions 70
E. Severability 70

APPENDIX A - PID MAP
APPENDIX B-1 - Legal Description - All Parcels
APPENDIX B-2 - Legal Description - Neighborhood Improvement Area #1
APPENDIX B-3 - Legal Description - Neighborhood Improvement Area #2
APPENDIX B-4 - Legal Description - Neighborhood Improvement Area #3
APPENDIX B-5 - Legal Description - Neighborhood Improvement Area #4
APPENDIX C - Homebuyer Disclosure Form
APPENDIX D - Major Improvement Area Assessment Roll
APPENDIX E - Neighborhood Improvement Area #1 Assessment Roll
APPENDIX F - Neighborhood Improvement Area #2 Assessment Roll
APPENDIX G - Neighborhood Improvement Area #3 Assessment Roll
APPENDIX H - Proposed Neighborhood Improvement Area #4 Assessment Roll

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

RECITALS

WHEREAS, certain terms used herein are defined in Section I.B hereof; and

WHEREAS, on May 21, 2015, The George White Family Limited Partnership, a Texas limited partnership, and the owner of a majority of certain real property within the extraterritorial jurisdiction of the City, petitioned the City for the creation of a PID; and

WHEREAS, on July 14, 2015, after notice and a public hearing in the manner required by law, the City Council of the City, Texas approved a Resolution No. 2015-34R authorizing the creation of the Wells South Public Improvement District (the "District"); and

WHEREAS, the District is now located entirely within the corporate limits of the City; and

WHEREAS, on December 7, 2015, after notice and public hearings conducted in the manner required by law, the City Council adopted Ordinance Nos. 2015-65 and 2015-66 approving the Wells South Public Improvement District Service and Assessment Plan (the "Original SAP") and the Major Improvement Area Assessment Roll and Neighborhood Improvement Area #1 Assessment Roll and the levy of assessments on property in the Major Improvement Area and Neighborhood Improvement Area #1; and

WHEREAS, the City and the Developer entered that certain Wells South Public Improvement District Reimbursement Agreement, effective December 7, 2015 (the "PID Reimbursement Agreement"), 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; and

WHEREAS, on July 10, 2018, after notice and a public hearing conducted in the manner required by law, the City Council adopted Ordinance No. 2018-31 approving an updated Wells South Public Improvement District Service and Assessment Plan (the "Updated SAP") and Neighborhood Improvement Area #2 Assessment Roll and levy of assessments for Neighborhood Improvement Area #2 Improvements on property in Neighborhood Improvement Area #2 in the District; and

WHEREAS, on August 27, 2019, the City Council approved an Annual Service Plan Update (the "2019 SAP Update") including reallocation of Neighborhood Improvement Area #2 Assessments in the amount of $954,263 for the Neighborhood Improvement Area #2 Improvements (from the initial total levy of $2,125,000) following subdivision of 99 Lots within Neighborhood Improvement Area #2; and

WHEREAS, the City and the Developer have determined that due to the change in the development plan, the Developer will no longer construct Neighborhood Improvement Area #2 Improvements related to the unallocated Neighborhood Improvement Area #2 Assessment amount of $1,170,737 (i.e. $2,125,000 - $954,263 = $1,170,737) and such unallocated Neighborhood Improvement Area #2 Assessment amount is no longer needed; and

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WHEREAS, the City levied Assessments on the Major Improvement Area Assessed Property and Neighborhood Improvement Area #1 Assessed Property for those water and sewer Major Improvements described in Section III of the Original SAP, constructed and installed in accordance with the Original SAP, as amended or updated from time to time, (the "2015 CCMI Assessment"); and

WHEREAS, in an ordinance adopted by the City Council on August 11, 2020, approving an amended and restated Service and Assessment Plan (the "Original Amended and Restated Service and Assessment Plan"), which updated and replaced the Original SAP, the Updated SAP, and the 2019 SAP Update, and pursuant to direction from the Administrator that the conditions required for completely reducing the 2015 CCMI Assessments, the City has formally released the 2015 CCMI Assessment portion of the Major Improvement Area Assessment and the Neighborhood Improvement Area #1 Assessments, and the 2015 CCMI Assessment portion of the Major Improvement Area Assessment or the Neighborhood Improvement Area #1 Assessments will no longer be included in the Assessment Revenues which secure the Bonds; and

WHEREAS, on September 8, 2020 after notice and a public hearing conducted in the manner required by law, the City Council adopted Ordinance No. 2020-75 approving the Wells South Public Improvement District Amended and Restated Service and Assessment Plan, dated as of September 8, 2020 (the "2020 Amended and Restated Service and Assessment Plan"), which updated and replaced the Original Amended and Restated Service and Assessment Plan, and the Neighborhood Improvement Area #3 Assessment Roll and levied assessments for the Neighborhood Improvement Area #3 Improvements and released that unallocated portion of the Neighborhood Improvement Area #2 Assessments;

WHEREAS, on September 14, 2021 after notice and a public hearing conducted in the manner required by law, the City Council adopted Ordinance No. _____ approving this Wells South Public Improvement District Amended and Restated Service and Assessment Plan, dated as of September 14, 2021 (the "Service and Assessment Plan"), to update and replace the 2020 Amended and Restated Service and Assessment Plan, which ordinance also approved the Neighborhood Improvement Area #4 Assessment Roll and also levied assessments for the Neighborhood Improvement Area #4 Improvements.

NOW THEREFORE, the 2020 Amended and Restated Service and Assessment Plan is updated as follows:

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

Chapter 372 of the Texas Local Government Code (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. This Service and Assessment Plan (this "SAP") was prepared pursuant to the PID Act. The PID Act requires that a service plan "(i) cover a period of at least five years; (ii) define the annual indebtedness and the projected costs for improvements, and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended." The PID Act also requires the City "review and update the service plan annually for the purpose of determining the annual budget for improvements." The service plan for the PID is described in more detail in Section V herein. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix C.

The Assessment Rolls for the PID are attached hereto as Appendix D, Appendix E, Appendix F, Appendix G, and Appendix H and are addressed in Section VII of this SAP. The Special Assessments as shown on the Assessment Rolls are based on the method for establishing and levying the Special Assessments described in Section IV and Section VI of this SAP.

B. Definitions

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

"**Actual Cost(s)**" means, with respect to a Public Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Public Improvement as specified in a payment request in a form that has been reviewed and approved by the City. Actual Cost may include (a) the costs incurred for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Public Improvement, (b) the costs incurred in preparing the construction plans for such Public Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Public Improvement, (d) the costs incurred for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes related to such Public Improvement (e) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of such Public Improvement, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses, and (g) all payments for Administrative Expenses.

"Additional Interest Rate" means the 0.50% additional interest rate collected as part of the Special Assessments collected from Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, and Neighborhood Improvement Area #4.

"Additional Interest Reserve" has the meaning set forth in Section IV.O of this SAP.

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"**Administrative Expenses**" means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the PID and preparing the Assessment Rolls, (iii) computing, levying, collecting and transmitting the Special Assessments or the Annual Installments thereof, (iv) maintaining the record of Special Assessments, including payments, reallocations and/or cancellations of the Special Assessments or Annual Installments thereof, (v) issuing, paying, and redeeming the PID Bonds, (vi) investing or depositing the Special Assessments or other monies, (vii) complying with the PID Act with respect to the PID Bonds, (viii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the PID Bonds, and (ix) administering the construction of the Public Improvements.

"Administrator" means the City or third party designee of the City who shall have the responsibilities provided for herein, in an Indenture relating to PID Bonds or in any other agreement approved by the City Council.

"Annual Installment" means, with respect to the Assessed Property and as applicable, each annual payment of: (i) the Special Assessment (including the principal of and interest on), as shown on the Assessment Rolls attached hereto as Appendix D, Appendix E, Appendix F, Appendix G, or Appendix H, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this SAP, (ii) Administrative Expenses, (iii) the portion of the interest on the Major Improvement Area Assessment and Neighborhood Improvement Area #1 Assessment designated for the Prepayment Reserve described in Section IV of this SAP, (iv) the portion of the interest on the Major Improvement Area Assessment and Neighborhood Improvement Area #1 Assessment designated for the Delinquency Reserve described in Section IV of this SAP, (iv) the portion of the interest on the Neighborhood Improvement Area #2 Assessment designated for the Additional Interest Reserve described in Section IV of this SAP, (v) the portion of the interest on the Neighborhood Improvement Area #3 Assessment designated for the Additional Interest Reserve described in Section IV of this SAP, and (vi) the portion of the interest on the Neighborhood Improvement Area #4 Assessment designated for the Additional Interest Reserve described in Section IV of this SAP.

"Annual Service Plan Update" has the meaning set forth in Section V of this SAP.

"**Assessed Property**" or **"Assessed Properties"** means property on which Special Assessments have been levied as shown on the Assessment Rolls attached hereto as Appendix D, Appendix E, Appendix F, Appendix G, or Appendix H (as each may be updated each year by the Annual Service Plan Update) and which includes any and all Parcels within the PID other than Non-Benefited Property.

"**Assessment Ordinance**" means each ordinance adopted by the City Council approving this SAP (or amendments or supplements to the SAP) and levying the Special Assessments.

"Assessment" means the assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation

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upon the subdivision of such Parcel created by such subdivision or reduction according to the provisions hereof and the PID Act.

"**Assessment Roll**" or "**Assessment Rolls**" means collectively or separately as applicable, the Major Improvement Area Assessment Roll, the Neighborhood Improvement Area #1 Assessment Roll, the Neighborhood Improvement Area #2 Assessment Roll, the Neighborhood Improvement Area #3 Assessment Roll, and the Neighborhood Improvement Area #4 Assessment Roll, included in this SAP as Appendix D, Appendix E, Appendix F, Appendix G, and Appendix H, respectively, as each may be 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 PID Bonds or in connection with any Annual Service Plan Update.

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act including those listed in Section III.A of this SAP.

"City" means the City of Celina, Texas.

"**City Council**" means the duly elected governing body of the City.

"**Commercial Parcel"** means a Parcel located within the PID which has been designated at the time of the adoption of the initial Assessment Rolls and approval of this SAP for the future development of commercial uses such as, but not limited to, office buildings, retail shopping centers, and multi-family residential projects.

"**County**" means Collin County, Texas.

"**Delinquency Reserve**" has the meaning set forth in Section IV.N of this SAP.

"Delinquent Collection Costs" means interest, penalties and expenses incurred or imposed with respect to any delinquent Special Assessment, or an Annual Installment thereof, in accordance with the PID Act which includes the costs related to pursuing collection of such delinquent Special Assessment, or an Annual Installment thereof, and the costs related to foreclosing the lien against the Assessed Property, including attorney's fees but excludes any amount collected as a Special Assessment or interest thereon.

"Developer" means Celina Development, LLC, a Texas limited liability company, including its successors and assigns.

"Development Agreement" means that certain "Development Agreement" by and between the City, the Owner and the George White Family Limited Partnership and related to the Property entered into as of April 28, 2015, as amended by that certain "Amended and Restated Development Agreement" by and between the City, the Owner and the George White Family Limited Partnership and related to the Property and approved by the City Council on September 8, 2015, as further amended by that certain "First Amendment to Amended and Restated Development Agreement" by and between the City and the Owner and related to the Property and approved by the City Council on February 13, 2018, and any future amendments thereto.

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"Future Neighborhood Improvement Areas" means those Neighborhood Improvement Areas to be defined and developed after Neighborhood Improvement Area #1, Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, and Neighborhood Improvement Area #4, and within the boundaries of the PID but which are not subject to development at this time.

"Future Neighborhood Improvement Area Bonds" means bonds issued to fund Future Neighborhood Improvement Area Improvements (or a portion thereof) in a Future Neighborhood Improvement Area that are secured by Special Assessments levied on Assessed Property within such Future Neighborhood Improvement Area. In connection with Future Neighborhood Improvement Area Bonds, Special Assessments related to such Future Neighborhood Improvement Area Bonds will be levied only on property located within the applicable Future Neighborhood Improvement Area to finance Public Improvements which will only benefit such Future Neighborhood Improvement Area.

"Future Neighborhood Improvement Area Improvements" means those Public Improvements which will confer a special benefit on the related Future Neighborhood Improvement Area.

"Homebuyer Disclosure" means the form of notice required by the PID Act and Section 5.014 of the Texas Property Code, as amended. A copy of the homebuyer disclosure for the PID is attached as Appendix C hereto.

"Indenture" means an indenture of trust, trust agreement, or similar document between the City and Trustee setting forth the terms and other provisions relating to a series of PID Bonds, as modified, amended, and/or supplemented from time to time.

"Lot" means (i) for any portion of the Property for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a "lot" in such subdivision plat, and (ii) for any portion of the Property for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a "lot" in a final recorded subdivision plat.

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, or other uses), 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 based on the front footage of the Lot, as determined by the Administrator, and confirmed by the City Council.

"**Major Improvements**" means the Public Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

"**Major Improvement Area**" means the property within the PID as generally shown on Table II-B and described as the property legally described in Appendix B-1 save and accept for the approximately 93.2 acres within Neighborhood Improvement Area #1 legally described in Appendix B-2.

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"Major Improvement Area Assessed Property" means, for any year, all Parcels within the Major Improvement Area other than Non-Benefited Property and listed in the Major Improvement Area Assessment Roll against which Special Assessments relating to the Major Improvement Area Projects are levied.

"Major Improvement Area Assessment Roll" means the document included in this SAP as Appendix D, 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 the Major Improvement Area Bonds or in connection with any Annual Service Plan Update.

"Major Improvement Area Bonds" means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Major Improvement Area Project) that are secured by Special Assessments levied on Major Improvement Area Assessed Property.

"Major Improvement Area Projects" means the Major Improvement Area's proportionate share of the Major Improvements.

"Neighborhood Improvement Area" means one or more Parcels within the PID that are anticipated to be developed in the same general time period. The Parcels within a Neighborhood Improvement Area other than the Non-Benefited Property will be assessed in connection with the issuance of PID Bonds for the Public Improvements (or the portion thereof) designated in an update to the Assessment Plan that specially benefit the Assessed Property within said Neighborhood Improvement Area, but any Parcels outside of the Neighborhood Improvement Area will not be assessed.

"Neighborhood Improvement Area #1" means the property within the PID as depicted on the map on Table II-B consisting of approximately 93.2 acres within the PID and as specifically described in Appendix B-2 and as depicted in Appendix A.

"Neighborhood Improvement Area #1 Assessed Property" means, for any year, all Parcels within Neighborhood Improvement Area #1 other than Non-Benefited Property and listed in the Neighborhood Improvement Area #1 Assessment Roll against which Special Assessments relating to the Neighborhood Improvement Area #1 Improvements and Neighborhood Improvement Area #1's proportionate share of the Major Improvements are levied.

"**Neighborhood Improvement Area #1 Assessment Roll**" means the Assessment Roll covering Neighborhood Improvement Area #1 included in this SAP 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.

"Neighborhood Improvement Area #1 Bonds" means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Neighborhood Improvement Area #1 Project) that are secured by Special Assessments levied on the Neighborhood Improvement Area #1 Assessed Property.

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"**Neighborhood Improvement Area #1 Improvements**" means those Public Improvements that confer a special benefit solely on Neighborhood Improvement Area #1 and are described in Section III.D.

"**Neighborhood Improvement Area #1 Projects**" means the Neighborhood Improvement Area #1 Improvements and the portion of the Major Improvements described in Section III.B allocable to Neighborhood Improvement Area #1; and, were financed with Neighborhood Improvement Area #1 Bonds.

"Neighborhood Improvement Area #2" means the property within the PID as depicted on the map on Table II-B consisting of approximately 21.347 acres within the PID and as specifically described in Appendix B-3 and as depicted in Appendix A.

"Neighborhood Improvement Area #2 Assessed Property" means, for any year, all Parcels within Neighborhood Improvement Area #2 other than Non-Benefited Property and listed in the Neighborhood Improvement Area #2 Assessment Roll against which Special Assessments relating to the Neighborhood Improvement Area #2 Improvements are levied.

"**Neighborhood Improvement Area #2 Assessment Roll**" means the Assessment Roll covering Neighborhood Improvement Area #2 included in this SAP 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..

"**Neighborhood Improvement Area #2 Improvements**" means those Public Improvements that confer a special benefit solely on Neighborhood Improvement Area #2 and are described in Section III.E; and, that are financed with the proceeds of the Neighborhood Improvement Areas #2-3 Bonds

"**Neighborhood Improvement Area #2 Projects**" means the Neighborhood Improvement Area #2 Improvements and the portion of the Major Improvements described in Section III.B allocable to Neighborhood Improvement Area #2.

"Neighborhood Improvement Areas #2-3 Bonds" means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project) that are secured by actual revenues received by or on behalf of the City from the collection of Special Assessments levied against Neighborhood Improvement Area #2 Assessed Property and Neighborhood Improvement Area #3 Assessed Property, or the Annual Installments thereof, for the Neighborhood Improvement Area #2 Improvements and Neighborhood Improvement Area #3 Improvements.

"Neighborhood Improvement Area #3" means the property within the PID as depicted on the map on Table II-B consisting of approximately 44.724 acres within the PID and as specifically described in Appendix B-4 and as depicted in Appendix A.

"Neighborhood Improvement Area #3 Assessed Property" means, for any year, all Parcels within Neighborhood Improvement Area #3 other than Non-Benefited Property and listed in the

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Neighborhood Improvement Area #3 Assessment Roll against which Special Assessments relating to the Neighborhood Improvement Area #3 Improvements are levied.

"**Neighborhood Improvement Area #3 Assessment Roll**" means the Assessment Roll covering Neighborhood Improvement Area #3 included in this SAP as Appendix G, as the same may be updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act.

"**Neighborhood Improvement Area #3 Improvements**" means those Public Improvements that confer a special benefit solely on Neighborhood Improvement Area #3 and are described in Section III.F; and, that are to be financed with a PID Reimbursement Agreement and/or Neighborhood Improvement Areas #2-3 Bonds.

"**Neighborhood Improvement Area #3 Projects**" means the Neighborhood Improvement Area #3 Improvements and the portion of the Major Improvements described in Section III.B allocable to Neighborhood Improvement Area #3.

"Neighborhood Improvement Area #4" means the property within the PID as depicted on the map on Table II-B consisting of approximately 67.494 acres within the PID and as specifically described in Appendix B-5 and as depicted in Appendix A.

"Neighborhood Improvement Area #4 Assessed Property" means, for any year, all Parcels within Neighborhood Improvement Area #4 other than Non-Benefited Property and listed in the Neighborhood Improvement Area #4 Assessment Roll against which Special Assessments relating to the Neighborhood Improvement Area #4 Improvements are levied.

"**Neighborhood Improvement Area #4 Assessment Roll**" means the Assessment Roll covering Neighborhood Improvement Area #4 included in this SAP as Appendix H, as the same may be updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act.

"Neighborhood Improvement Area #4 Bonds" means those certain City of Celina, Texas Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project) that are secured by Special Assessments levied on the Neighborhood Improvement Area #4 Assessed Property.

"**Neighborhood Improvement Area #4 Improvements**" means those Public Improvements that confer a special benefit solely on Neighborhood Improvement Area #4 and are described in Section III.G; and, that are to be financed with the Neighborhood Improvement Areas #4 Bonds.

"Non-Benefited Property" means Parcels within the boundaries of the PID that accrue no special benefit from the Public Improvements as determined by City Council, which may include Public Property. Property identified as Non-Benefited Property at the time the Special Assessments (i) are levied or (ii) are reallocated pursuant to a subdivision of a Parcel is not assessed. Assessed Property converted to Non-Benefited Property, if the Special Assessments may not be reallocated pursuant to Section VI.E or Section VI.F, remains subject to the Special Assessments and requires the Special Assessments to be prepaid as provided for in Section VI.G.

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"Owner" means Hillwood Enterprises, L.P., a Texas limited partnership, or other entity affiliated with Hillwood Enterprises, L.P.

"**Owner's Association**" means a homeowner's association or property owner's association.

"Owner's Association Special Assessment Allocation" means 1% of the total Special Assessment for a specific Parcel or Neighborhood Improvement Area as may be shown in an Assessment Roll that is allocated to cover the PID benefit received by the Owner's Association from the Public Improvements benefitting the Owner's Association Property.

"Owner's Association Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, to an Owner's Association established for the benefit of a group of homeowners or property owners within the PID.

"Parcel" means a property identified by either a tax map identification number assigned by the Collin Central Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

"PID" means the Wells South Public Improvement District created by the City pursuant to Resolution No. 2015-34R approved July 14, 2015.

"PID Act" means Chapter 372 of the Texas Local Government Code, as amended.

"PID Bonds" means the Major Improvement Area Bonds, the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-3 Bonds, the Neighborhood Improvement Area #4 Bonds, and any Future Neighborhood Improvement Area Bonds which may be issued to finance Public Improvements in the Major Improvement Area, Neighborhood Improvement Area #1, Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, Neighborhood Improvement Area #4, or in the Future Neighborhood Improvement Areas.

"PID Reimbursement Agreement" means that certain PID Reimbursement Agreement – Wells South, dated December 7, 2015, 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.

"Prepayment Costs" mean interest and Administrative Expenses, to the extent not paid in an Annual Installment, plus any additional amounts due pursuant to the Indenture related to the PID Bonds, if any, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment and the PID Bonds secured by such Assessment, each to the date of prepayment and to the extent each is allowable by law.

"**Prepayment Reserve**" has the meaning set forth in Section IV.M of this SAP.

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"Property" means the approximately 400.524 acres of property depicted and described by metes and bounds on Exhibit B to Resolution No. 2015-34R as adopted by City Council on July 14, 2015 and is legally described in Appendix B-1 to this SAP and is depicted in Table II-A of this SAP.

"Public Improvements" mean the Authorized Improvements designed, constructed, and installed in accordance with this SAP for which Special Assessments are levied against the Assessed Property that receives a special benefit from such improvement.

"Public Property" means real property, right-of-way and easements located within the boundaries of the PID owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an easement, prescription, or by plat.

"**Residential Parcel"** means a Parcel located within the PID which has been designated at the time of the approval of this SAP for the future development of single family residential homes.

"**Service and Assessment Plan**" or **"SAP"** means this Wells South Public Improvement District Amended and Restated Service and Assessment Plan (as such plan is amended, supplemented or updated from time to time).

"Special Assessment" means the 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 created by such subdivision or reduction according to the provisions hereof and the PID Act.

"Trustee" means the trustee as specified in an Indenture, and any successor thereto permitted under such Indenture.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is comprised of the Property. The PID is currently located entirely within the City's corporate limits. The PID contains approximately 400.524 gross acres of which approximately 375.2 are developable acres planned for development to include a combination of residential and commercial development as well as the associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID.

A map of the property within the PID is shown in Table II-A. Legal descriptions for all Parcels within the PID are included in Appendix B-1.

Table II-A
Public Improvement District Boundaries



Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

B. Property Located in the Major Improvement Area, Neighborhood Improvement Area #1, Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, and Neighborhood Improvement Area #4

The Property within the PID is approximately 400.524 gross acres of which approximately 375.2 will be developed. Neighborhood Improvement Area #1 consists of approximately 93.2 acres projected to consist of 293 single family residential units, to be developed in one phase and which will be specially benefitted by the Public Improvements described in Section III.D. Neighborhood Improvement Area #2 consists of approximately 21.347 acres currently projected to consist of 99 single family residential units, to be developed in one phase and which will be specially benefitted by the Public Improvements described in Section III.E. Neighborhood Improvement Area #3 consists of approximately 44.724 acres and projected to consist of 182 single family residential lots, to be developed in one phase and which will be specially benefitted by the Neighborhood Improvement Area #3 Improvements described in Section III.F. Neighborhood Improvement Area #4 consists of approximately 67.494 acres and projected to consist of 276 single family residential lots, to be developed in one phase and which will be specially benefitted by the Neighborhood Improvement Area #4 Improvements described in Section III.G.

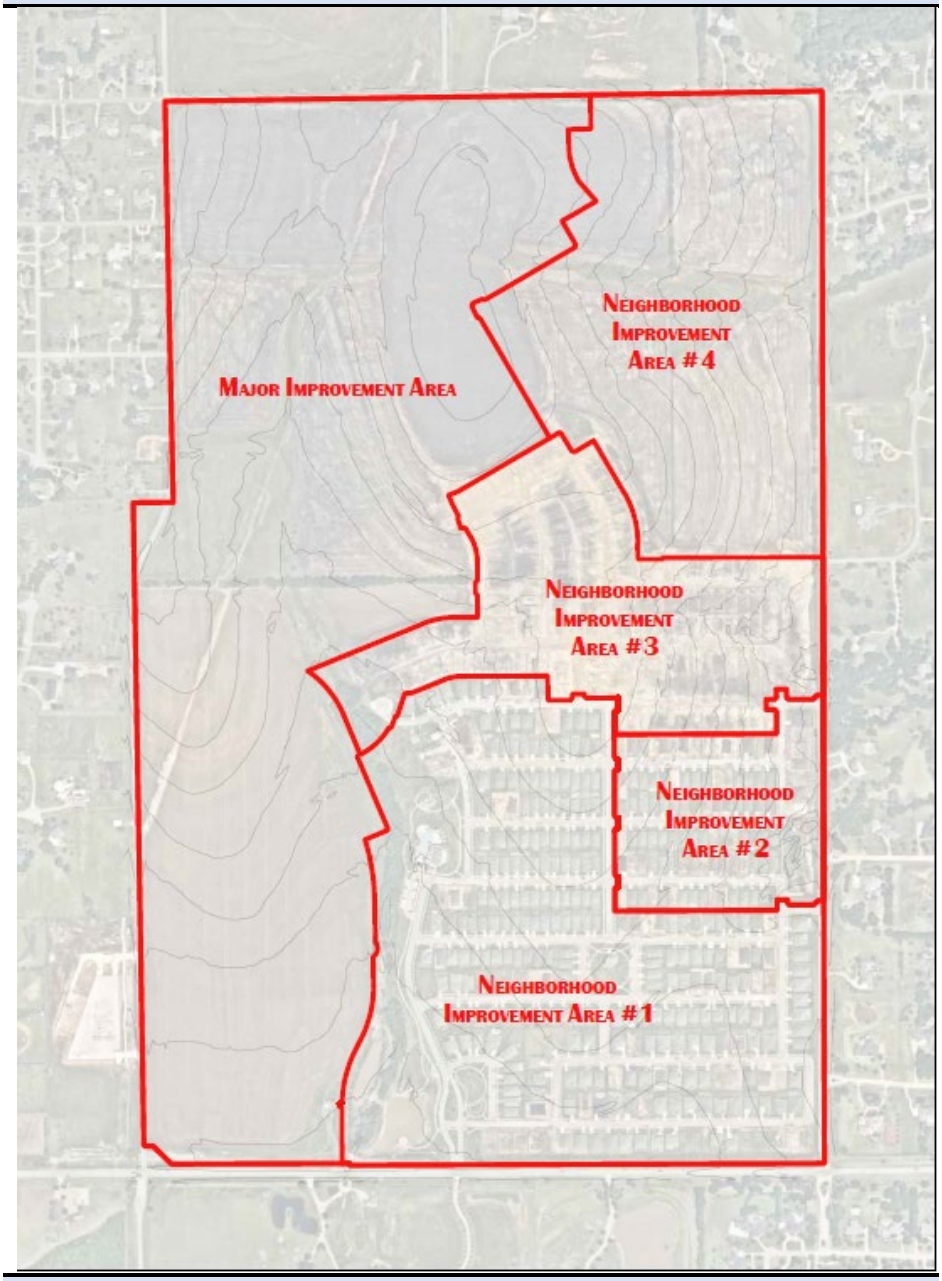
The Major Improvement Area consists of all of the property within the PID excluding the property within Neighborhood Improvement Area #1 property at the time of the levy of the Special Assessments securing the Major Improvement Bonds. Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, and Neighborhood Improvement Area #4 lie within the Major Improvement Area.

A map of the property within the PID, Neighborhood Improvement Area #1, Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, and Neighborhood Improvement Area #4 is shown in Table II-B on the following page. The legal description for all property within the PID is included in Appendix B-1. The legal description for all property within Neighborhood Improvement Area #1 is included in Appendix B-2. The legal description for all property within Neighborhood Improvement Area #2 is included in Appendix B-3. The legal description for all property within Neighborhood Improvement Area #3 is included in Appendix B-4. The legal description for all property within Neighborhood Improvement Area #4 is included in Appendix B-5.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table II-B
Public Improvement District Boundaries



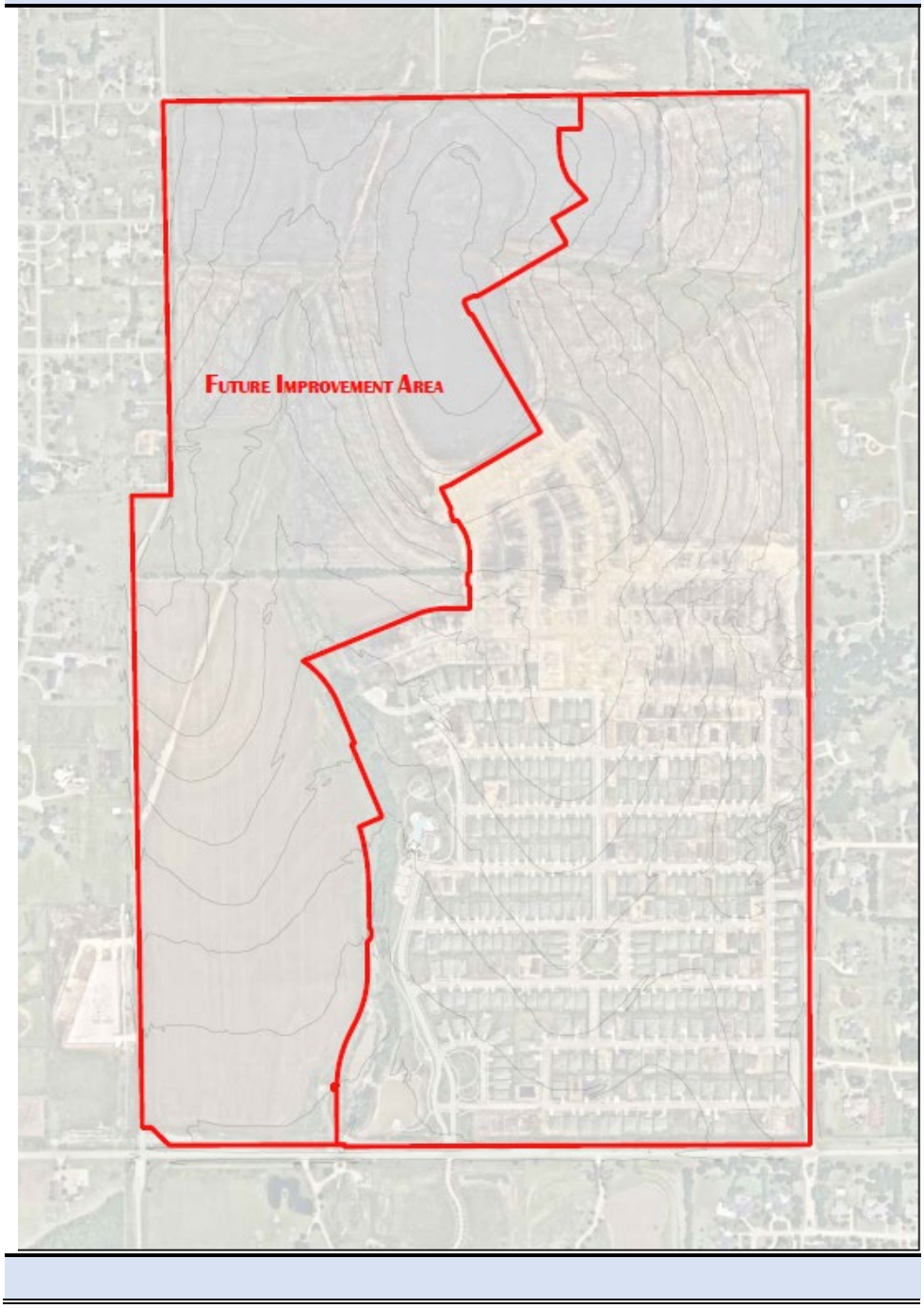
C. Property Included in Future Neighborhood Improvement Areas

As Future Neighborhood Improvement Areas are developed and in connection with the issuance of any Future Neighborhood Improvement Area Bonds, this Service and Assessment Plan will be amended to revise the table shown in Section II.B above (e.g. Table II-B will be revised to show the addition of such Future Neighborhood Improvement Area).

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

A map of the projected property within all Future Neighborhood Improvement Areas is shown in Table II-C below. The Future Neighborhood Improvement Area is shown for illustrative purposes only and is subject to adjustment in the future.

Table II-C
Proposed Future Neighborhood Improvement Areas



Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

Section 372.003 of the PID Act identifies the authorized improvements that a City may choose to undertake with the establishment of a PID. The Authorized Improvements identified in the PID Act 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 mall;
(v) acquisition and installment of pieces of art;
(vi) acquisition, construction or improvement of libraries;
(vii) acquisition, construction or improvement of off-street parking facilities;
(viii) acquisition, construction or improvement of 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;
(xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
(xv) development, rehabilitation, or expansion of affordable housing.

The City has determined that of the improvements authorized under the PID Act, it will undertake at this time only those Public Improvements more particularly described in Section III.B, Section III.C, Section III.D, Section III.E, and Section III.F. Any change to the list of Public Improvements, including any Future Neighborhood Improvement Area Improvements as described in Section III.G, will require the approval of the City.

B. DESCRIPTIONS AND COSTS OF MAJOR IMPROVEMENTS

The Major Improvements benefit the entire PID. However, Major Improvement Area Assessed Property does not include Neighborhood Improvement Area #1 Assessed Property; therefore, the costs of the Major Improvements are allocated proportionally between Major Improvement Area Assessed Property and the Neighborhood Improvement Area #1 Assessed Property based on the costs of neighborhood improvements planned within their respective boundaries. Major Improvement Area Bonds fund the Major Improvement Area Projects; and, Neighborhood

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Improvement Area #1 Bonds fund the Neighborhood Improvement Area #1 Projects. This cost allocation between the Major Improvement Area and Neighborhood Improvement Area #1 is shown in more detail on Table IV-A.

The Major Improvements are described below. Table III-A shows the updated Actual Costs of the Major Improvements. The Actual Cost to construct the Major Improvements is $6,734,569. The costs shown in Table III-A may be revised in Annual Service Plan Updates.

The Actual Costs for Major Improvements are to be funded from (i) the proceeds of the Major Improvement Area Bonds, (ii) a portion of the proceeds of the Neighborhood Improvement Area #1 Bonds, and (iii) from funds contributed by the Developer, all as described herein.

A description of the Major Improvements follows:

Road Improvements

The road improvement portion of the Major Improvements consists of the construction of perimeter road and thoroughfare improvements, including related paving, sidewalks, retaining walls, signage, and traffic control devices, and the acquisition of related rights-of-way, as described in the Development Agreement and which benefit the Major Improvement Area Assessed Property. The City has determined that the acquisition of rights-of-way related to road improvements as described in the Development Agreement meets the requirements of its current policy on the financing of roadway rights-of-way through public improvement district assessments. The road improvements have been constructed according to City standards.

Storm Drainage Improvements

The storm drainage improvement portion of the Major Improvements consists of the construction of two detention ponds and appurtenances thereto to appropriately control and covey storm water. The storm drainage improvements have been constructed according to City standards.

Wastewater Improvements

The wastewater improvement portion of the Major Improvements consists of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The wastewater improvements have been constructed according to City standards.

Water Improvements

The water improvement portion of the Major Improvements consists of construction and installation of waterlines, mains, pipes, valves and appurtenances, necessary for the water distribution system that services the Assessed Property. The water improvements have been constructed according to City standards.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Open Space/Trail System Improvements

The open space and trail system improvement portion of the Major Improvements consists of certain public open space and trail systems as described in the Development Agreement. The public open space and trail system improvements have been constructed according to City standards.

Table III-A
Major Improvement Costs

Authorized Improvements	NIA #1	MIA	Total
Road Improvements	$291,826	$3,586,681	$3,878,507
Storm Drainage Improvements	$89,128	$712,575	$801,703
Wastewater Improvements	$49,695	$391,877	$441,572
Water Improvements	$54,130	$430,735	$484,865
Open Space/Trail System Improvements	$0	$188,000	$188,000
Soft Costs	$103,422	$836,500	$939,922
Total Authorized Improvements	**$588,201**	**$6,146,368**	**$6,734,569**

Original cost estimates provided by Huitt-Zollars Engineering. Updated actual costs provided in the 1Q20 developer quarterly disclosure.

C. Descriptions and Costs of Neighborhood Improvement Area #1 Improvements

The Neighborhood Improvement Area #1 Improvements are described below. Table III-B shows the updated Actual Costs to construct the Neighborhood Improvement Area #1 Improvements as $5,733,903, which are distinct from Neighborhood Improvement Area #1's allocable share of the Major Improvements described above in Section III.B. The proceeds of the Neighborhood Improvement Area #1 Bonds only fund the Neighborhood Improvement Area #1 Projects which benefit Neighborhood Improvement Area #1 Assessed Property. The Actual Costs shown in Table III-B may be revised through Annual Service Plan Updates.

The Actual Costs for Neighborhood Improvement Area #1 Improvements are funded both from the proceeds of the Neighborhood Improvement Area #1 Bonds as described herein and from funds contributed by the Developer.

A description of the Neighborhood Improvement Area #1 Improvements follows:

Road Improvements

The road improvement portion of the Neighborhood Improvement Area #1 Improvements consists of the construction of road and thoroughfare improvements, including related paving, sidewalks, retaining walls, signage, and traffic control devices, and the acquisition of related rights-of-way, as described in the Development Agreement and which benefit the Neighborhood Improvement Area #1 Assessed Property. The City has determined that the acquisition of rights-of-way related to road improvements as described in the Development Agreement meets the requirements of its current policy on the financing of roadway rights-of-way through public improvement district assessments. The road improvements have been constructed according to City standards.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Storm Drainage Improvements

The storm drainage improvement portion of the Neighborhood Improvement Area #1 Improvements consists of construction of detention ponds and appurtenances thereto to appropriately control and covey storm water. The storm drainage improvements have been constructed according to City standards.

Wastewater Improvements

The wastewater improvement portion of the Neighborhood Improvement Area #1 Improvements consists of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to Neighborhood Improvement Area #1 Assessed Property. The wastewater improvements have been constructed according to City standards.

Water Improvements

The water improvement portion of the Neighborhood Improvement Area #1 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Neighborhood Improvement Area #1 Assessed Property. The water improvements have been constructed according to City standards.

Table III-B
Neighborhood Improvement Area #1 Costs

Authorized Improvements	NIA #1's Proportionate Share of Major Improvements	NIA #1 Direct Costs	Total
Road Improvements	$291,826	$2,741,495	$3,033,321
Storm Drainage Improvements	$89,128	$557,644	$646,772
Wastewater Improvements	$49,695	$444,583	$494,278
Water Improvements	$54,130	$587,046	$641,176
Soft Costs	$103,422	$814,934	$918,356
Total Authorized Improvements	**$588,201**	**$5,145,702**	**$5,733,903**

Original cost estimates provided by Huitt-Zollars Engineering. Updated actual costs provided in the 1Q19 developer quarterly disclosure.

D. Descriptions and Costs of Neighborhood Improvement Area #2 Improvements

The Neighborhood Improvement Area #2 Improvements are described below. Table III-C shows the Actual Costs to construct the Neighborhood Improvement Area #2 Improvements as $3,492,146 and are distinct from Neighborhood Improvement Area #2's allocable share of the Major Improvements. A portion of the proceeds of the Neighborhood Improvement Areas #2-3 Bonds will fund and/or reimburse the Developer for the Actual Costs of the Neighborhood Improvement Area #2 Improvements which benefit Neighborhood Improvement Area #2 Assessed

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Property. The Actual Costs shown in Table III-C may be revised through Annual Service Plan Updates.

The Actual Costs for Neighborhood Improvement Area #2 Improvements were initially funded from funds contributed by the Developer under the terms of the PID Reimbursement Agreement. A portion of the amount due to the Developer under the PID Reimbursement Agreement to reimburse the Developer for costs relating to the Neighborhood Improvement Area #2 Improvements has been paid from the proceeds of the Neighborhood Improvement Areas #2-3 Bonds as described herein.

A description of the Neighborhood Improvement Area #2 Improvements follows:

Road Improvements

The road improvement portion of the Neighborhood Improvement Area #2 Improvements consists of the construction of road and thoroughfare improvements, including related paving, sidewalks, retaining walls, signage, and traffic control devices, and the acquisition of related rights-of-way, as described in the Development Agreement and which benefit the Neighborhood Improvement Area #2 Assessed Property. The City has determined that the acquisition of rights-of-way related to road improvements as described in the Development Agreement meets the requirements of its current policy on the financing of roadway rights-of-way through public improvement district assessments. The road improvements have been constructed according to City standards.

Storm Drainage Improvements

The storm drainage improvement portion of Neighborhood Improvement Area #2 Improvements consists of the construction of erosion control improvements to appropriately control and convey storm water for the benefit of Neighborhood Improvement Area #2 Assessed Property. The storm drainage improvements have been constructed according to City standards.

Wet Utility Improvements

The wet utility improvements portion of the Neighborhood Improvement Area #2 Improvements consists of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service and construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Neighborhood Improvement Area #2 Assessed Property. The wet utilities improvements have been constructed according to City standards.

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Table III-C
Neighborhood Improvement Area #2 Costs

Authorized Improvements	NIA #2 Direct Costs
Road Improvements	$1,822,022
Wet Utilities	$861,273
Storm Drainage Improvements	$58,120
Soft Costs	$750,731
Total Authorized Improvements	**$3,492,146**

Costs provided by the Developer. The figures shown in Table III-C may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the Total Authorized Improvements amount does not change.

E. DESCRIPTIONS AND COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #3 IMPROVEMENTS

The Neighborhood Improvement Area #3 Improvements are described below. Table III-D shows the Actual Costs to construct the Neighborhood Improvement Area #3 Improvements for only the benefit of the Neighborhood Improvement Area #3 and are distinct from Neighborhood Improvement Area #3's allocable share of the Major Improvements. A portion of the proceeds of the Neighborhood Improvement Areas #2-3 Bonds will fund and/or reimburse the Developer for the Actual Costs of the Neighborhood Improvement Area #3 Improvements which benefit Neighborhood Improvement Area #3 Assessed Property. The Actual Costs shown in Table III-D may be revised through Annual Service Plan Updates.

The Actual Costs for Neighborhood Improvement Area #3 Improvements are to be funded from the proceeds of the Neighborhood Improvement Areas #2-3 Bonds and from funds contributed by the Developer as described herein.

A description of the Neighborhood Improvement Area #3 Improvements follows:

Road Improvements

The road improvement portion of the Neighborhood Improvement Area #3 Improvements consists of the construction of road and thoroughfare improvements, including related paving, sidewalks, retaining walls, signage, and traffic control devices, and the acquisition of related rights-of-way, as described in the Development Agreement and which benefit the Neighborhood Improvement Area #3 Assessed Property. The City has determined that the acquisition of rights-of-way related to road improvements as described in the Development Agreement meets the requirements of its current policy on the financing of roadway rights-of-way through public improvement district assessments. The road improvements have been constructed according to City standards.

Storm Drainage Improvements

The storm drainage improvement portion of Neighborhood Improvement Area #3 Improvements consists of the construction of erosion control improvements to appropriately control and convey storm water for the benefit of Neighborhood Improvement Area #3 Assessed Property. The storm drainage improvements have been constructed according to City standards.

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Wet Utility Improvements

The wet utility improvements portion of the Neighborhood Improvement Area #3 Improvements consists of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service and construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Neighborhood Improvement Area #3 Assessed Property. The wet utilities improvements have been constructed according to City standards.

Table III-D
Neighborhood Improvement Area #3 Costs

Authorized Improvements	NIA #3 Direct Costs
Road Improvements	$1,409,003
Wet Utilities	$1,651,648
Storm Drainage Improvements	$107,163
Soft Costs	$342,128
Total Authorized Improvements	**$3,509,942**

Note: Costs provided by the Developer. The figures shown in Table III-D may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the Total Authorized Improvements amount does not change.

F. Descriptions and Costs of Neighborhood Improvement Area #4 Improvements

The Neighborhood Improvement Area #4 Improvements are described below. Table III-E shows the Actual Costs to construct the Neighborhood Improvement Area #4 Improvements for only the benefit of the Neighborhood Improvement Area #4 and are distinct from Neighborhood Improvement Area #4's allocable share of the Major Improvements. A portion of the proceeds of the Neighborhood Improvement Area #4 Bonds will fund the Actual Costs of the Neighborhood Improvement Area #4 Improvements which benefit Neighborhood Improvement Area #4 Assessed Property. The Actual Costs shown in Table III-E may be revised through Annual Service Plan Updates.

The Actual Costs for Neighborhood Improvement Area #4 Improvements are to be funded from the proceeds of the Neighborhood Improvement Area #4 Bonds and from funds contributed by the Developer as described herein.

A description of the Neighborhood Improvement Area #4 Improvements follows:

Road Improvements

The road improvement portion of the Neighborhood Improvement Area #4 Improvements consists of the construction of road and thoroughfare improvements, including related paving, sidewalks, retaining walls, signage, and traffic control devices, and the acquisition of related rights-of-way, as described in the Development Agreement and which benefit the Neighborhood Improvement Area #4 Assessed Property. The City has determined that the acquisition of rights-of-way related to road improvements as described in the Development Agreement meets the requirements of its

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

current policy on the financing of roadway rights-of-way through public improvement district assessments. The road improvements will be constructed according to City standards.

Water Improvements

The water improvement portion of the Neighborhood Improvement Area #4 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves and appurtenances, necessary for the portion of the water distribution system that will service the Neighborhood Improvement Area #4 Assessed Property. The water improvements will be constructed according to City standards.

Wastewater Improvements

The wastewater improvement portion of the Neighborhood Improvement Area #4 Improvements consists of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to Neighborhood Improvement Area #4 Assessed Property. The wastewater improvements will be constructed according to City standards.

Storm Drainage Improvements

The storm drainage improvement portion of the Neighborhood Improvement Area #4 Improvements consists of construction of detention ponds and appurtenances thereto to appropriately control and covey storm water. The storm drainage improvements will be constructed according to City standards.

Table III-E
Neighborhood Improvement Area #4 Costs

Authorized Improvements	NIA #4 Direct Costs
Road Improvements	$2,046,664
Water Improvements	$945,538
Wastewater Improvements	$834,416
Storm Drainage Improvements	$1,317,644
Soft Costs and Contingency	$1,593,479
Total Authorized Improvements	**$6,737,742**

Note: Costs provided by the Developer. The figures shown in Table III-E may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the Total Authorized Improvements amount does not change.

G. FUTURE NEIGHBORHOOD IMPROVEMENT AREA IMPROVEMENTS

As Future Neighborhood Improvement Areas are developed and Future Neighborhood Improvement Area Bonds are issued, this SAP will be amended to identify the specific Future Neighborhood Improvement Area Improvements that confer a special benefit to the property inside each Future Neighborhood Improvement Area (e.g. a Table III-F will be added to show the costs for the specific Future Neighborhood Improvement Area Improvements financed within the specific Future Neighborhood Improvement Area being developed.)

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

IV. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the cost of the Public Improvements based on the special benefits conferred to each Parcel from the Public Improvements. The PID Act provides that the Actual Costs 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 City Council may establish the methods of assessing the special benefits for various classes of improvements.

Table IV-A details the allocation of costs of the Major Improvements between the Major Improvement Area Assessed Property and the Neighborhood Improvement Area #1 Assessed Property. Table IV-B details the allocation of costs of the Neighborhood Improvement Area #1 Projects which consist of Neighborhood Improvement Area #1's proportionate share of the costs of the Major Improvements and all of the costs of the Neighborhood Improvement Area #1 Improvements. Table IV-C details the allocation of costs of the Neighborhood Improvement Area #2 Improvements benefitting Neighborhood Improvement Area #2. Table IV-D details the allocation of costs of the Neighborhood Improvement Area #3 Improvements benefitting Neighborhood Improvement Area #3. Table IV-E details the allocation of costs of the Neighborhood Improvement Area #4 Improvements benefitting Neighborhood Improvement Area #4.

This section of this Service and Assessment Plan is intended to describe the special benefit conferred to each Parcel within the PID as a result of the Major Improvements, the Neighborhood Improvement Area #1 Improvements, the Neighborhood Improvement Area #2 Improvements, the Neighborhood Improvement Area #3 Improvements, and the Neighborhood Improvement Area #4 Improvements, to provide the basis and justification for the determination that this special benefit exceeds the amount of the Special Assessments, and to explain the methodologies by which the City Council allocates and reallocates the special benefit of the Major Improvements, the Neighborhood Improvement Area #1 Improvements, the Neighborhood Improvement Area #2 Improvements, the Neighborhood Improvement Area #3 Improvements, and the Neighborhood Improvement Area #4 Improvements to Parcels or Lots so that there is an equal share of the Actual Cost being apportioned to Parcels or Lots similarly benefited. The determination by the City Council of the assessment methodology 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 Owners and all future owners and developers of any Assessed Property.

The timetable for the development of Future Neighborhood Improvement Areas are difficult to establish at this time and, as such, the special benefit conferred by Future Neighborhood Improvement Area Improvements, if any, cannot be determined with absolute certainty. Accordingly, it is hereby understood and acknowledged by the City and the Owner that only the Special Assessments associated with the Major Improvement Area Bonds, the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-3 Bonds, and the Neighborhood Improvement Area #4 Bonds have been levied and will not change.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

B. SPECIAL BENEFIT

The Assessed Property must receive a direct and special benefit from the Public Improvements, which must be equal to or greater than the amount of the Special Assessments. The Major Improvements are provided for the benefit of the Major Improvement Area Assessed Property and the Neighborhood Improvement Area #1 Assessed Property. The Neighborhood Improvement Area #1 Improvements are provided solely for the benefit of the Neighborhood Improvement Area #1 Assessed Property. The Neighborhood Improvement Area #2 Improvements are provided solely for the benefit of the Neighborhood Improvement Area #2 Assessed Property. The Neighborhood Improvement Area #3 Improvements are provided solely for the benefit of the Neighborhood Improvement Area #3 Assessed Property. The Neighborhood Improvement Area #4 Improvements are provided solely for the benefit of the Neighborhood Improvement Area #4 Assessed Property.

When the City Council approved the Original SAP, the Owner owned 100% of the Major Improvement Area Assessed Property and Neighborhood Improvement Area #1 Assessed Property. At that time, the Owner acknowledged that the Major Improvements and Neighborhood Improvement Area #1 Improvements confer a special benefit on the Major Improvement area Assessed Property and the Neighborhood Improvement Area #1 Assessed Property and consented to the imposition of the Special Assessments to pay for the Actual Costs associated therewith. When the City Council approved an update to the SAP relating to Neighborhood Improvement Area #2 Improvements, the Owner owned 100% of the Neighborhood Improvement Area #2 Assessed Property. The Owner acknowledged that the Neighborhood Improvement Area #2 Improvements confer a special benefit on the Neighborhood Improvement Area #2 Assessed Property and consented to the imposition of the Special Assessments to pay for the Actual Costs associated therewith. When the City Council approved an updated SAP for Neighborhood Improvement Area #3, the Owner owned 100% of the Neighborhood Improvement Area #3 Assessed Property. The Owner acknowledged that the Neighborhood Improvement Area #3 Improvements confer a special benefit on the Neighborhood Improvement Area #3 Assessed Property and consented to the imposition of the Special Assessments to pay for the Actual Costs associated therewith. When the City Council approved this Service and Assessment Plan, the Owner owned 100% of the Neighborhood Improvement Area #4 Assessed Property. The Owner acknowledged that the Neighborhood Improvement Area #4 Improvements confer a special benefit on the Neighborhood Improvement Area #4 Assessed Property and consented to the imposition of the Special Assessments to pay for the Actual Costs associated therewith. The Owner has ratified, confirmed, accepted, agreed to and approved: (i) the determinations and findings by the City Council as to the special benefits described herein and the applicable previous Assessment Ordinance; (ii) this SAP update and the applicable Assessment Ordinance, and (iii) the levying of Special Assessments on the Major Improvement Area Assessed Property, the Neighborhood Improvement Area #1 Assessed Property, the Neighborhood Improvement Area #2 Assessed Property, the Neighborhood Improvement Area #3 Assessed Property, and the Neighborhood Improvement Area #4 Assessed Property.

The City Council determined that funding the Actual Costs for the Major Improvements, the Neighborhood Improvement Area #1 Improvements, the Neighborhood Improvement Area #2 Improvements, the Neighborhood Improvement Area #3 Improvements, and the Neighborhood Improvement Area #4 Improvements through the PID is beneficial to the City and the Assessed

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Property. Accordingly, the Major Improvements, the Neighborhood Improvement Area #1 Improvements, the Neighborhood Improvement Area #2 Improvements, the Neighborhood Improvement Area #3 Improvements, and the Neighborhood Improvement Area #4 Improvements confer a special benefit to the respective Assessed Property, and such special benefit exceeds the amount of the Special Assessment levied on the Major Improvement Area Assessed Property, the Neighborhood Improvement Area #1 Assessed Property, the Neighborhood Improvement Area #2 Assessed Property, the Neighborhood Improvement Area #3 Assessed Property, and the Neighborhood Improvement Area #4 Assessed Property, as applicable. This conclusion is supported by the evidence, information, and testimony provided to the City Council.

C. Allocation of Actual Costs of Major Improvements

The Major Improvements will provide a special benefit to the Property, other than the Non-Benefited Property, in the Major Improvement Area and the Property, other than the Non-Benefited Property, in the Neighborhood Improvement Area #1. The Actual Costs of the Major Improvements are, therefore, allocated to the Major Improvement Area Assessed Property and the Neighborhood Improvement Area #1 Assessed Property, as shown in Table IV-A. The costs detailed in Table IV-A are subject to revision through the Annual Service Plan Updates but may not result in increased Special Assessments except as authorized under this SAP or the PID Act.

Table IV-A
Cost Allocation of Major Improvements

		NIA #1 Major Improvements		MIA Major Improvement	
Authorized Improvements	**Total Cost (a)**	**% Allocation**	**Share of Costs**	**% Allocation**	**Share of Co**
Road Improvements	$3,878,507	8%	$291,826	92%	$3,586,6
Storm Drainage Improvements	$801,703	11%	$89,128	89%	$712,5
Wastewater Improvements	$441,572	11%	$49,695	89%	$391,8
Water Improvements	$484,865	11%	$54,130	89%	$430,7
Open Space/Trail System Improvements	$188,000	0%	$0	100%	$188,0
Soft Costs	$939,922	11%	$103,422	89%	$836,5
Total Authorized Improvements	**$6,734,569**		**$588,201**		**$6,146,3**

(a) See Table III-A for details.

D. Allocation of Actual Costs of Neighborhood Improvement Area #1 Projects

The Neighborhood Improvement Area #1 Projects include the Neighborhood Improvement Area #1 Improvements which will provide a special benefit only to the Property, other than the Non-Benefited Property, in Neighborhood Improvement Area #1, plus an allocable share of the Major Improvements as described in Section IV.C above. The Actual Costs of the Neighborhood Improvement Area #1 Projects are, therefore, allocated entirely to Neighborhood Improvement Area #1 Assessed Property, as shown in Table IV-B on the following page. The costs detailed in Table IV-B are subject to revision through the Annual Service Plan Updates but may not result in increased Special Assessments except as authorized under this SAP or the PID Act.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-B
Cost Allocation of Neighborhood Improvement Area #1 Improvements

Authorized Improvements	Total Cost (a)	NIA #1 Major Improvements % Allocation	NIA #1 Major Improvements Share of Costs	NIA #1 Onsite Improvements % Allocation	NIA #1 Onsite Improvements Share of Costs
Road Improvements	$3,033,321	10%	$291,826	90%	$2,741,495
Storm Drainage Improvements	$646,772	14%	$89,128	86%	$557,644
Wastewater Improvements	$494,278	10%	$49,695	90%	$444,583
Water Improvements	$641,176	8%	$54,130	92%	$587,046
Soft Costs	$918,356	11%	$103,422	89%	$814,934
Total Authorized Improvements	**$5,733,903**		**$588,201**		**$5,145,702**

(a) See Table III-B for details. Any public improvement that is allocated 100% to the Assessed Property would be required to be built on a stand-alone basis

E. ALLOCATION OF ACTUAL COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #2 IMPROVEMENTS

The Neighborhood Improvement Area #2 Improvements shown below will provide a special benefit only to the Property, other than the Non-Benefited Property, in Neighborhood Improvement Area #2 as described in Table IV-C. The Actual Costs of the Neighborhood Improvement Area #2 Improvements below are, therefore, allocated entirely to Neighborhood Improvement Area #2 Assessed Property, as shown in Table IV-C. The costs detailed in Table IV-C are subject to revision through the Annual Service Plan Updates but may not result in increased Special Assessments except as authorized under this SAP or the PID Act.

Table IV-C
Cost Allocation of Neighborhood Improvement Area #2 Improvements

Authorized Improvements	Total Cost (a)	NIA #2 Onsite Improvements % Allocation	NIA #2 Onsite Improvements Share of Costs
Road Improvements	$1,822,022	100%	$1,822,022
Wet Utilities	$861,273	100%	$861,273
Storm Drainage Improvements	$58,120	100%	$58,120
Soft Costs	$750,731	100%	$750,731
Total Authorized Improvements	**$3,492,146**	**100%**	**$3,492,146**

(a) See Table III-C for details. Any public improvement that is allocated 100% to the Assessed Property would be required to be built on a stand-alone basis

F. ALLOCATION OF ACTUAL COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #3 IMPROVEMENTS

The Neighborhood Improvement Area #3 Improvements include the Neighborhood Improvement Area #3 Improvements which will provide a special benefit only to the Property, other than the Non-Benefited Property, in Neighborhood Improvement Area #3. The Actual Costs of the Neighborhood Improvement Area #3 Improvements are, therefore, allocated entirely to Neighborhood Improvement Area #3 Assessed Property, as shown in Table IV-D. The costs detailed in Table IV-D are subject to revision through the Annual Service Plan Updates but may not result in increased Special Assessments except as authorized under this SAP or the PID Act.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-D
Cost Allocation of Neighborhood Improvement Area #3 Improvements

Authorized Improvements	Total Cost (a)	NIA #3 Onsite Improvements % Allocation	NIA #3 Onsite Improvements Share of Costs
Road Improvements	$1,409,003	100%	$1,409,003
Wet Utilities	$1,651,648	100%	$1,651,648
Storm Drainage Improvements	$107,163	100%	$107,163
Soft Costs	$342,128	100%	$342,128
Total Authorized Improvements	**$3,509,942**	**100%**	**$3,509,942**

(a) See Table III-D for details. Any Public Improvement that is allocated 100% to the Assessed Property would be required to be built on a stand-alone basis.

G. ALLOCATION OF ACTUAL COSTS OF NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS

The Neighborhood Improvement Area #4 Improvements include the Neighborhood Improvement Area #4 Improvements which will provide a special benefit only to the Property, other than the Non-Benefited Property, in Neighborhood Improvement Area #4. The Actual Costs of the Neighborhood Improvement Area #4 Improvements are, therefore, allocated entirely to Neighborhood Improvement Area #4 Assessed Property, as shown in Table IV-E. The costs detailed in Table IV-E are subject to revision through the Annual Service Plan Updates but may not result in increased Special Assessments except as authorized under this SAP or the PID Act.

Table IV-E
Cost Allocation of Neighborhood Improvement Area #4 Improvements

Authorized Improvements	Total Cost (a)	NIA #4 Onsite Improvements % Allocation	NIA #4 Onsite Improvements Share of Costs
Road Improvements	$2,046,664	100%	$2,046,664
Water Improvements	$945,538	100%	$945,538
Wastewater Improvements	$834,416	100%	$834,416
Storm Drainage Improvements	$1,317,644	100%	$1,317,644
Soft Costs and Contingency	$1,593,479	100%	$1,593,479
Total Authorized Improvements	**$6,737,742**	**100%**	**$6,737,742**

(a) See Table III-E for details. Any Public Improvement that is allocated 100% to the Assessed Property would be required to be built on a stand-alone basis.

H. ALLOCATION OF ACTUAL COSTS OF FUTURE IMPROVEMENT AREA IMPROVEMENTS

As Future Neighborhood Improvement Areas are developed and Future Neighborhood Improvement Area Bonds are issued, this SAP will be amended to identify the specific Future Neighborhood Improvement Area Improvements that confer a special benefit to the property inside such Future Neighborhood Improvement Areas (e.g. a table will be created to show the allocation of Actual Costs for Future Neighborhood Improvement Area Improvements.)

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

I. SPECIAL ASSESSMENT METHODOLOGY

The City Council may assess Actual Costs against Assessed Property so long as the special benefit conferred upon the Assessed Property by the Public Improvements equals or exceeds the amount of the Special 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.

Assessment Methodology for the Major Improvement Area

For purpose of this SAP, the City Council has determined that the Actual Costs of the Major Improvements to be financed with the Major Improvement Area Bonds shall be allocated to the Major Improvement Area Assessed Property by spreading the entire Special Assessment across all Parcels and Lots within the Major Improvement Area based on the ratio of the estimated build out value of each Lot to the total build out value for all Parcels. Table IV-E.1 summarizes the allocation of the original Special Assessments relating to the Major Improvement Area Bonds for the Assessed Property. Table IV-E.2 summarizes the allocation of the outstanding Special Assessments relating to the Major Improvement Area Bonds for the Assessed Property.

Based on the costs provided by the Developer for the Public Improvements, the City Council has determined that the benefit to the Assessed Property from the Public Improvements is at least equal to the Special Assessments levied on the Assessed Property.

The Special Assessments and Annual Installments for each Parcel or Lot located in the Major Improvement Area is shown on the Assessment Roll, attached as Appendix D, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-E.1 summarizes the updated allocation of the original Special Assessment relating to the Major Improvement Area Bonds for the Major Improvement Area Assessed Property. Table IV-E.2 summarizes the allocation of the outstanding Special Assessment relating to the Major Improvement Area Bonds for the Major Improvement Area Assessed Property This SAP will be modified by the City Council as appropriate based on the actual Lot count and other applicable inputs as each Future Improvement Area is developed.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-E.1
Major Improvement Area
Updated Special Assessment Allocation – Original Total

Lot Size	Units/SF	Estimated Buildout Value	Total Special Assessment	Annual Installment (1st Full Year After Cap I)[1]	Special Assessment Per Unit/SF	Annual Installment Per Unit/SF	Equivalent Tax Rate (Pe $100/AV)
NIA #2							
50'	92	$30,360,000	$498,633	$46,788	$5,420	$509	$0.1
70'	7	$3,010,000	$49,436	$4,639	$7,062	$663	$0.1
HOA	-	-	$5,536	$519	-	-	
Subtotal	*99*	*$33,370,000*	*$553,606*	*$51,946*			
NIA #3							
50'	80	$28,000,000	$459,873	$43,151	$5,748	$539	$0.1
60'	94	$37,600,000	$617,543	$57,946	$6,570	$616	$0.1
70'	8	$3,600,000	$59,126	$5,548	$7,391	$693	$0.1
HOA	-	-	$11,480	$1,077	-	-	
Subtotal	*182*	*$69,200,000*	*$1,148,023*	*$107,722*			
NIA #4							
50'	156	$70,200,000	$1,152,967	$108,186	$7,391	$693	$0.1
60'	100	$50,000,000	$821,201	$77,055	$8,212	$771	$0.1
70'	20	$11,000,000	$180,664	$16,952	$9,033	$848	$0.1
HOA	-	-	$21,766	$2,042	-	-	
Subtotal	*276*	*$131,200,000*	*$2,176,598*	*$204,235*			
NIA #5							
50'	139	$66,025,000	$1,084,396	$101,751	$7,801	$732	$0.1
60'	68	$35,700,000	$586,338	$55,017	$8,623	$809	$0.1
HOA	-	-	$16,876	$1,584	-	-	
Subtotal	*207*	*$101,725,000*	*$1,687,610*	*$158,352*			
NIA #6							
50'	100	$50,000,000	$821,201	$77,055	$8,212	$771	$0.1
HOA	-	-	$8,295	$778	-	-	
Subtotal	*100*	*$50,000,000*	*$829,496*	*$77,834*			
NIA #7							
50'	107	$53,500,000	$878,685	$82,449	$8,212	$771	$0.1
60'	8	$4,400,000	$72,266	$6,781	$9,033	$848	$0.1
70'	35	$20,125,000	$330,534	$31,015	$9,444	$886	$0.1
HOA	-	-	$12,944	$1,215	-	-	
Subtotal	*150*	*$78,025,000*	*$1,294,429*	*$121,459*			
NIA #8							
Townhome	50	$15,000,000	$246,360	$23,117	$4,927	$462	$0.1
Area F	53,143	$6,111,468	$100,375	$9,418	$1.89	$0.18	$0.1
HOA	-	-	$3,502	$329	-	-	
Subtotal	-	*$21,111,468*	*$350,238*	*$32,864*			
Total	**1,014**	**$484,631,468**	**$8,040,000**	**$754,412**			

Note: Estimates in Table IV-E.1 are based on updated Lot counts and estimated buildout values provided by the Developer as part of this SAP update. Although the actual u counts and estimated unimproved land value may vary from the estimates shown, the original assessment allocation for each Lot Type will not change unless modified in a Serv Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with PID Bonds. The above allocations are calcula based on 7.50% interest rate and a 30-year term for the PID Bonds and an annual administrative expense of $30,000 increasing at 2.0% per year.

1- Represents original annual installment first year after capitalized interest.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-E.2
Major Improvement Area
Outstanding Special Assessment Allocation

Lot Size	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Average Outstanding Annual Installment[1]	Outstanding Special Assessment Per Unit/SF	Average Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Pe $100/AV)
NIA #2 (2)							
50'	91	$30,360,000	$471,129	$46,371	$5,177	$510	$0.1
70'	7	$3,010,000	$47,223	$4,643	$6,746	$663	$0.1
HOA	-	-	$5,288	$520	-	-	
Subtotal	*98*	*$33,370,000*	*$523,640*	*$51,488*			
NA #3							
50'	80	$28,000,000	$439,281	$43,194	$5,491	$540	$0.1
60'	94	$37,600,000	$589,892	$58,003	$6,275	$617	$0.1
70'	8	$3,600,000	$56,479	$5,553	$7,060	$694	$0.1
HOA	-	-	$10,966	$1,078	-	-	
Subtotal	*182*	*$69,200,000*	*$1,096,619*	*$107,828*			
NIA #4							
50'	156	$70,200,000	$1,101,341	$108,293	$7,060	$694	$0.1
60'	100	$50,000,000	$784,431	$77,131	$7,844	$771	$0.1
70'	20	$11,000,000	$172,575	$16,969	$8,629	$848	$0.1
HOA	-	-	$20,791	$2,044	-	-	
Subtotal	*276*	*$131,200,000*	*$2,079,139*	*$204,437*			
NIA #5							
50'	139	$66,025,000	$1,035,841	$101,852	$7,452	$733	$0.1
60'	68	$35,700,000	$560,084	$55,072	$8,237	$810	$0.1
HOA	-	-	$16,120	$1,585	-	-	
Subtotal	*207*	*$101,725,000*	*$1,612,046*	*$158,509*			
NIA #6							
50'	100	$50,000,000	$784,431	$77,131	$7,844	$771	$0.1
HOA	-	-	$7,924	$779	-	-	
Subtotal	*100*	*$50,000,000*	*$792,355*	*$77,911*			
NIA #7							
50'	107	$53,500,000	$839,341	$82,531	$7,844	$771	$0.1
60'	8	$4,400,000	$69,030	$6,788	$8,629	$848	$0.1
70'	35	$20,125,000	$315,734	$31,045	$9,021	$887	$0.1
HOA	-	-	$12,365	$1,216	-	-	
Subtotal	*150*	*$78,025,000*	*$1,236,469*	*$121,579*			
NIA #8							
Townhome	50	$15,000,000	$235,329	$23,139	$4,707	$463	$0.1
Area F	53,143	$6,111,468	$95,881	$9,428	$1.80	$0.18	$0.1
HOA	-	-	$3,346	$329	-	-	
Subtotal		*$21,111,468*	*$334,555*	*$32,896*			
Total	**1,013**	**$484,631,468**	**$7,674,823**	**$754,649**			

Note: Estimates in Table IV-E.2 are based on updated Lot counts and estimated buildout values provided by the Developer as part of this SAP update. Although the actual u counts and estimated unimproved land value may vary from the estimates shown, the outstanding assessment allocation for each Lot Type will not change unless modified i Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with PID Bonds. The above allocations calculated based on 7.50% interest rate and a 30-year term for the PID Bonds and an annual administrative expense of $30,000 increasing at 2.0% per year.

1- Represents average Annual Installment for remaining years excluding actual amounts billed previously.

2 - One Parcel (Parcel ID 2782907) has prepaid their Assessment in full.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Assessment Methodology for Neighborhood Improvement Area #1

For purpose of this SAP, the City Council has determined that the Actual Costs of the portion of the Neighborhood Area #1 Projects to be financed with the Neighborhood Improvement Area #1 Bonds shall be allocated to the Neighborhood Improvement Area #1 Assessed Property by spreading the entire Special Assessment across all Lots within the Neighborhood Improvement Area #1 based on the ratio of the estimated build out value of each Lot to the total build out value for the Neighborhood Improvement Area #1. Table IV-F.1 summarizes the allocation of the original Special Assessments relating to PID Bonds for the Neighborhood Improvement Area #1 Assessed Property. Table IV-F.2 summarizes the current allocation of the Special Assessments relating to PID Bonds for the Neighborhood Area #1 Assessed Property.

Based on the costs provided by the Developer for the Neighborhood Improvement Area #1 Projects, the City Council has determined that the benefit to the Neighborhood Area #1 Assessed Property from the Neighborhood Improvement Area #1 Projects is at least equal to the Special Assessments levied on the Neighborhood Improvement Area #1 Assessed Property.

The Special Assessments and Annual Installments for each Parcel or Lot located in Neighborhood Improvement Area #1 are shown on the Assessment Roll, attached as Appendix E, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-F.1 summarizes the allocation of the original Special Assessment relating to the Neighborhood Improvement Area #1 Bonds for the Neighborhood Improvement Area #1 Assessed Property at the time the Assessment Ordinance relating to the Neighborhood Improvement Area #1 Bonds was adopted by the City Council. Table IV-F.2 summarizes the allocation of the outstanding Special Assessment relating to the Neighborhood Improvement Area #1 Bonds for the Neighborhood Improvement Area #1 Assessed Property.

Table IV-F.1
Neighborhood Improvement Area #1
Original Special Assessment Allocation

Lot Size[1]	Units/SF	Estimated Buildout Value	Total Special Assessment	Average Annual Installment	Special Assessment Per Unit/SF	Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #1							
50'	97	$33,920,027	$1,566,997	$134,517	$16,155	$1,387	$0.40
60'	111	$46,411,431	$2,144,060	$184,055	$19,316	$1,658	$0.40
70'	85	$43,748,565	$2,021,044	$173,495	$23,777	$2,041	$0.40
HOA	-	-	$57,900	$4,970	-	-	-
Total	**293**	**$124,080,023**	**$5,790,000**	**$497,037**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are typically 74 ft.
Note: Estimates are based on information available as of the date the original SAP was adopted by the City Council. Although the actual unit counts and estimated unimproved land value may vary from the estimates shown above, the original assessment allocation for each Lot Type will not change unless modified in an Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with PID Bonds. The above allocations are calculated based on 6.25% interest rate and a 30-year term for the PID Bonds and annual administrative expense of $30,000 increasing at 2.0% per year.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-F.2
Neighborhood Improvement Area #1
Outstanding Special Assessment Allocation

Lot Size[1]	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Average Outstanding Annual Installment	Outstanding Special Assessment Per Unit/SF	Average Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #1							
50'	97	$33,920,027	$1,477,686	$134,241	$15,234	$1,384	$0.40
60'	111	$46,411,431	$2,021,859	$183,677	$18,215	$1,655	$0.40
70'	85	$43,748,565	$1,905,855	$173,139	$22,422	$2,037	$0.40
HOA	-	-	$54,600	$4,960	-	-	
Total	**293**	**$124,080,023**	**$5,460,000**	**$496,018**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are typically 74 ft.
Note: Estimates are based on information available as of the date the original SAP was adopted by the City Council. Although the actual unit count and estimated unimproved land value may vary from the estimates shown above, the current Special Assessment allocation for each Lot Type will not change unless modified in an Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with PID Bonds. The above allocations are calculated based on 6.25% interest rate and a 30-year term for the PID Bonds and annual administrative expense of $30,000 increasing at 2.0% per year.

Assessment Methodology for Neighborhood Improvement Area #2

For purpose of this SAP, the City Council has determined that the Actual Costs of the portion of the Neighborhood Area #2 Improvements initially financed with the PID Reimbursement Agreement relating to Neighborhood Improvement Area #2 that have been repaid with the proceeds of the Neighborhood Improvement Areas #2-3 Bonds and shall be allocated to the Neighborhood Improvement Area #2 Assessed Property by spreading the entire Special Assessment across all Lots within the Neighborhood Improvement Area #2 based on the ratio of the estimated build out value of each Lot to the total build out value for the Neighborhood Improvement Area #2. Table IV-G.1 summarizes the allocation of the original Special Assessments relating to PID Bonds for the Neighborhood Improvement Area #2 Assessed Property. Table IV-G.2 summarizes the allocation of the outstanding Special Assessments relating to PID Bonds for the Neighborhood Improvement Area #2 Assessed Property.

Based on the costs provided by the Developer for the Neighborhood Area #2 Improvements benefitting Neighborhood Improvement Area #2, the City Council has determined that the benefit to the Neighborhood Area #2 Assessed Property from the Neighborhood Area #2 Improvements is at least equal to the Special Assessments levied on the Neighborhood Improvement Area #2 Assessed Property.

The Special Assessments and Annual Installments for each Parcel or Lot located Neighborhood Improvement Area #2 are shown on the Assessment Roll, attached as Appendix F, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-G.1 summarizes the allocation of the original Special Assessment relating to the Neighborhood Improvement Area #2 Assessed Property at the time the Assessment Ordinance approving the Service and Assessment Plan relating to the levy of the Special Assessments against the Neighborhood Improvement Area #2 Assessed Property was adopted by the City Council. Table IV-G.2 summarizes the outstanding special assessments relating to the Neighborhood Improvement Area #2 Assessed Property.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-G.1
Neighborhood Improvement Area #2
Original Special Assessment Allocation

Lot Size[1]	Units/SF	Estimated Buildout Value	Total Special Assessment	Average Annual Installment[2]	Special Assessment Per Unit/SF	Average Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #2							
50'	92	$30,360,000	$851,163	$71,679	$9,252	$779	$0.24
70'	7	$3,010,000	$84,387	$7,107	$12,055	$1,015	$0.24
HOA	-	-	$9,450	$796	-	-	-
Total	**99**	**$33,370,000**	**$945,000**	**$79,582**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are typically 74 ft.
Note: Estimates are based on information provided by the Developer as part of this update to the SAP. Although the actual unit counts and estimated unimproved land value may vary from the estimates shown above, the initial Special Assessment allocation for each Lot Type will not change unless modified in a Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with the Neighborhood Improvement Areas #2-3 Bonds . The above amounts are calculated based on 5.0% interest rates and a 30-year term for the applicable Neighborhood Improvement Areas #2-3 Bonds and annual administrative expense of $15,000 increasing at 2.0% per year.
2 – Represents average Annual Installment for remaining years excluding actual amounts billed previously.

Table IV-G.2
Neighborhood Improvement Area #2
Outstanding Special Assessment Allocation

Lot Size[1]	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Average Outstanding Annual Installment[2]	Outstanding Special Assessment Per Unit/SF	Average Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #2							
50'	91	$30,360,000	$797,365	$71,512	$8,762	$786	$0.24
70'	7	$3,010,000	$79,922	$7,090	$11,417	$1,013	$0.24
HOA	-	-	$8,950	$794	-	-	-
Total	**98**	**$33,370,000**	**$886,238**	**$79,396**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are typically 74 ft.
Note: Estimates are based on information provided by the Developer as part of this update to the SAP. Although the actual unit counts and estimated unimproved land value may vary from the estimates shown above, the initial assessment allocation for each Lot Type will not change unless modified in a Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with the Neighborhood Improvement Areas #2-3 Bonds. The above amounts are calculated based on an interest rate of 2.50% for years 2021 through 2025, 3.125% for years 2026 through 2030, and 4.0% thereafter and a 30-year term for the applicable Neighborhood Improvement Areas #2-3 Bonds and annual administrative expense of $15,000 increasing at 2.0% per year.
2 – Represents average Annual Installment for remaining years excluding actual amounts billed previously.
3 - One Parcel (Parcel ID 2782907) has prepaid their Assessment in full.

Neighborhood Improvement Area #2 Assessed Property is part of the Major Improvement Area Assessed Property. As shown in Table IV-E.1, the original Special Assessments related to the Major Improvement Area Bonds have been allocated to Neighborhood Improvement Area #2 and the remaining Future Neighborhood Improvement Areas. As shown in Table IV-E.2, the outstanding Special Assessments related to the Major Improvement Area Bonds have been allocated to Neighborhood Improvement Area #2 and the remaining Future Neighborhood

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Improvement Areas. The original Special Assessments related to the Neighborhood Improvement Area #2 Improvements for the benefit of the Neighborhood Improvement Area #2 Assessed Property are shown in Table IV-G.1. The outstanding Special Assessments related to the Neighborhood Improvement Area #2 Improvements for the benefit of the Neighborhood Improvement Area #2 Assessed Property are shown in Table IV-G.2. As a result, the combined original Special Assessment on the Neighborhood Improvement Area #2 Assessed Property, representing the proportional share of the Special Assessments for Major Improvement Area Bonds and the Special Assessments for the Neighborhood Improvement Area #2 Improvements or the benefit of the Neighborhood Improvement Area #2 Assessed Property is shown in Table IV-H.1. The combined outstanding Special Assessment on the Neighborhood Improvement Area #2 Assessed Property, representing the proportional share of the Special Assessments for Major Improvement Area Bonds and the Special Assessments for the Neighborhood Improvement Area #2 Improvements or the benefit of the Neighborhood Improvement Area #2 Assessed Property is shown in Table IV-H.2.

Table IV-H.1
Neighborhood Improvement Area #2
Original Special Assessment Allocation (Combined)

Lot Size[1]	Units/SF	Estimated Buildout Value	Total Special Assessment	Average Annual Installment	Special Assessment Per Unit/SF	Average Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #2							
50'	92	$30,360,000	$1,349,796	$118,467	$14,672	$1,288	$0.39
70'	7	$3,010,000	$133,824	$11,745	$19,118	$1,678	$0.39
HOA	-	-	$14,986	$1,315	-	-	-
Total	**99**	**$33,370,000**	**$1,498,606**	**$131,528**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are typically 74 ft.
Note: The combined amounts show the Neighborhood Improvement Area #2 proportional share of the original Special Assessment for Major Improvement Area Bonds shown in Table IV-E.1 and the original Special Assessments for the Neighborhood Improvement Area #2 shown in Table IV-H.1. Estimates based on updated information provided by the Developer as part of this update to the SAP.

Table IV-H.2
Neighborhood Improvement Area #2
Outstanding Special Assessment Allocation (Combined)

Lot Size[1]	Units/SF[2]	Estimated Buildout Value	Total Outstanding Special Assessment	Average Outstanding Annual Installment	Outstanding Special Assessment Per Unit/SF	Average Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #2							
50'	91	$30,360,000	$1,268,495	$117,883	$13,940	$1,295	$0.39
70'	7	$3,010,000	$127,145	$11,733	$18,164	$1,676	$0.39
HOA	-	-	$14,238	$1,314	-	-	-
Total	**98**	**$33,370,000**	**$1,409,878**	**$130,930**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are typically 74 ft.
Note: The combined amounts show the Neighborhood Improvement Area #2 proportional share of the current Special Assessment for Major Improvement Area Bonds shown in Table IV-E.2 and the current Special Assessments for the Neighborhood Improvement Area #2 shown in Table IV-H.2. Estimates based on updated information provided by the Developer as part of this update to the SAP.
2 - One Parcel (Parcel ID 2782907) has prepaid their Assessment in full.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Assessment Methodology for Neighborhood Improvement Area #3

For purpose of this SAP, the City Council has determined that the Actual Costs of the portion of the Neighborhood Area #3 Improvements to be financed with a portion of the Neighborhood Improvement Areas #2-3 Bonds shall be allocated to the Neighborhood Improvement Area #3 Assessed Property by spreading the entire Special Assessment for the Neighborhood Improvement Area #3 Improvements across all Lots within the Neighborhood Improvement Area #3 based on the ratio of the estimated build out value of each Lot to the total build out value for the Neighborhood Improvement Area #3. Table IV-I.1 summarizes the allocation of the original Special Assessments relating to PID Bonds for the Neighborhood Improvement Area #3 Assessed Property. Table IV-I.2 summarizes the current allocation of the Special Assessments relating to PID Bonds for the Neighborhood Improvement Area #3 Assessed Property.

Based on the costs provided by the Developer for the Neighborhood Improvement Area #3 Improvements benefitting Neighborhood Area #3, the City Council has determined that the benefit to the Neighborhood Improvement Area #3 Assessed Property from the Neighborhood Improvement Area #3 Improvements is at least equal to the Special Assessments levied on the Neighborhood Improvement Area #3 Assessed Property.

The Special Assessments and Annual Installments for each Parcel or Lot located in Neighborhood Improvement Area #3 are shown on the Assessment Roll, attached as Appendix G, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-I.1 summarizes the allocation of the original Special Assessment relating to the Neighborhood Improvement Area #3 Assessed Property at the time the Assessment Ordinance approving the Service and Assessment Plan relating to the levy of the Special Assessments against the Neighborhood Improvement Area #3 Assessed Property was adopted by the City Council. Table IV-I.2 summarizes the allocation of the original Special Assessment relating to the Neighborhood Improvement Area #3 Assessed Property.

Table IV-I.1
Neighborhood Improvement Area #3
Original Special Assessment Allocation

Lot Size[1]	Units/SF	Estimated Buildout Value	Total Special Assessment	Average Annual Installment	Special Assessment Per Unit/SF	Average Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #3							
50'	80	$28,000,000	$911,315	$73,320	$11,391	$917	$0.26
60'	94	$37,600,000	$1,223,766	$98,458	$13,019	$1,047	$0.26
70'	8	$3,600,000	$117,169	$9,427	$14,646	$1,178	$0.26
HOA	-	-	$22,750	$1,830	-	-	-
Total	**182**	**$69,200,000**	**$2,275,000**	**$183,036**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are anticipated to be 74 ft.
Note: Estimates are based on information provided by the Developer as part of this update to the SAP. Although the actual unit counts and estimated unimproved land value may vary from the estimates shown above, the original assessment allocation for each Lot Type will not change unless modified in a Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with the Neighborhood Improvement Areas #2-3 Bonds. The above amounts are calculated based on an interest rate of 2.50% for years 2021 through 2025, 3.125% for years 2026 through 2030, and 4.0% thereafter, and a 30-year term for the applicable Neighborhood Improvement Areas #2-3 Bonds and annual administrative expense of $25,000 increasing at 2.0% per year.
2 – Represents average Annual Installment excluding first year amount paid from capitalized interest.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-I.2
Neighborhood Improvement Area #3
Outstanding Special Assessment Allocation

Lot Size[1]	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Average Outstanding Annual Installment[2]	Outstanding Special Assessment Per Unit/SF	Average Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #3							
50'	80	$28,000,000	$911,315	$73,320	$11,391	$917	$0.26
60'	94	$37,600,000	$1,223,766	$98,458	$13,019	$1,047	$0.26
70'	8	$3,600,000	$117,169	$9,427	$14,646	$1,178	$0.26
HOA	-	-	$22,750	$1,830	-	-	-
Total	**182**	**$69,200,000**	**$2,275,000**	**$183,036**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are anticipated to be 74 ft.
Note: Estimates are based on information provided by the Developer as part of this update to the SAP. Although the actual unit counts and estimated unimproved land value may vary from the estimates shown above, the current assessment allocation for each Lot Type will not change unless modified in a Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with the Neighborhood Improvement Areas #2-3 Bonds. The above amounts are calculated based on an interest rate of 2.50% for years 2021 through 2025, 3.125% for years 2026 through 2030, and 4.0% thereafter, and a 30-year term for the applicable Neighborhood Improvement Areas #2-3 Bonds and annual administrative expense of $25,000 increasing at 2.0% per year.
2 – Represents average Annual Installment excluding first year amount paid from capitalized interest.

Neighborhood Improvement Area #3 Assessed Property is part of the Major Improvement Area Assessed Property. As shown in Table IV-E, the Special Assessments related to the Major Improvement Area Bonds have been allocated to Neighborhood Improvement Area #3 and the remaining Future Neighborhood Improvement Areas. The original Special Assessments related to the Neighborhood Improvement Area #3 Improvements for the benefit of the Neighborhood Improvement Area #3 Assessed Property are shown in Table IV-J.1. The outstanding Special Assessments related to the Neighborhood Improvement Area #3 Improvements for the benefit of the Neighborhood Improvement Area #3 Assessed Property are shown in Table IV-J.2. As a result, the combined original Special Assessment on the Neighborhood Improvement Area #3 Assessed Property, representing the proportional share of the Special Assessments for Major Improvement Bonds and the Special Assessments for the Neighborhood Improvement Area #3 Improvements or the benefit of the Neighborhood Improvement Area #3 Assessed Property is shown in Table IV-J.1. The combined outstanding Special Assessment on the Neighborhood Improvement Area #3 Assessed Property, representing the proportional share of the Special Assessments for Major Improvement Bonds and the Special Assessments for the Neighborhood Improvement Area #3 Improvements or the benefit of the Neighborhood Improvement Area #3 Assessed Property is shown in Table IV-J.2.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-J.1
Neighborhood Improvement Area #3
Original Special Assessment Allocation (Combined)

Lot Size	Units/SF	Estimated Buildout Value	Total Special Assessment	Average Annual Installment	Special Assessment Per Unit/SF	Average Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #3							
50'	80	$28,000,000	$1,371,188	$116,471	$17,140	$1,456	$0.42
60'	94	$37,600,000	$1,841,309	$156,404	$19,588	$1,664	$0.42
70'	8	$3,600,000	$176,296	$14,975	$22,037	$1,872	$0.42
HOA	-	-	$34,230	$2,908	-	-	-
Total	**182**	**$69,200,000**	**$3,423,023**	**$290,758**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are anticipated to be 74 ft.
Note: The combined amounts show the Neighborhood Improvement Area #3 proportional share of the Special Assessment for Major Improvement Area Bonds shown in Table IV-E and the Special Assessments for the Neighborhood Improvement Area #3 show in Table IV-J.1 above. Estimates based on updated information provided by the Developer as part of this update to the SAP.

Table IV-J.2
Neighborhood Improvement Area #3
Outstanding Special Assessment Allocation (Combined)

Lot Size	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Average Outstanding Annual Installment	Outstanding Special Assessment Per Unit/SF	Average Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #3							
50'	80	$28,000,000	$1,350,596	$116,514	$16,882	$1,456	$0.42
60'	94	$37,600,000	$1,813,658	$156,461	$19,294	$1,664	$0.42
70'	8	$3,600,000	$173,648	$14,980	$21,706	$1,873	$0.42
HOA	-	-	$33,716	$2,909	-	-	-
Total	**182**	**$69,200,000**	**$3,371,619**	**$290,864**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are anticipated to be 74 ft.
Note: The combined amounts show the Neighborhood Improvement Area #3 proportional share of the Special Assessment for Major Improvement Area Bonds shown in Table IV-E and the Special Assessments for the Neighborhood Improvement Area #3 show in Table IV-J.2 above. Estimates based on updated information provided by the Developer as part of this update to the SAP.

Assessment Methodology for Neighborhood Improvement Area #4

For purpose of this SAP, the City Council has determined that the Actual Costs of the portion of the Neighborhood Area #4 Improvements to be financed the Neighborhood Improvement Area #4 Bonds shall be allocated to the Neighborhood Improvement Area #4 Assessed Property by spreading the entire Special Assessment for the Neighborhood Improvement Area #4 Improvements across all Lots within the Neighborhood Improvement Area #4 based on the ratio of the estimated build out value of each Lot to the total build out value for the Neighborhood Improvement Area #4. Table IV-K.1 summarizes the allocation of the original Special Assessments relating to PID Bonds for the Neighborhood Improvement Area #4 Assessed Property. Table IV-K.2 summarizes the current allocation of the Special Assessments relating to PID Bonds for the Neighborhood Improvement Area #4 Assessed Property.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Based on the costs provided by the Developer for the Neighborhood Improvement Area #4 Improvements benefitting Neighborhood Area #4, the City Council has determined that the benefit to the Neighborhood Improvement Area #4 Assessed Property from the Neighborhood Improvement Area #4 Improvements is at least equal to the Special Assessments levied on the Neighborhood Improvement Area #4 Assessed Property.

The Special Assessments and Annual Installments for each Parcel or Lot located in Neighborhood Improvement Area #4 are shown on the Assessment Roll, attached as Appendix H, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-K.1 summarizes the allocation of the original Special Assessment relating to the Neighborhood Improvement Area #4 Assessed Property at the time the Assessment Ordinance approving this Service and Assessment Plan update was adopted by the City Council. Table IV-K.2 summarizes the allocation of the original Special Assessment relating to the Neighborhood Improvement Area #4 Assessed Property. This SAP will be modified by the City Council as appropriate based on the actual amount of Neighborhood Improvement Area #4 Bonds that are sold.

Table IV-K.1
Neighborhood Improvement Area #4
Original Special Assessment Allocation

Lot Size[1]	Units/SF	Estimated Buildout Value	Total Special Assessment	Average Annual Installment	Special Assessment Per Unit/SF	Average Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #4							
50'	156	$70,200,000	$2,783,628	$202,882	$17,844	$1,301	$0.29
60'	100	$50,000,000	$1,982,641	$144,503	$19,826	$1,445	$0.29
70'	20	$11,000,000	$436,181	$31,791	$21,809	$1,590	$0.29
HOA	-	-	$52,550	$3,830	-	-	-
Total	**276**	**$131,200,000**	**$5,255,000**	**$383,006**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are anticipated to be 74 ft.
Note: Estimates are based on information provided by the Developer as part of this update to the SAP. Although the actual unit counts and estimated unimproved land value may vary from the estimates shown above, the original assessment allocation for each Lot Type will not change unless modified in a Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with the Neighborhood Improvement Area #4 Bonds. The above amounts are calculated based on an estimated interest rate of 4.25% and a 30-year term for the Neighborhood Improvement Area #4 Bonds and annual administrative expense of $25,000 increasing at 2.0% per year.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-K.2
Neighborhood Improvement Area #4
Outstanding Special Assessment Allocation

Lot Size[1]	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Average Outstanding Annual Installment	Outstanding Special Assessment Per Unit/SF	Average Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #4							
50'	156	$70,200,000	$2,783,628	$202,882	$17,844	$1,301	$0.29
60'	100	$50,000,000	$1,982,641	$144,503	$19,826	$1,445	$0.29
70'	20	$11,000,000	$436,181	$31,791	$21,809	$1,590	$0.29
HOA	-	-	$52,550	$3,830	-	-	-
Total	**276**	**$131,200,000**	**$5,255,000**	**$383,006**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are anticipated to be 74 ft.
Note: Estimates are based on information provided by the Developer as part of this update to the SAP. Although the actual unit counts and estimated unimproved land value may vary from the estimates shown above, the original assessment allocation for each Lot Type will not change unless modified in a Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with the Neighborhood Improvement Area #4 Bonds. The above amounts are calculated based on an estimated interest rate of 4.25% and a 30-year term for the Neighborhood Improvement Area #4 Bonds and annual administrative expense of $25,000 increasing at 2.0% per year.

Neighborhood Improvement Area #4 Assessed Property is part of the Major Improvement Area Assessed Property. As shown in Table IV-E, the Special Assessments related to the Major Improvement Area Bonds have been allocated to Neighborhood Improvement Area #4 and the remaining Future Neighborhood Improvement Areas. The original Special Assessments related to the Neighborhood Improvement Area #4 Improvements for the benefit of the Neighborhood Improvement Area #4 Assessed Property are shown in Table IV-K.1. The outstanding Special Assessments related to the Neighborhood Improvement Area #4 Improvements for the benefit of the Neighborhood Improvement Area #4 Assessed Property are shown in Table IV-K.2. As a result, the combined original Special Assessment on the Neighborhood Improvement Area #4 Assessed Property, representing the proportional share of the Special Assessments for Major Improvement Bonds and the Special Assessments for the Neighborhood Improvement Area #4 Improvements or the benefit of the Neighborhood Improvement Area #4 Assessed Property is shown in Table IV-L.1. The combined outstanding Special Assessment on the Neighborhood Improvement Area #4 Assessed Property, representing the proportional share of the Special Assessments for Major Improvement Bonds and the Special Assessments for the Neighborhood Improvement Area #4 Improvements or the benefit of the Neighborhood Improvement Area #4 Assessed Property is shown in Table IV-L.2.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Table IV-L.1
Neighborhood Improvement Area #4
Original Special Assessment Allocation (Combined)

Lot Size	Units/SF	Estimated Buildout Value	Total Special Assessment	Average Annual Installment	Special Assessment Per Unit/SF	Average Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #4							
50'	156	$70,200,000	$3,936,595	$311,068	$25,235	$1,994	$0.44
60'	100	$50,000,000	$2,803,842	$221,558	$28,038	$2,216	$0.44
70'	20	$11,000,000	$616,845	$48,743	$30,842	$2,437	$0.44
HOA	-	-	$74,316	$5,872	-	-	-
Total	**276**	**$131,200,000**	**$7,431,598**	**$587,241**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are anticipated to be 74 ft.
Note: The combined amounts show the Neighborhood Improvement Area #4 proportional share of the Special Assessment for Major Improvement Area Bonds shown in Table IV-E and the Special Assessments for the Neighborhood Improvement Area #4 show in Table IV-K.1 above. Estimates based on updated information provided by the Developer as part of this update to the SAP.

Table IV-L.2
Neighborhood Improvement Area #4
Outstanding Special Assessment Allocation (Combined)

Lot Size	Units/SF	Estimated Buildout Value	Total Outstanding Special Assessment	Average Outstanding Annual Installment	Outstanding Special Assessment Per Unit/SF	Average Outstanding Annual Installment Per Unit/SF	Equivalent Tax Rate (Per $100/AV)
NIA #4							
50'	156	$70,200,000	$3,884,969	$311,175	$24,904	$1,995	$0.44
60'	100	$50,000,000	$2,767,072	$221,634	$27,671	$2,216	$0.44
70'	20	$11,000,000	$608,756	$48,760	$30,438	$2,438	$0.44
HOA	-	-	$73,341	$5,874	-	-	-
Total	**276**	**$131,200,000**	**$7,334,139**	**$587,443**			

1 - 70 ft lot size designation is based on a minimum front footage requirements of 70 ft. Actual lots sizes are anticipated to be 74 ft.
Note: The combined amounts show the Neighborhood Improvement Area #4 proportional share of the Special Assessment for Major Improvement Area Bonds shown in Table IV-E and the Special Assessments for the Neighborhood Improvement Area #4 show in Table IV-K.2 above. Estimates based on updated information provided by the Developer as part of this update to the SAP.

Assessment Methodology for Future Neighborhood Improvement Areas

When and if the Future Neighborhood Improvement Areas are developed and the issuance of Future Neighborhood Improvement Area Bonds are contemplated, this SAP will be amended to determine the assessment methodology necessary to apply equal shares of the Actual Costs of Future Neighborhood Improvement Area Improvements on Assessed Property similarly benefited within that Future Neighborhood Improvement Area.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

J. SPECIAL ASSESSMENT AND ANNUAL INSTALLMENTS

The Special Assessments for the Major Improvement Area Bonds, the Neighborhood Improvement Area #1 Bonds, and the Neighborhood Improvement Areas #2-3 Bonds have been levied on each Parcel or Lot according to the Major Improvement Area Assessment Roll, the Neighborhood Improvement Area #1 Assessment Roll, the Neighborhood Improvement Area #2 Assessment Roll, the Neighborhood Improvement Area #3 Assessment Roll, and the Neighborhood Improvement Area #4 Assessment Roll, as applicable. The Annual Installments for the Major Improvement Area Bonds, the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-3 Bonds, and Neighborhood Improvement Area #4 Bonds will be collected on the dates and in the amounts shown on the Major Improvement Area Assessment Roll, the Neighborhood Improvement Area #1 Assessment Roll, the Neighborhood Improvement Area #2 Assessment Roll, the Neighborhood Improvement Area #3 Assessment Roll, and the Neighborhood Improvement Area #4 Assessment Roll subject to revisions made during an Annual Service Plan Update.

K. 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 or Lot based on the amount of outstanding assessment remaining on the Parcel or Lot. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Major Improvement Area Assessment Roll, the Neighborhood Improvement Area #1 Assessment Roll, the Neighborhood Improvement Area #2 Assessment Roll, the Neighborhood Improvement Area #3 Assessment Roll, and the Neighborhood Improvement Area #4 Assessment Roll shown on Appendix D, Appendix E, Appendix F, Appendix G, and Appendix H, respectively, which are subject to revision through Annual Service Plan Updates.

L. ADDITIONAL INTEREST RATE

Pursuant to the PID Act, the interest rate for Special Assessments may exceed the actual interest rate per annum paid on bonds issued by a PID by no more than one half of one percent (0.50%) per annum, (the "Additional Interest Rate").

M. PREPAYMENT RESERVE – MAJOR IMPROVEMENT AREA BONDS & NEIGHBORHOOD IMPROVEMENT AREA #1 BONDS

As described above, a portion of the funds generated by the Additional Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of a Special Assessment levied against the Major Improvement Area and Neighborhood Improvement Area #1 and the date on which related PID Bonds are actually redeemed (the "Prepayment Reserve"). The Prepayment Reserve shall be funded each year until it reaches 1.5% of the par amount of the related PID Bonds, but in no event will the annual collections be more than 0.20% per annum higher than the actual interest rate paid on the related PID Bonds. If the PID Act is subsequently amended to allow a prepayment of a Special Assessment levied against the Major Improvement Area and Neighborhood Improvement Area #1 to include all applicable interest from the date of prepayment through and including the date of the regularly scheduled PID Bond payments to be charged upon

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

the prepayment of the Special Assessment levied against the Major Improvement Area and Neighborhood Improvement Area #1, the 0.20% per annum allocated to fund the associated interest charged between the date of prepayment of the Special Assessment levied against the Major Improvement Area and Neighborhood Improvement Area #1 and the date on which the related PID Bonds are actually prepaid may be eliminated at the election of the City. If the Prepayment Reserve requirement is so eliminated or in a given year the additional reserve is fully funded at 1.5% of the par amount of the related PID Bonds, the City can allocate the Prepayment Reserve component of the Additional Interest Rate collected during that year to the Delinquency Reserve or to pay Administrative Expenses as set forth in the Indentures related to such PID Bonds.

N. DELINQUENCY RESERVE – MAJOR IMPROVEMENT AREA BONDS & NEIGHBORHOOD IMPROVEMENT AREA #1 BONDS

As described above, a portion of the funds generated by the Additional Interest Rate will be allocated to offset any possible delinquent payments. This additional reserve (the "Delinquency Reserve") shall be funded each year up to 4.0% of the par amount of the related PID Bonds, but in no event will the annual collection of the Delinquency Reserve be more than 0.30% per annum higher than the actual interest rate paid on the related PID Bonds. If in a given year the additional reserve is fully funded at 4.0% of the par amount of the related PID Bonds, the City can allocate the Delinquency Reserve component of the Additional Interest Rate collected during that year to redeem PID Bonds as set forth in the Indenture.

O. ADDITIONAL INTEREST RESERVE – NEIGHBORHOOD IMPROVEMENT AREAS #2-3 BONDS & NEIGHBORHOOD IMPROVEMENT AREA #4 BONDS

A portion of the funds generated by the Additional Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of a Special Assessment levied against Neighborhood Improvement Area #2, Neighborhood Improvement Area #3, or Neighborhood Improvement Area #4 and the date on which Neighborhood Improvement Areas #2-3 Bonds or Neighborhood Improvement Area #4 Bonds are actually redeemed and to offset any possible delinquent payments. To the extent funds are available under the applicable Indenture, this additional reserve for Neighborhood Improvement Areas #2-3 Bonds and Neighborhood Improvement Area #4 Bonds (each, the "Delinquency and Prepayment Reserve") shall be funded each year up to 5.5% of the respective par amount of the Neighborhood Improvement Areas #2-3 Bonds and Neighborhood Improvement Area #4 Bonds. If in a given year the additional reserve is fully funded at 5.5% of the par amount of the Neighborhood Improvement Areas #2-3 Bonds or Neighborhood Improvement Area #4 Bonds, as applicable, the City shall designate such Additional Interest Rate collected for the redemption of Neighborhood Improvement Areas #2-3 Bonds or Neighborhood Improvement Area #4 Bonds as set forth in the applicable Indenture.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

V. SERVICE PLAN

A. INTRODUCTION

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 Major Improvements, the Neighborhood Improvement Area #1 Projects, the Neighborhood Improvement Area #2 Improvements, and the Neighborhood Improvement Area #3 Improvements have been constructed and accepted by the City. It is anticipated construction of the Neighborhood Improvement Area #4 Improvements will be complete by the end of March 2022. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Rolls. Any update to this Service and Assessment Plan is herein referred as an "Annual Service Plan Update."

The projected Annual Installments for the Major Improvement Area Bonds, the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-3 Bonds (relating to Neighborhood Improvement Area #2), the Neighborhood Improvement Areas #2-3 Bonds (relating to Neighborhood Improvement Area #3), and the Neighborhood Improvement Area #4 Bonds are shown on Appendix D, Appendix E, Appendix F, Appendix G, and Appendix H, respectively. The projected annual installments are subject to revision and shall be updated in the Annual Service Plan Update as necessary.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The Actual Costs for the Major Improvement Area Projects plus costs related to the issuance of the Major Improvement Area Bonds, and payment of expenses incurred in the establishment, administration and operation of the PID is $8,471,369 as shown in Table V-A. The sources and uses of funds shown in Table V-A shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Actual Costs and additional PID Bond issues, if any.

Table V-A
Major Improvement Area Bonds
Sources and Uses of Funds

Sources of Funds	**Amount**
Gross Bond Amount	$8,040,000
Owner Contribution (a)	$431,369
Total Sources of Funds	**$8,471,369**
Uses of Funds	
Project Fund Deposits:	
Authorized Improvements (b)	$6,146,368
Developers Counsel/SAP/Appraisal	$98,829
Subtotal	*$6,245,197*
Other Fund Deposits	
Debt Service Reserve Fund (c)	$653,930
Capitalized Interest (d)	$1,020,075
Additional Proceeds	$2,448
Cost of Issuance	$336,598
Underwriters Discount/Underwriters Counsel (e)	$213,121
Total Uses of Funds	**$8,471,369**

(a) Developers funded all costs not covered by the PID Bonds.
(b) See Table III-A and Table IV-A for details.
(c) The PID Bonds include a debt service reserve fund calculated in accordance with IRS rules.
(d) The PID Bonds include 21 months of capitalized interest.
(e) The PID Bonds had a 2.65% Underwriter's Discount, which included Underwriter's Counsel Fee.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The Actual Costs for the Neighborhood Improvement Area #1 Projects plus costs related to the issuance of the Neighborhood Improvement Area #1 Bonds, and payment of expenses incurred in the establishment, administration, and operation of the PID is $6,978,903 as shown in Table V-B. The sources and uses of funds shown in Table V-B shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Actual Costs and additional PID Bond issues, if any.

Table V-B
Neighborhood Improvement Area #1 Bonds
Sources and Uses of Funds

Sources of Funds	**Amount**
Gross Bond Amount	$5,790,000
Owner Contribution[(a)]	$1,188,903
Total Sources of Funds	**$6,978,903**

Uses of Funds	
Project Fund Deposits:	
Authorized Improvements[(b)]	$5,733,903
Developers Counsel/SAP/Appraisal	$71,171
Subtotal	*$5,805,074*
Other Fund Deposits	
Debt Service Reserve Fund[(c)]	$412,100
Capitalized Interest[(d)]	$357,247
Additional Proceeds	$0
Cost of Issuance	$251,003
Underwriters Discount/Underwriters Counsel[(e)]	$153,479
Total Uses of Funds	**$6,978,903**

(a) Developers funded all costs not covered by the PID Bonds.
(b) See Table III-B and Table IV-B for details.
(c) The PID Bonds include a debt service reserve fund calculated in accordance with IRS rules.
(d) The PID Bonds include 12 months of capitalized interest.
(e) The PID Bonds had a 2.65% Underwriter's Discount, which included Underwriter's Counsel Fee.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The Actual Costs for the Neighborhood Improvement Area #2 Improvements plus costs related to financing such improvements, and payment of expenses incurred in the administration and operation of the PID and issuing the Neighborhood Improvement Areas #2-3 Bonds is $3,649,490 as shown in Table V-C. The sources and uses of funds shown in Table V-C shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Actual Costs and additional PID Bond issues, if any.

Table V-C
Neighborhood Improvement Area #2
Sources and Uses of Funds

Sources of Funds	**Amount**
Gross Bond Amount	$920,000
Reimbursement Agreement Payment[(a)]	$25,000
Owner Contribution[(b)]	$2,704,490
Total Sources of Funds	**$3,649,490**
Uses of Funds	
Project Fund Deposits:	
Authorized Improvements[(c)]	$3,492,146
Other Fund Deposits	
Debt Service Reserve Fund[(d)]	$69,738
Cost of Issuance	$60,006
Underwriters Discount/Underwriters Counsel[(e)]	$27,600
Total Uses of Funds	**$3,649,490**

(a) Represents payments made under the PID Reimbursement Agreement.
(b) Developers will fund all costs not covered by the PID Bonds.
(c) See Table III-C and Table IV-C for details.
(d) The PID Bonds include a debt service reserve fund calculated in accordance with IRS rules.
(e) The PID Bonds have a 3.0% Underwriter's Discount, which includes Underwriter's Counsel Fee.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The Actual Costs for the Neighborhood Improvement Area #3 Projects plus costs related to the issuance of the Neighborhood Improvement Areas #2-3 Bonds, and payment of expenses incurred in the establishment, administration and operation of the PID is $4,003,840 as shown in Table V-D. The sources and uses of funds shown in Table V-D shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Actual Costs and additional PID Bond issues, if any.

Table V-D
Neighborhood Improvement Area #3
Sources and Uses of Funds

Sources of Funds	**Amount**
Gross Bond Amount	$2,275,000
Owner Contribution[(a)]	$1,728,840
Total Sources of Funds	**$4,003,840**

Uses of Funds	
Project Fund Deposits:	
Authorized Improvements[(b)]	$3,509,942
Other Fund Deposits	
Debt Service Reserve Fund[(c)]	$172,451
Administrative Fund	$25,000
Capitalized Interest[(d)]	$79,814
Cost of Issuance	$148,384
Underwriters Discount/Underwriters Counsel[(e)]	$68,250
Total Uses of Funds	**$4,003,840**

(a) Developers will fund all costs not covered by the PID Bonds.
(b) See Table III-D and Table IV-D for details.
(c) The PID Bonds include a debt service reserve fund calculated in accordance with IRS rules.
(d) The PID Bonds include 12 months of capitalized interest.
(e) The PID Bonds have a 3.0% Underwriter's Discount, which includes Underwriter's Counsel Fee.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The estimated Actual Costs for the Neighborhood Improvement Area #4 Improvements plus costs related to the issuance of the Neighborhood Improvement Area #4 Bonds, and payment of expenses incurred in the establishment, administration, and operation of the PID is $7,901,179 as shown in Table V-E. The sources and uses of funds shown in Table V-E shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Actual Costs and additional PID Bond issues, if any.

Table V-E
Neighborhood Improvement Area #4
Projected Sources and Uses of Funds

Sources of Funds	**Amount**
Gross Bond Amount	$5,255,000
Owner Contribution[(a)]	$2,646,179
Total Sources of Funds	**$7,901,179**

Uses of Funds	
Project Fund Deposits:	
Authorized Improvements[(b)]	$6,737,742
Other Fund Deposits	
Debt Service Reserve Fund[(c)]	$415,875
Administrative Fund	$25,000
Capitalized Interest	$223,338
Cost of Issuance	$341,575
Underwriters Discount/Underwriters Counsel[(d)]	$157,650
Total Uses of Funds	**$7,901,179**

(a) Developers will fund all costs not covered by the PID Bonds.
(b) See Table III-E and Table IV-E for details.
(c) The PID Bonds will include a debt service reserve fund calculated in accordance with IRS rules.
(d) The PID Bonds will have a 3.0% Underwriter's Discount, which includes Underwriter's Counsel Fee.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The projected Annual Installments for the first five years after the approval of the Original SAP for the Major Improvement Area Bonds are presented in Table V-E. The projected Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update to reflect any change expected for each year.

Table V-E
Major Improvement Area
Projected Annual Installments

Period Ending 9/30	Principal Payments	Interest Expense	Administrative Expenses	Prepayment Reserve & Delinquency Reserve	Capitalized Interest/Other Credits	Annual PID Installments
2020 & Prior	$424,555	$1,908,314	$142,103	$187,380	($417,075)	$2,564,457
2021	$100,000	$583,500	$33,122	$38,900	($603,000)	$755,522
2022	$105,000	$576,000	$33,785	$38,400	($20,336)	$753,185
2023	$115,000	$568,125	$34,461	$37,875	($14,849)	$755,461
2024	$125,000	$559,500	$35,150	$37,300	($174,381)	$756,950
2025	$135,000	$550,125	$35,853	$36,675	$0	$757,653
Total	**$1,004,555**	**$4,745,564**	**$314,474**	**$376,530**	**($1,229,641)**	**$6,343,228**

Note: The projected Annual Installments are the expenditures associated with the formation of the PID, the costs of issuance and repayment of the PID Bonds and the administration of the PID. The debt service estimates are based on 5.38% interest rate, 0.50% additional interest for the Prepayment Reserve and Delinquency Reserve and a 30-year term for the initial series of PID Bonds. Administrative Expenses are estimated to increase at a rate of 2% per year.

The projected Annual Installments for the first five years after the approval of the Original SAP for the Neighborhood Improvement Area #1 Bonds are presented in Table V-F. The projected Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update to reflect any change expected for each year.

Table V-F
Neighborhood Improvement Area #1
Projected Annual Installments

Period Ending 9/30	Principal Payments	Interest Expense	Administrative Expenses	Prepayment Reserve & Delinquency Reserve	Capitalized Interest/Other Credits	Annual PID Installments
2020 & Prior	$290,170	$1,748,613	$144,969	$134,316	($250,297)	$1,854,980
2021	$90,000	$346,875	$33,122	$27,750	($106,951)	$497,747
2022	$95,000	$341,250	$33,785	$27,300	($6,234)	$497,335
2023	$100,000	$335,313	$34,461	$26,825	($35,250)	$496,599
2024	$105,000	$329,063	$35,150	$26,325	($64,356)	$495,538
2025	$110,000	$322,500	$35,853	$25,800	$0	$494,153
Total	**$790,170**	**$3,423,614**	**$317,340**	**$268,316**	**($463,088)**	**$4,336,352**

Note: The projected Annual Installments are the expenditures associated with the formation of the PID, the costs of issuance and repayment of the PID Bonds and the administration of the PID. The debt service estimates are based on 5.13% interest rate, 0.50% additional interest for the Prepayment Reserve and Delinquency Reserve and a 30 year term for the initial series of PID Bonds. Administrative Expenses are estimated to increase at a rate of 2% per year.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The projected Annual Installments for the first five years after the approval of the version of the SAP approved for the Neighborhood Improvement Area #2 Improvements are presented in Table V-G. The projected Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update to reflect any change expected for each year.

Table V-G
Neighborhood Improvement Area #2
Projected Annual Installments

Period Ending 9/30	Principal Payments	Interest Expense	Administrative Expenses	Additional Interest Reserve	Capitalized Interest/Other Credits	Annual PID Installments
2020 & Prior	$25,000	$54,322	$13,337	$0	$0	$92,659
2021	$25,000	$31,704	$15,000	$0	$0	$71,704
2022	$20,000	$33,856	$15,300	$4,475	$0	$73,631
2023	$20,000	$33,356	$15,606	$4,375	$0	$73,337
2024	$20,000	$32,856	$15,918	$4,275	$0	$73,049
2025	$20,000	$32,356	$16,236	$4,175	$0	$72,768
Total	**$130,000**	**$218,451**	**$91,398**	**$17,300**	**$0**	**$457,148**

Note: The projected Annual Installments are the expenditures associated with the formation of the PID, the costs of issuance and repayment of the PID Bonds and the administration of the PID. The debt service is based on 2.50% interest rate for years 2021 through 2025, 3.125% for years 2026 through 2030, and 4.0% thereafter, 0.50% additional interest for the Additional Interest Reserve and a 30 year term for the initial series of PID Bonds. Administrative Expenses are estimated to increase at a rate of 2% per year.

The projected Annual Installments for the first five years after the approval of the version of the SAP approved for the Neighborhood Improvement Area #3 Improvements are presented in Table V-H. The projected Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update to reflect any change expected for each year.

Table V-H
Neighborhood Improvement Area #3
Projected Annual Installments

Period Ending 9/30	Principal Payments	Interest Expense	Administrative Expenses	Additional Interest Reserve	Capitalized Interest/Other Credits	Annual PID Installments
2021	$0	$79,814	$0	$0	($79,814)	$0
2022	$40,000	$86,806	$25,500	$11,375	$0	$163,681
2023	$40,000	$85,806	$26,010	$11,175	$0	$162,991
2024	$40,000	$84,806	$26,530	$10,975	$0	$162,311
2025	$40,000	$83,806	$27,061	$10,775	$0	$161,642
Total	**$160,000**	**$421,039**	**$105,101**	**$44,300**	**($79,814)**	**$650,626**

Note: The projected Annual Installments are the expenditures associated with the formation of the PID, the costs of issuance and repayment of the PID Bonds and the administration of the PID. The debt service is based on 2.50% interest rate for years 2021 through 2025, 3.125% for years 2026 through 2030, and 4.0% thereafter, 0.50% additional interest for the Additional Interest Reserve and a 30 year term for the initial series of PID Bonds. Administrative Expenses are estimated to increase at a rate of 2% per year.

The projected Annual Installments for the first five years after the approval of this SAP for the Neighborhood Improvement Area #4 Improvements are presented in Table V-I. The projected

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update to reflect any change expected for each year.

Table V-I
Neighborhood Improvement Area #4
Projected Annual Installments

Period Ending 9/30	Principal Payments	Interest Expense	Administrative Expenses	Additional Interest Reserve	Capitalized Interest/Other Credits	Annual PID Installments
2022	$0	$223,338	$0	$0	($223,338)	$0
2023	$70,000	$223,338	$25,500	$26,275	$0	$345,113
2024	$75,000	$220,363	$26,010	$25,925	$0	$347,298
2025	$75,000	$217,175	$26,530	$25,550	$0	$344,255
2026	$80,000	$213,988	$27,061	$25,175	$0	$346,223
Total	**$300,000**	**$1,098,200**	**$105,101**	**$102,925**	**($223,338)**	**$1,382,889**

Note: The projected Annual Installments are the expenditures associated with the costs of issuance and repayment of the PID Bonds and the administration of the PID. The debt service is based on an estimated 4.25% interest rate, 0.50% additional interest for the Additional Interest Reserve and a 30 year term for the initial series of PID Bonds. Administrative Expenses are estimated to increase at a rate of 2% per year.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

VI. TERMS OF THE SPECIAL ASSESSMENTS

A. AMOUNT OF SPECIAL ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE MAJOR IMPROVEMENT AREA

The Special Assessments and Annual Installments for the Major Improvement Area Assessed Property are shown on the Major Improvement Area Assessment Roll in Appendix D. The Special Assessment and Annual Installments shall not be changed except as authorized under the terms of this SAP and the PID Act. The Annual Installments shall be collected in an amount sufficient to pay (i) the principal and interest on the Major Improvement Area Bonds, (ii) to fund the Prepayment Reserve for the Major Improvement Area Bonds, (iii) to fund the Delinquency Reserve for the Major Improvement Area Bonds, and (iv) to cover the Administrative Expenses of the Major Improvement Area.

B. AMOUNT OF SPECIAL ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN NEIGHBORHOOD IMPROVEMENT AREA #1, NEIGHBORHOOD IMPROVEMENT AREA #2, NEIGHBORHOOD IMPROVEMENT AREA #3, AND NEIGHBORHOOD IMPROVEMENT AREA #4

The Special Assessments and Annual Installments for each Neighborhood Improvement Area #1 Assessed Property are shown on the Neighborhood Improvement Area #1 Assessment Roll in Appendix E.

The Annual Installments shall not be changed except as authorized under the terms of this SAP and the PID Act. The Annual Installments shall be collected from Neighborhood Improvement Area #1 Assessed Property in an amount sufficient to pay (i) the principal and interest on the Neighborhood Improvement Area #1 Bonds, (ii) to fund the Prepayment Reserve for the Neighborhood Improvement Area #1 Bonds, (iii) to fund the Delinquency Reserve for the Neighborhood Improvement Area #1 Bonds, and (iv) to cover the Administrative Expenses of Neighborhood Improvement Area #1.

The Special Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Area #2 are shown on the Neighborhood Improvement Area #2 Assessment Roll, attached as Appendix F. The Special Assessment and Annual Installments shall not 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) Neighborhood Improvement Area #2's portion of the principal and interest on the Neighborhood Improvement Areas #2-3 Bonds, (ii) to fund the Additional Interest Reserve for the Neighborhood Improvement Areas #2-3 Bonds, and (iii) to cover Administrative Expenses of Neighborhood Improvement Area #2.

The Special Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Area #3 are shown on the Neighborhood Improvement Area #3 Assessment Roll, attached as Appendix G. The Special Assessment and Annual Installment shall not be changed except as authorized by this Service and Assessment Plan and the PID Act.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The Annual Installments shall be collected in an amount sufficient to pay (i) Neighborhood Improvement Area #3's portion of the principal and interest on the Neighborhood Improvement Areas #2-3 Bonds, (ii) to fund the Additional Interest Reserve for the Neighborhood Improvement Areas #2-3 Bonds, and (iii) to cover Administrative Expenses of Neighborhood Improvement Area #3.

The Special Assessment and Annual Installments for each Assessed Property located within Neighborhood Improvement Area #4 are shown on the Neighborhood Improvement Area #4 Assessment Roll, attached as Appendix H. The Special Assessment and Annual Installment shall not 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) the principal and interest on the Neighborhood Improvement Area #4 Bonds, (ii) to fund the Additional Interest Reserve for the Neighborhood Improvement Area #4 Bonds, and (iii) to cover Administrative Expenses of Neighborhood Improvement Area #4.

C. Amount of Special Assessments and Annual Installments for Parcels Located Within Future Neighborhood Improvement Areas

When and if Future Neighborhood Improvement Areas are developed, this SAP will be amended to determine the Special Assessment and Annual Installments associated with the costs of Future Neighborhood Improvement Area Improvements for each Parcel or Lot located within a Future Neighborhood Improvement Area. The Special Assessment shall not exceed the benefit received by the Assessed Property.

D. Reallocation of Assessments for Parcels Located Within the PID

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the new divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the estimated build out value of the new divided Assessed Property
D = the sum of the estimated build out value for all of the new divided Assessed Properties

The calculation of the estimated build out value of an Assessed Property shall be performed by the Administrator based on information from the City, the Developer, third party consultants, the Official Public Records of Collin County, Texas, and any other relevant source

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

of information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded Subdivision Plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the new subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the estimated build out value of all new subdivided Lots with same Lot Type
D = the sum of the estimated build out value for all of the new subdivided Lots excluding Non-Benefitted Property
E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an estimated build out value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact future as-built Lot value and any other information available to the Developer. The calculation of the estimated as-built Lot value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Developer, homebuilders, third party consultants, and/or the Official Public Records of Denton County, Texas regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

3. Upon 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.

4. Upon Change from a Commercial Parcel to a Residential Parcel

Should an owner of an Assessed Property choose to change the intended land use for all or a portion of a Commercial Parcel to a Residential Parcel, the owner will, upon approval for the initial single family residential home building permit from the City, be required to pay down the Special Assessment and all Prepayment Costs for each Lot on the affected Assessed Property to a level equal to the average Special Assessment that a Lot within its similar Lot type is assessed.

E. Reallocation of Assessments for Parcels Located Within Future Neighborhood Improvement Areas

As Future Neighborhood Improvement Areas are developed, this SAP will be amended to determine the assessment reallocation methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within each Future Neighborhood Improvement Area.

F. Mandatory Prepayment of Assessments

If Assessed Property or a portion thereof is transferred to a party that is exempt from the payment of the Special Assessment under applicable law, or if an owner causes a Parcel or portion thereof to become Non-Benefited Property, the owner of such Parcel or portion thereof shall pay to the City the full amount of the Special Assessment, plus all Prepayment Costs, for such Parcel, Lot or portion thereof prior to any such transfer or act.

G. Reduction of Special Assessments

1. If after all Authorized Improvements to be funded with a series of PID Bonds have been completed and Actual Costs for such Authorized Improvements are less than the Actual Costs used to calculate the Special Assessments securing such series of PID Bonds, resulting in excess PID Bond proceeds being available to redeem PID Bonds of such series, then the Special Assessment securing such series of PID Bonds for each Parcel of Assessed Property shall be reduced by the City Council (in accordance with the applicable Indenture or pro rata if no Indenture) such that the sum of the resulting reduced Special Assessments for all Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem PID Bonds of such series. The Special Assessments shall not be reduced to an amount less than the related outstanding series of PID Bonds. If all

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

of the Authorized Improvements are not completed, the City may reduce the Special 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 all the Authorized Improvements are not undertaken, resulting in excess PID Bond proceeds being available to redeem PID Bonds, then the Special Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the PID Bonds, including interest on the PID Bonds and Collection Costs, and such excess Bond proceeds shall be applied to redeem PID Bonds. The City Council may reduce the Special 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 estimated build out value of each Parcel or Lot, if determined by the City Council to be the most fair and practical means of reducing the Special Assessments for each Parcel, such that the sum of the resulting reduced Special Assessments equals the amount required to repay the PID Bonds, including interest on the PID Bonds and Collection Costs. The Principal Portion of the Special Assessment for each Parcel shall be reduced pro rata to the reduction in the Special Assessments for each Parcel such that the sum of the resulting reduced Principal Portion of the PID Bonds is equal to the outstanding principal amount of the PID Bonds.

3. If after all Authorized Improvements to be funded with a series of PID Bonds have been completed and the Actual Costs for the Authorized Improvements are less than the Budgeted Costs used to calculate the Special Assessments securing the PID Bonds, resulting in excess Bond proceeds, then the City Council may reduce the Special Assessment securing the PID Bonds for each Assessed Property on a pro rata basis such that the sum of the resulting reduced Special Assessments for all Assessed Properties equals the reduced Actual Costs. The Special Assessments shall not be reduced to an amount less than the related outstanding series of PID Bonds.

4. Similarly, if the City does not undertake some of the Authorized Improvements with the PID Bonds then the City Council may reduce the Special Assessment securing the PID Bonds for each Assessed Property pro-rata to reflect only the Actual Costs that were expended. The Special Assessments shall not be reduced to an amount less than the related outstanding series of PID Bonds.

5. The City Council may apply excess PID Bond proceeds to the redemption of the respective PID Bonds.

H. PAYMENT OF SPECIAL ASSESSMENTS

1. Payment in Full

The Special Assessment for any Parcel or Lot may be paid in full at any time in accordance the PID Act. The Payment shall include all Prepayment Costs, if any. If prepayment in full will result in redemption of PID Bonds, the payment amount shall be reduced by the applicable portion of the proceeds from a debt service reserve fund applied to the redemption pursuant to the related Indenture, net of any other costs applicable to the redemption of PID Bonds.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

If an Annual Installment has been billed prior to payment in full of a Special Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount upon payment.

Upon payment in full of a Special Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the related Indenture; whereupon the Special Assessment for the Parcel or Lot shall be reduced to zero, and the Parcel or Lot owner's obligation to pay the Special Assessment and Annual Installments thereof shall automatically terminate. The City shall provide the owner of the affected Assessed Property a recordable "Notice of PID Assessment Termination."

At the option of a Parcel or Lot owner, the Special Assessment on any Parcel or Lot may be paid in part in an amount equal to the amount of prepaid Special Assessments plus Prepayment Costs, if any, with respect thereto. Upon the payment of such amount for a Parcel or Lot, the Special Assessment for the Parcel or Lot shall be reduced by the amount of such partial payment, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel or Lot shall be reduced to the extent the partial payment is made.

2. Payment of Annual Installments

If a Special Assessment is not paid in full, the PID Act authorizes the City to collect interest and collection costs on the outstanding Special Assessment. A Special Assessment for a Parcel or Lot that is not paid in full will be collected in Annual Installments each year in the amounts shown in the applicable Assessment Roll and which includes interest on the outstanding Special Assessment and Administrative Expenses.

The Annual Installments as listed on the Major Improvement Area Assessment Roll and the Neighborhood Improvement Area #1 Assessment Roll have been calculated assuming the interest rate on the Major Improvement Area Bonds of 7.5% and the interest rate on the Neighborhood Improvement Area #1 Bonds of 6.25%, respectively. The Annual Installments as listed on the Neighborhood Improvement Area #2 Assessment Roll and the Neighborhood Improvement Area #3 Assessment Roll have been calculated using an interest rate on the Neighborhood Improvement Areas #2-3 Bonds of 2.50% for years 2021 through 2025, 3.125% for years 2026 through 2030, and 4.0% for years 2031 and after. The Annual Installments as listed on the Neighborhood Improvement Area #4 Assessment Roll have been calculated using an estimated interest rate on the Neighborhood Improvement Area #4 Bonds of 4.25%.The Annual Installments may not exceed the amounts shown on the Major Improvement Area Assessment Roll, the Neighborhood Improvement Area #1 Assessment Roll, the Neighborhood Improvement Area #2 Assessment Roll, the Neighborhood Improvement Area #3 Assessment Roll, or the Neighborhood Improvement Area #4 Assessment Roll except pursuant to any amendment or update to this SAP.

The Annual Installments shall be reduced to equal the actual costs of repaying the related series of PID Bonds 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.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The City reserves and shall have the right and option to refund PID Bonds in accordance with Section 372.027 of the PID Act and the Indenture related to such PID Bonds. In the event of issuance of refunding bonds, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installment so that total Annual Installments of Special Assessments will be produced in annual amounts that are required to pay the debt service on 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 "PID Bonds" for purposes of this SAP.

I. COLLECTION OF ANNUAL INSTALLMENTS

The Administrator shall, no less frequently than annually, prepare and submit to the City for its approval, 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 Assessed Property. Administrative Expenses shall be allocated among Assessed Properties in proportion to the amount of the Annual Installments before Administrative Expenses for the Assessed Property. Each Annual Installment shall be reduced by any credits applied under the applicable Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, and existing deposits for a Prepayment Reserve or Additional Interest Reserve, as applicable. Annual Installments may be collected by the City (or such entity to whom the City directs) in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act. The Special Assessments shall have lien priority as specified in the PID Act.

Any sale of Assessed Property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Special Assessment 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.

Each Annual Installment, including the interest on the unpaid amount of a Special Assessment, shall be updated annually. 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 relating to the Major Improvement Area Bonds and the Neighborhood Improvement Area #1 Bonds will be due when billed and will be delinquent if not paid prior to February 1, 2017.

Calculation of Annual Installments shall be as of September 1 of each year. Collection of the initial Annual Installments relating to the Neighborhood Improvement Area #2 Improvements that benefit the Neighborhood Improvement Area #2 Assessed Property will be due when billed, and will be delinquent if not paid prior to February 1, 2021

Calculation of Annual Installments shall be as of September 1 of each year. Collection of the initial Annual Installments relating to the Neighborhood Improvement Area #3 Improvements that benefit the Neighborhood Improvement Area #3 Assessed Property will be due when billed, and will be delinquent if not paid prior to February 1, 2021

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Calculation of Annual Installments shall be as of September 1 of each year. Collection of the initial Annual Installments relating to the Neighborhood Improvement Area #4 Improvements that benefit the Neighborhood Improvement Area #4 Assessed Property will be due when billed and will be delinquent if not paid prior to the first February 1 following issuance of the Neighborhood Improvement Area #4 Bonds. It is expected that the first payment of the Annual Installment of the Special Assessment levied against the Neighborhood Improvement Area #4 Assessed Property will be due and payable by delinquent if not paid prior to February 1, 2022.

J. SURPLUS FUNDS REMAINING IN THE MAJOR IMPROVEMENT AREA BOND ACCOUNT

If proceeds from the Major Improvement Area Bonds still remain after all of the Major Improvements are constructed and accepted by the City, the proceeds may be utilized in accordance with the Indenture related to the Major Improvement Area Bonds.

K. SURPLUS FUNDS REMAINING IN THE NEIGHBORHOOD IMPROVEMENT AREA #1 BOND ACCOUNT

If proceeds from the Neighborhood Improvement Area #1 Bonds still remain after all of the Neighborhood Improvement Area #1 Projects are constructed and accepted by the City, the proceeds may be utilized in accordance with the Indenture related to the Neighborhood Improvement Area #1 Bonds.

L. SURPLUS FUNDS REMAINING IN THE NEIGHBORHOOD IMPROVEMENT AREAS #2-3 BOND ACCOUNT

If proceeds from the Neighborhood Improvement Areas #2-3 Bonds still remain after all of the Neighborhood Improvement Area #2 Improvements and Neighborhood Improvement Area #3 Improvements are constructed and accepted by the City, the proceeds may be utilized in accordance with the Indenture related to the Neighborhood Improvement Areas #2-3 Bonds.

M. SURPLUS FUNDS REMAINING IN THE NEIGHBORHOOD IMPROVEMENT AREA #4 BOND ACCOUNT

If proceeds from the Neighborhood Improvement Area #4 Bonds still remain after all of the Neighborhood Improvement Area #4 Improvements are constructed and accepted by the City, the proceeds may be utilized in accordance with the Indenture related to the Neighborhood Improvement Area #4 Bonds.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

VII. THE ASSESSMENT ROLL

A. MAJOR IMPROVEMENT ASSESSMENT ROLL

The City Council has evaluated each Parcel in the Major Improvement Area (based on numerous factors such as the applicable zoning for developable area, the use of proposed Owner's Association Property, the Public Property, the types of Public Improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Parcel.

The Major Improvement Area Assessed Property was assessed for the special benefits conferred upon the property resulting from the Major Improvement Area Projects. Table VII-A summarizes the $8,471,369 in special benefit received by the Major Improvement Area Assessed Property from the Major Improvements, a portion of the costs of the PID formation and administration, and the Major Improvement Area Bond issuance costs. The par amount of the Major Improvement Area Bonds is $8,040,000, which is equal to the benefit received by the Major Improvement Area Assessed Property. Accordingly, the total Special Assessment to be applied to all the Major Improvement Area Assessed Property is $8,040,000 plus annual Administrative Expenses. The Special Assessment for each Major Improvement Area Assessed Property is calculated based on the allocation methodologies described in Section IV.I. The Major Improvement Area Assessment Roll is attached hereto as Appendix D.

Table VII-A
Major Improvement Area Bonds
Special Benefit Summary

Special Benefit	Total Cost
Major Improvement Area Bonds	
Total Authorized Improvements (a)	*$6,146,368*
PID Formation/Bond Costs of Issuance	
Developer's Counsel/SAP/Appraisal	$98,829
Reserve Fund	$653,930
Capitalized Interest	$1,020,075
Additional Proceeds	$2,448
Underwriter's Discount/Underwriters Counsel	$213,121
Cost of Issuance	$336,598
PID Formation/Bond Cost of Issuance	*$2,325,001*
Total Special Benefit	**$8,471,369**
Special Benefit	
Total Special Benefit	$8,471,369
Projected Special Assessment	$8,040,000
Excess Benefit	**$431,369**

(a) See Table III-A for details.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

B. Neighborhood Improvement Area #1 Assessment Roll

The City Council has evaluated each Parcel in Neighborhood Improvement Area #1 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Owner's Association Property, the Public Property, the types of Public Improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Parcel.

The Neighborhood Improvement Area #1 Assessed Property was assessed for the special benefits conferred upon the property resulting from the Neighborhood Improvement Area #1 Projects. Table VII-B summarizes the $6,978,902 in special benefit received by the Neighborhood Improvement Area #1 Property from the Neighborhood Improvement Area #1 Projects, a portion of the costs of the PID formation and administration, and the Neighborhood Improvement Area #1 Bond issuance costs. The par amount of the Neighborhood Improvement Area #1 Bonds is $5,790,000, which is equal to the benefit received by the Neighborhood Improvement Area #1 Assessed Property. Accordingly, the total Special Assessment to be applied to all the Neighborhood Improvement Area #1 Assessed Property is $5,790,000 plus annual Administrative Expenses. The Special Assessment for each Neighborhood Improvement Area #1 Assessed Property is calculated based on the allocation methodologies described in Section IV.I. The Neighborhood Improvement Area #1 Assessment Roll is attached hereto as Appendix E.

Table VII-B
Neighborhood Improvement Area #1 Bonds
Special Benefit Summary

Special Benefit	Total Cost
Neighborhood Improvement Area #1 Bonds	
Total Authorized Improvements (a)	*$5,733,903*
PID Formation/Bond Costs of Issuance	
Developer's Counsel/SAP/Appraisal	$71,171
Reserve Fund	$412,100
Capitalized Interest	$357,247
Additional Proceeds	$0
Underwriter's Discount/Underwriters Counsel	$153,479
Cost of Issuance	$251,002
PID Formation/Bond Cost of Issuance	*$1,244,999*
Total Special Benefit	**$6,978,902**
Special Benefit	
Total Special Benefit	$6,978,902
Projected Special Assessment	$5,790,000
Excess Benefit	**$1,188,902**

(a) See Table III-B for details.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

C. Neighborhood Improvement Area #2 Assessment Roll

The City Council has evaluated each Parcel in Neighborhood Improvement Area #2 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Owner's Association Property, the Public Property, the types of Public Improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Parcel.

The Neighborhood Improvement Area #2 Assessed Property will be assessed for the special benefits conferred upon the property resulting from the Neighborhood Improvement Area #2 Improvements. Table VII-C summarizes the $3,649,490 in special benefit received by the Neighborhood Improvement Area #2 Assessed Property from the Neighborhood Improvement Area #2 Improvements, a portion of the costs of the PID administration, costs related to financing the Neighborhood Improvement Area #2 Improvements, and the issuance of the Neighborhood Improvement Areas #2-3 Bonds. The par amount of the Neighborhood Improvement Areas #2-3 Bonds relating to Neighborhood Improvement Area #2 is $920,000 plus $25,000 in principal payments paid under the PID Reimbursement Agreement, which is less than the benefit received by the Neighborhood Improvement Area #2 Assessed Property. Accordingly, the total Special Assessment to be applied to all the Neighborhood Improvement Area #2 Assessed Property is $945,000 plus annual Administrative Expenses. The Special Assessment for each Neighborhood Improvement Area #2 Assessed Property is calculated based on the allocation methodologies described in Section IV.I. The Neighborhood Improvement Area #2 Assessment Roll is attached hereto as Appendix F.

Table VII-C
Neighborhood Improvement Area #2
Special Benefit Summary

Special Benefit	Total Cost
Neighborhood Improvement Area #2 Improvements	
Total Authorized Improvements (a)	*$3,492,146*
PID Formation/Bond Costs of Issuance	
Reserve Fund	$69,738
Underwriter's Discount/Underwriters Counsel	$60,006
Cost of Issuance	$27,600
PID Formation/Bond Cost of Issuance	*$157,344*
Total Special Benefit	**$3,649,490**
Special Benefit	
Total Special Benefit	$3,649,490
Projected Special Assessment	$945,000
Excess Benefit	**$2,704,490**

(a) See Table III-C for details.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

D. Neighborhood Improvement Area #3 Assessment Roll

The City Council has evaluated each Parcel in Neighborhood Improvement Area #3 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Owner's Association Property, the Public Property, the types of Public Improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Parcel.

The Neighborhood Improvement Area #3 Assessed Property was assessed for the special benefits conferred upon the property resulting from the Neighborhood Improvement Area #3 Improvements. Table VII-D summarizes the $4,003,840 in special benefit received by the Neighborhood Improvement Area #3 Property from the Neighborhood Improvement Area #3 Improvements, a portion of the costs of the PID formation and administration, and the Neighborhood Improvement Areas #2-3 Bond issuance costs. The par amount of the Neighborhood Improvement Areas #2-3 Bonds relating to Neighborhood Improvement Area #3 is $2,275,000, which is less than the benefit received by the Neighborhood Improvement Area #3 Assessed Property. Accordingly, the total Special Assessment to be applied to all the Neighborhood Improvement Area #3 Assessed Property is $2,275,000 plus annual Administrative Expenses. The Special Assessment for each Neighborhood Improvement Area #3 Assessed Property is calculated based on the allocation methodologies described in Section IV.I. The Neighborhood Improvement Area #3 Assessment Roll is attached hereto as Appendix G.

Table VII-D
Neighborhood Improvement Area #3
Special Benefit Summary

Special Benefit	Total Cost
Neighborhood Improvement Area #3 Improvements	
Total Authorized Improvements (a)	*$3,509,942*
PID Formation/Bond Costs of Issuance	
Reserve Fund	$172,451
Administrative Fund	$25,000
Capitalized Interest	$79,814
Underwriter's Discount/Underwriters Counsel	$68,250
Cost of Issuance	$148,384
PID Formation/Bond Cost of Issuance	*$493,898*
Total Special Benefit	**$4,003,840**
Special Benefit	
Total Special Benefit	$4,003,840
Projected Special Assessment	$2,275,000
Excess Benefit	**$1,728,840**

(a) See Table III-D for details.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

E. Neighborhood Improvement Area #4 Assessment Roll

The City Council has evaluated each Parcel in Neighborhood Improvement Area #4 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Owner's Association Property, the Public Property, the types of Public Improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Parcel.

The Neighborhood Improvement Area #4 Assessed Property was assessed for the special benefits conferred upon the property resulting from the Neighborhood Improvement Area #4 Improvements. Table VII-E summarizes the $7,901,179 in special benefit received by the Neighborhood Improvement Area #4 Property from the Neighborhood Improvement Area #4 Improvements, a portion of the costs of the PID formation and administration, and the Neighborhood Improvement Area #4 Bond issuance costs. The par amount of the Neighborhood Improvement Area #4 Bonds relating to Neighborhood Improvement Area #4 is expected to be $5,255,000, which is less than the benefit received by the Neighborhood Improvement Area #4 Assessed Property. Accordingly, the total Special Assessment to be applied to all the Neighborhood Improvement Area #4 Assessed Property is expected to be $5,255,000 plus annual Administrative Expenses. The Special Assessment for each Neighborhood Improvement Area #4 Assessed Property is calculated based on the allocation methodologies described in Section IV.I. The Neighborhood Improvement Area #4 Assessment Roll is attached hereto as Appendix H.

Table VII-E
Neighborhood Improvement Area #4
Special Benefit Summary

Special Benefit	Total Cost
Neighborhood Improvement Area #4 Improvements	
Total Authorized Improvements (a)	*$6,737,742*
PID Formation/Bond Costs of Issuance	
Reserve Fund	$415,875
Administrative Fund	$25,000
Capitalized Interest	$223,338
Underwriter's Discount/Underwriters Counsel	$157,650
Cost of Issuance	$341,575
PID Formation/Bond Cost of Issuance	*$1,163,438*
Total Special Benefit	**$7,901,179**
Special Benefit	
Total Special Benefit	$7,901,179
Projected Special Assessment	$5,255,000
Excess Benefit	**$2,646,179**

(b) See Table III-D for details.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

F. Future Neighborhood Improvement Area Assessment Roll

As Future Neighborhood Improvement Areas are developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Neighborhood Improvement Areas (e.g. an appendix will be added as the Assessment Roll for Future Improvement Areas).

G. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City for approval, updates to the Assessment Rolls and the Annual Service Plan Update to reflect changes such as (i) the identification of each Parcel (ii) the Special Assessment for each Parcel of the Assessed Property, including any adjustments authorized by this SAP and in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Special Assessment is payable in installments); (iv) a listing of the major property owners within the PID; and (v) payments of the Special Assessment, if any, as provided by Section VI.I of this SAP.

The Annual Service Plan Update shall reflect the actual interest on the Major Improvement Area Bonds, the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-3 Bonds, the Neighborhood Improvement Area #4 Bonds, any reduction in the Major Improvement Area Special Assessments, Neighborhood Improvement Area #1 Special Assessments, Neighborhood Improvement Area #2 Special Assessments, the Neighborhood Improvement Area #3 Special Assessments, or Neighborhood Improvement Area #4 Special Assessments and any revisions in the Actual Costs to be funded by the Major Improvement Area Bonds, the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-3 Bonds, the Neighborhood Improvement Area #4 Bonds, and Owner funds.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator of the PID. The City shall notify the Owners in writing upon appointing a third party Administrator.

To the extent consistent with the PID Act, if an owner of the Assessed Property claims that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, that owner must send a written notice describing the error to the Administrator no later than thirty (30) days after the date the invoice or other bill for the Annual Installment is received. If the owner fails to give such notice, such owners shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Property 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 Property owner, such change or modification shall be presented to the City 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 Property owner (except for the final year during which the Annual Assessment shall be collected), 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 City Council. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the PID Act.

B. TERMINATION OF ASSESSMENTS

Each Special Assessment shall terminate on the date the Special Assessment is paid in full, including payment of any unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of the Special 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 may be made as permitted or required by the PID Act and Texas law.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

D. Administration and Interpretation of Provisions

The City Council shall administer (or cause the administration of) the PID, this SAP, and all Annual Service Plan Updates consistent with the PID Act.

E. Severability

If any provision, section, subsection, sentence, clause or phrase of this SAP, 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 SAP or the application to all or any portion of the Property or other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this SAP that no part thereof, 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 SAP are declared to be severable for that purpose.

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

F. Homebuyer Disclosure

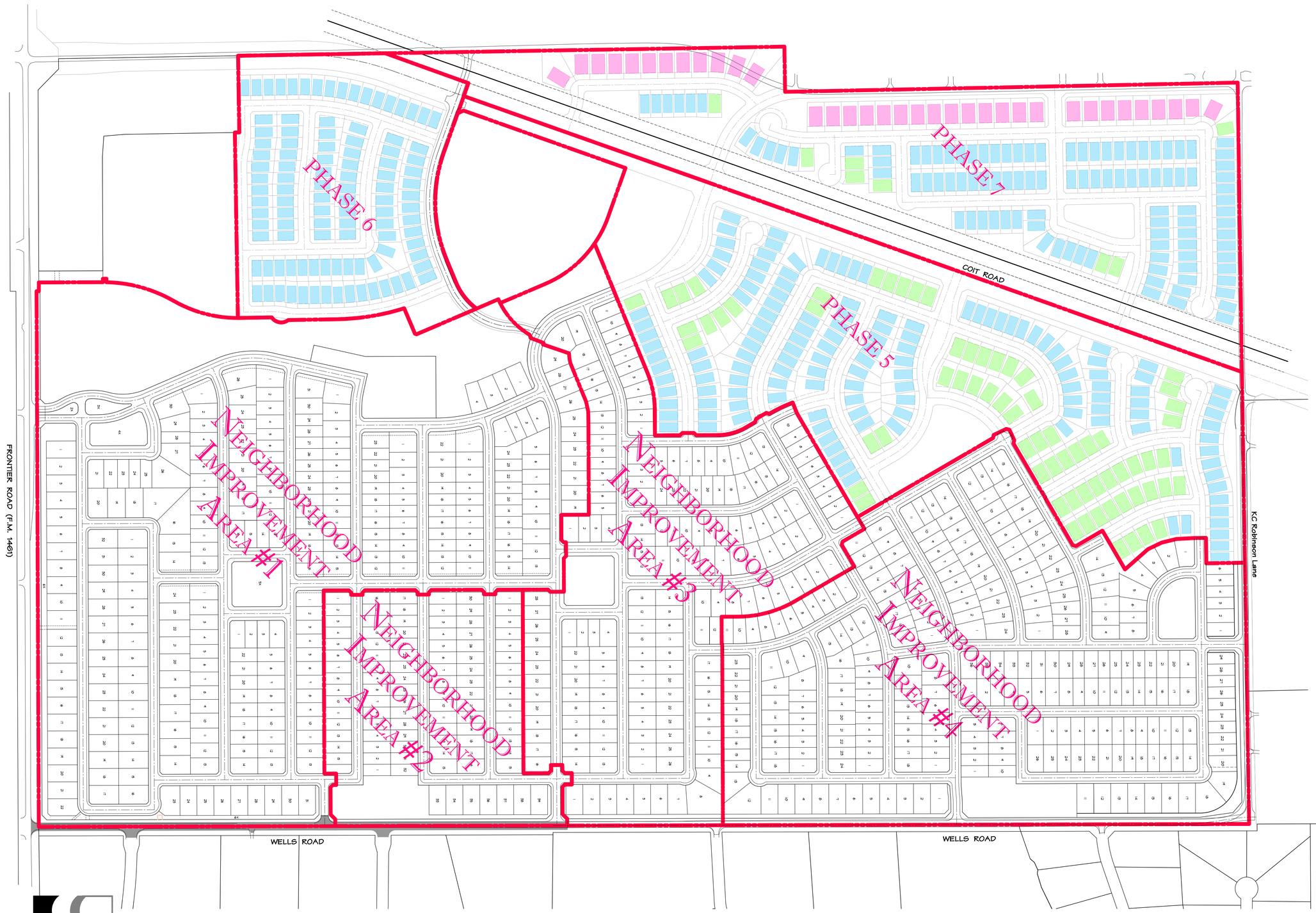
The PID Act requires that this Service and Assessment Plan and each Annual Service Plan Update include a copy of the Notice form required by Section 5.014 of the Texas Property Code. The Homebuyer Disclosure is attached hereto as Appendix C and may be updated in an Annual Service Plan Update.

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Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX A
PID MAP

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)



200 0 100 200 400

1 inch = 200 ft.

PHASE 1
50'x120' Lots - 95
60'x120' Lots - 115
74'x130' Lots - 83
Total 293

PHASE 2A-1 ~ 21.350 Ac.
50'x120' Lots - 92
74'x130' Lots - 7
Total 99

PHASE 2A-2 ~ 27.370 Ac.
50'x120' Lots - 7
60'x120' Lots - 89
74'x130' Lots - 8
Total 104

PHASE 3 18.356 Ac.
50'x120' Lots - 73
60'x120' Lots - 5
Total 78

PHASE 4 (Remaining)
50'x120' Lots - 156
60'x120' Lots - 100
71'x120' Lots - 20
Total 276

PHASE 5 (Remaining)
50'x120' Lots - 139
60'x120' Lots - 68
Total 207

PHASE 6 (Remaining)
50'x110' Lots - 106
Total 106

PHASE 7 (Remaining)
50'x120' Lots - 107
60'x120' Lots - 8
71'x120' Lots - 35
Total 150

Total
50'x120' Lots - 775 (60.18%) Max. 54%
60'x120' Lots - 385 (28.19%) Min. 28%
70'x120's Lots - 153 (11.63%) Min. 12%
Total 1313

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WELLS SOUTH (LILYANA)
PAD MAP (M)

HILLWOOD COMMUNITIES
A PEROT COMPANY

Drawing: G:\2016_JOBS\16-171 Lilyana\CAD\2021 05 26_PID Exhibit pad-nav-M1.dwg Saved By: lholt18 Save Time: 5/26/2021 11:44:51 AM Plotted by: lholt18 Plot Date: 5/26/2021 11:50 AM

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX B-1
LEGAL DESCRIPTION – ALL PROPERTY

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Appendix B-1

PROPERTY METES AND BOUNDS DESCRIPTION

(400.524 Acres)

BEING a tract of land situated in the W. Wilhite Survey, Abstract No. 1002 and the Jonathan Westoven Survey, Abstract No. 1030, Collin County, Texas, being all of a called 18.531 acre tract of land described in a Special Warranty Deed to The George White Limited Partnership recorded in Volume 5834, page 478, all of a called 127.069 acre tract of land and a called 26.99 acre tract of land described in a Special Warranty Deed to The George White Limited Partnership recorded in Volume 5834, page 461, and all of a called 214.659 acre tract of land described in Special Warranty Deeds to The George White Limited Partnership recorded in Volume 5834, page 483, Volume 5834, Page 488, Volume 5834, Page 493, Volume 5834, Page 498, Volume 5834, Page 503 and Volume 5946, Page 693, all of the Official Public Records of Real Property of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a PK nail set at the intersection of County Road No. 84, County Road No. 83 and Quail Hollow; said point being the southwest corner of a tract of land described in General Warranty Deed to William K. Wood and Kathy D. Wood recorded in Instrument No. 20071029001470070, Official Public Records of Collin County, Texas; from said point a PK nail found bears North 54°13' East, a distance of 13.4 feet, a PK nail with yellow washer bears North 89°09' East, a distance of 13.7 feet, a 1/2" iron rod found bears North 48°25' West, a distance of 41.2 feet, a 1/2" iron rod found bears South 53°06' West, a distance of 37.0 feet;

THENCE North 89°09'29" East, along the south line of said Wood tract and generally along said County Road No. 84, at a distance of 360.27 feet, passing a PK nail with white washer found, at a distance of 702.60 feet, passing a PK nail with white washer found, at a distance of 1045.10 feet, passing a PK nail with white washer found, in all a total distance of 1387.45 feet to a PK nail with yellow washer found for corner at the intersection of said County Road No. 84 and County Road No. 86; said point being the southeast corner of said Wood tract and the southwest corner of a tract of land described in Special Warranty Deed to Christopher Wesson Bosh and Adrianne Bosh recorded in Instrument No. 20131001001373380, Official Public Records of Real Property of Collin County, Texas; from said point a PK nail with white washer found bears North 15°18' West, a distance of 4.3 feet;

THENCE North 89°05'03" East, along the south line of said Bosh tract and generally along said County Road No. 84, a distance of 1270.15 feet to a PK nail found for corner at the southeast corner of said Bosh tract and the southwest corner of a tract of land described in Warranty Deed to Donald L. Vest recorded in Volume 1344, Page 88 of the Deed Records of Collin County, Texas;

THENCE North 89°04'33" East, along the south line of said Vest tract and generally along said County Road No. 84, a distance of 580.02 feet to a 5/8" iron rod with "KHA" cap set for corner at the southeast corner of said Vest tract; said point being in the west right-of-way line of said County Road No. 84;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

THENCE along said west right-of-way line of County Road No. 84, the following courses and distances:

South 00°08'06" East, a distance of 3039.07 feet to a PK nail set for corner; from said point a 1/2" iron rod found bears South 89°24' East, a distance of 30.0 feet;

South 00°07'47" East, a distance of 2245.96 feet to a PKnail set for corner in the north right-of-way line of F.M. 1461 (a variable width right-of-way, 90 feet wide at this point); from said point a 1/2" iron rod with "RPLS 4084" cap bears North 89°46'00" East, a distance of 40.00 feet;

THENCE along the said north right-of-way line of F.M. 1461, the following courses and distances:

South 89°46'00" West, a distance of 2338.62 feet (Deed calls 2329.27 feet) to a 5/8" iron rod with "KHA" cap set at a re-entrant corner;

North 00°14'00" West, a distance of 10.00 feet to a 5/8" iron rod with "KHA" cap set at a re-entrant corner;

South 89°46'00" West, a distance of 878.58 feet (Deed calls 877.70 feet) to a 5/8" iron rod with "KHA" cap set for corner at the southernmost end of a right-of-way corner clip at the intersection of the said north right-of-way line of F.M. 1461 and County Road No. 83;

THENCE North 45°38'30" West, along said right-of-way corner clip, a distance of 128.18 feet (Deed calls 163.70 feet) to a 5/8" iron rod with "KHA" cap set for corner at the northernmost end of said right-of-way corner clip;

THENCE South 89°46'00" West, along the north right-of-way line of said F.M. 1461, a distance of 45.00 feet (Deed calls 35.93 feet) to a PK nail set for corner in said County Road No. 83 at the easternmost southeast corner of a tract of land described in Special Warranty Deed to 1461 Coit, Inc. recorded in Clerk's File No. 93-0113804, Official Public Records of Real Property of Collin County, Texas;

THENCE North 00°57'08" West, departing the north right-of-way line of F.M. 1461, along the east line of said 1461 Coit, Inc. tract and generally along said County Road No. 83, at a distance of 1125.29 feet, passing the northeast corner of said 1461 Coit, Inc. tract, continuing along the east right-of-way line of said County Road No. 83, in all a total distance of 3170.10 feet to a 1" iron rod found for corner in the south line of Lot 8, Block A, Preston Hills II Addition, an addition to Collin County, according to the plat recorded in Cabinet F, Page 678, Map Records of Collin County, Texas;

THENCE North 89°11'16" East, along the south line of said Lot 8, at a distance of 11.59 feet, passing the southernmost southeast corner of said Lot 8 and the west right-of-way line of said County Road No. 83, continuing along the south right-of-way line of said County Road No. 83,

in all a total distance of 197.43 feet (Deed calls 178.2 feet) to a 5/8" iron rod with "KHA" cap set for corner; from said point a 1" iron pipe found bears North 88°40' East, a distance of 8.5 feet;

THENCE along the east right-of-way line of said County Road No. 83, the following courses and distances:

North 01°09'33" West, a distance of 1044.51 feet to a PK nail set at an angle point;

North 01°10'48" West, a distance of 932.07 feet to the POINT OF BEGINNING and containing 400.524 acres (17,446,820 square feet) of land, more or less.

Bearing system of this survey is based on the Texas State Plane Coordinate System, North American Datum of 1983, North Central Zone 4202.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX B-2
LEGAL DESCRIPTION – NEIGHBORHOOD IMPROVEMENT AREA #1

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

METES AND BOUNDS DESCRIPTION
Lilyana Neighborhood Improvement Area #1
(approximately 93.21 acres)

BEING, a tract of land situated in the Jonathan Westover Survey, Abstract No. 1030 and William Wilhite Survey, Abstract No. 1002, Collin County, Texas, and being a portion of a called 214.659 acre tract of land as described in instrument to The George White Family Limited Partnership, recorded in County Clerk's File No. 2005-0005703 of the Official Property Records of Collin County, Texas (O.P.R.C.C.T.), and being more particularly described as follows:

BEGINNING at a PK Nail found in the approximate centerline of County Road No. 84 and being in the north right-of-way line of F.M 1461, a variable width right of way, and being the northeast corner of a tract of land to the State of Texas, as described in instrument recorded in Volume 484, Page 275 of the Deed Records of Collin County, Texas (D.R.C.C.T.), being the southeast corner of the 214.659 acre George White Family tract;

THENCE, South 89 degrees 46 minutes 00 seconds West, along the north right-of-way line of F.M. 1461 and the south line of the 214.659 acre George White Family tract, a distance of 2,171.14 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars;

THENCE, departing the south line of the 214.659 acre George White Family tract, and the north right-of-way line of F.M. 1461, North 00 degrees 39 minutes 56 seconds East, a distance of 939.08 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars;

THENCE, South 89 degrees 51 minutes 22 seconds West, a distance of 61.82 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars;

THENCE, North 11 degrees 58 minutes 44 seconds East, a distance of 117.06 feet to a point for a corner;

THENCE, North 01 degrees 14 minutes 17 seconds West, a distance of 142.46 feet to a point for a corner;

THENCE, North 01 degrees 52 minutes 47 seconds West, a distance of 143.69 feet to a point for a corner;

THENCE, North 05 degrees 39 minutes 29 seconds West, a distance of 74.86 feet to a point for a corner;

THENCE, North 10 degrees 23 minutes 36 seconds West, a distance of 74.86 feet to a point for a corner;

THENCE, North 18 degrees 07 minutes 19 seconds West, a distance of 53.93 feet to a point for a corner;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

THENCE, North 22 degrees 03 minutes 04 seconds West, a distance of 127.12 feet to a point for a corner;

THENCE, North 68 degrees 27 minutes 26 seconds East, a distance of 123.81 feet to a 5/8 inch iron rod set with plastic cap stamped “Huitt-Zollars;

THENCE, North 21 degrees 32 minutes 34 seconds West, a distance of 432.10 feet to a 5/8 inch iron rod set with plastic cap stamped “Huitt-Zollars;

THENCE, North 65 degrees 24 minutes 00 seconds East, a distance of 58.10 feet to a point for a corner;

THENCE, North 56 degrees 30 minutes 34 seconds East, a distance of 58.10 feet to a point for a corner;

THENCE, North 48 degrees 55 minutes 07 seconds East, a distance of 47.69 feet to a point for a corner;

THENCE, North 33 degrees 52 minutes 49 seconds East, a distance of 47.94 feet to a 5/8 inch iron rod set with plastic cap stamped “Huitt-Zollars;

THENCE, North 22 degrees 52 minutes 44 seconds East, a distance of 182.18 feet to a point for a corner;

THENCE, North 86 degrees 38 minutes 38 seconds East, a distance of 50.03 feet to a point for a corner;

THENCE, North 67 degrees 39 minutes 44 seconds East, a distance of 121.67 feet to a point for a corner;

THENCE, North 73 degrees 33 minutes 49 seconds East, a distance of 44.63 feet to a point for a corner;

THENCE, North 83 degrees 32 minutes 02 seconds East, a distance of 78.51 feet to a point for a corner;

THENCE, North 88 degrees 55 minutes 45 seconds East, a distance of 453.30 feet to a 5/8 inch iron rod set with plastic cap stamped “Huitt-Zollars;

THENCE, South 01 degree 01 minute 26 seconds East, a distance of 296.68 feet to a point for a corner;

THENCE, North 89 degrees 21 minutes 24 seconds East, a distance of 299.56 feet to a 5/8 inch iron rod set with plastic cap stamped “Huitt-Zollars;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

THENCE, South 00 degrees 25 minutes 49 seconds East, a distance of 900.40 feet to a 5/8 inch iron rod set with plastic cap stamped “Huitt-Zollars;

THENCE, North 89 degrees 16 minutes 55 seconds East, a distance of 633.44 feet to a point for a corner;

THENCE, South 68 degrees 22 minutes 28 seconds East, a distance of 43.04 feet to a point for a corner;

THENCE, South 00 degrees 11 minutes 53 seconds West, a distance of 119.12 feet to a point for a corner;

THENCE, North 89 degrees 18 minutes 51 seconds East, a distance of 137.43 feet to a point for a corner;

THENCE, North 00 degrees 16 minutes 22 seconds East, a distance of 155.86 feet to a point for a corner;

THENCE, North 89 degrees 52 minutes 13 seconds East, a distance of 237.38 feet to a Mag nail set in the east line of the 214.659 acre George White Family tract and being in County Road No. 84;

THENCE, South 00 degrees 07 minutes 47 seconds East, along the east line of the 214.659 acre George White Family tract and County Road No. 84, a distance of 1,306.85 feet the POINT OF BEGINNING and CONTAINING 93.21 acres of land, more or less.

All bearings are based on the Texas State Plane Coordinate System, N.A.D. 83, North Central Zone.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX B-3
LEGAL DESCRIPTION – NEIGHBORHOOD IMPROVEMENT AREA #2

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

METES AND BOUNDS DESCRIPTION
Lilyana Neighborhood Improvement Area #2
(approximately 21.347 acres)

BEING a tract of land situated in the Jonathan Westover Survey, Abstract No. 1030 and W. Wilhite Survey, Abstract No. 1002, City of Celina, Collin County, Texas, the subject tract being all of a tract conveyed to LILYANA PHASE 2, LLC, according to the deed recorded in Document No. 20171116001527360 of the Official Public Records, Collin County, Texas (DRCCT), with the subject tract being more particularly described as follows:

BEGINNING at a 5/8" capped iron rod found on the west line of County Road 84, a variable width public right-of-way, for the lower northeast corner of Lilyana Phase 1, an addition recorded in Cabinet 2017, Page 199, Plat Records, Collin County, Texas (PRCCT), from which a PK nail found bears S 00°07'47" E, a distance of 1293.95 feet;

THENCE along the northerly and easterly lines of Lilyana Phase 1, the following:

S 89°52'13" W, 30.00 feet;

S 44°49'07" W, 28.31 feet;

S 89°46'00" W, 119.34 feet;

N 45°14'00" W, 14.14 feet;

N 00°14'00" W, 15.00 feet;

S 89°46'00" W, 50.00 feet;

S 00°14'00" E, 51.59 feet;

S 89°46'00" W, 800.00 feet, a 5/8" capped iron rod found;

N 00°14'00" W, 110.00 feet;

N 44°46'00" E, 14.14 feet;

N 89°46'00" E, 10.00 feet;

N 00°14'00" W, 50.00 feet;

S 89°46'00" W, 10.00 feet;

N 45°14'00" W, 14.14 feet, a 5/8" capped iron rod found;

N 00°14'00" W, 220.00 feet;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

N 44°46'00" E, 14.14 feet;

N 89°46'00" E, 10.00 feet;

N 00°14'00" W, 50.00 feet;

S 89°46'00" W, 10.00 feet;

N 45°14'00" W, 14.14 feet, a 5/8" capped iron rod found;

N 00°14'00" W, 220.00 feet;

N 44°46'00" E, 14.14 feet;

N 89°46'00" E, 10.00 feet;

N 00°14'00" W, 50.00 feet;

S 89°46'00" W, 10.00 feet;

N 45°14'00" W, 14.14 feet, a 5/8" capped iron rod found;

And N 00°14'00" W, 110.00 feet;

THENCE departing an east line of Lilyana Phase 1, through said Celina Development tract, the following:

N 89°46'00" E, 800.00 feet;

N 00°14'00" W, 110.00 feet;

N 45°14'00" W, 14.14 feet;

S 89°46'00" W, 40.00 feet;

N 00°14'00" W, 50.00 feet;

N 89°46'00" E, 40.00 feet;

N 44°46'00" E, 14.14 feet;

N 00°14'00" W, 40.00 feet;

N 89°46'00" E, 50.00 feet;

S 00°14'00" E, 40.00 feet;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

S 45°14'00" E, 14.14 feet;

N 89°46'00" E, 121.16 feet;

N 44°48'57" E, 28.31 feet;

And N 89°51'54" E, 30.00 feet to the west line of County Road 84;

THENCE S 00°08'06" E, 61.40 feet along the west line thereof to a PK nail found;

THENCE S 00°07'47" E, 952.01 feet continuing along the west line of County Road 84 to the POINT OF BEGINNING with the subject tract containing 929,889 square feet or 21.347 acres of land.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX B-4
LEGAL DESCRIPTION – NEIGHBORHOOD IMPROVEMENT AREA #3

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

METES AND BOUNDS DESCRIPTION
Lilyana Neighborhood Improvement Area #3
(approximately 44.724 acres)

TRACT 1

BEING a tract of land situated in the J. Westover Survey, Abstract No. 1030, and the W. Wilhite Survey, Abstract No. 1002, City of Celina, Collin County, Texas, the subject tract being a portion of a tract of land conveyed to Celina Development, LLC according to the deed recorded in Document No. 20151123001468620 of the Official Public Records, Collin County, Texas (OPRCCT), with the subject tract being more particularly described as follows:

BEGINNING at a point on the west line of County Road 84, and from which a 5/8" iron rod found for the northeast corner of the parent tract, bears N 00°08'06" W, 2,297.61 feet;

THENCE S 00°08'06" E, 680.05 feet along County Road 84 to the northeast corner of Lilyana Phase 2A-1, an addition recorded in Cabinet 2018, Page 530 of the Plat Records, Collin County, Texas (PRCCT);

THENCE along Lilyana Phase 2A-1, the following:

S 89°51'54" W, 30.00 feet;

S 44°48'57" W, 28.31 feet;

S 89°46'00" W, 121.16 feet to a point from which an "X" found for the intersection of the centerline of Indian Grass Lane with the centerline of Daisy Corner Drive, bears S 54°13'45" W, 43.01 feet;

N 45°14'00" W, 14.14 feet;

N 00°14'00" W, 40.00 feet;

S 89°46'00" W, 50.00 feet;

S 00°14'00" E, 40.00 feet;

S 44°46'00" W, 14.14 feet;

S 89°46'00" W, 40.00 feet;

S 00°14'00" E, 50.00 feet;

N 89°46'00" E, 40.00 feet;

S 45°14'00" E, 14.14 feet;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

S 00°14'00" E, 110.00 feet;

And S 89°46'00" W, 800.00 feet to the east line of Lilyana Phase 1, an addition recorded in Cabinet 2017, Page 199 PRCCT;

THENCE along Lilyana Phase 1, the following:

N 00°14'00" W, 110.00 feet;

N 44°46'00" E, 14.14 feet;

N 89°46'00" E, 10.00 feet to a point from which an “X” found in concrete for the intersection of the centerline of Blue Thistle Road with the centerline of Daisy Corner Drive, bears N 63°40’05” W, 55.90 feet;

N 00°14'00" W, 60.00 feet;

S 89°46'00" W, 155.84 feet;

And N 45°14'00" W, 14.14 feet;

THENCE N 00°14'00" W, 200.00 feet;

THENCE N 44°46'00" E, 14.14 feet;

THENCE N 89°46'00" E, 15.00 feet;

THENCE N 00°14'00" W, 60.00 feet;

THENCE S 89°46'00" W, 14.16 feet;

THENCE N 00°14'00" W, 120.00 feet;

THENCE S 89°46'00" W, 53.00 feet;

THENCE N 00°14'00" W, 310.40 feet;

THENCE around a tangent curve to the left having a central angle of 30°00'00", a radius of 440.00 feet, a chord of N 15°14'00" W - 227.76 feet, an arc length of 230.38 feet;

THENCE N 30°14'00" W, 166.95 feet;

THENCE N 59°46'00" E, 6.90 feet;

THENCE N 30°14'00" W, 170.00 feet;

THENCE N 59°46'00" E, 173.95 feet;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

THENCE S 30°14'00" E, 110.00 feet;

THENCE S 75°14'00" E, 14.14 feet;

THENCE N 59°46'00" E, 110.00 feet;

THENCE S 30°14'00" E, 295.79 feet;

THENCE around a tangent curve to the right having a central angle of 30°00'00", a radius of 500.00 feet, a chord of S 15°14'00" E - 258.82 feet, an arc length of 261.80 feet;

THENCE S 00°14'00" E, 78.67 feet;

THENCE N 89°46'00" E, 120.00 feet;

THENCE N 00°14'00" W, 6.12 feet;

THENCE N 89°46'00" E, 792.36 feet to the POINT OF BEGINNING with the subject tract containing 1,148,607 square feet or 26.368 acres of land.

TRACT 2

BEING a tract of land situated in the W. Wilhite Survey, Abstract No. 1002, City of Celina, Collin County, Texas, the subject tract being a portion of a tract of land conveyed to Celina Development, LLC according to the deed recorded in Document No. 20151123001468620 of the Official Public Records, Collin County, Texas (OPRCCT), with the subject tract being more particularly described as follows:

BEGINNING at a point on the north line of Lilyana Phase 1, an addition recorded in Cabinet 2017, Page 199 of the Plat Records, Collin County, Texas (PRCCT) and from which an “X” found in concrete for the intersection of the centerline of Daisy Corner Drive with the centerline of Blue Thistle Road, bears S 64°50’07” E, 128.23 feet;

THENCE along the north line of Lilyana Phase 1, the following:

S 89°46'00" W, 60.00 feet;

S 00°14'00" E, 20.00 feet;

S 44°46'00" W, 14.14 feet;

S 89°46'00" W, 110.00 feet;

N 00°14'00" W, 120.00 feet;

S 89°46'00" W, 400.00 feet;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

S 88°53'40" W, 50.19 feet;

S 77°51'01" W, 44.60 feet;

S 67°46'00" W, 181.92 feet;

S 78°31'41" W, 16.36 feet;

S 84°46'23" W, 26.96 feet;

S 18°41'16" W, 120.00 feet;

Around a non-tangent curve to the right having a central angle of 02°17'13", a radius of 175.00 feet, a chord of N 70°10'08" W - 6.98 feet, an arc length of 6.98 feet;

S 20°58'28" W, 60.00 feet;

S 71°28'14" W, 15.16 feet;

S 30°44'50" W, 1.72 feet;

And around a tangent curve to the right having a central angle of 32°55'42", a radius of 330.00 feet, a chord of S 47°12'41" W - 187.05 feet, an arc length of 189.65 feet;

THENCE N 23°02'13" W, 212.96 feet;

THENCE around a tangent curve to the left having a central angle of 32°26'29", a radius of 500.00 feet, a chord of N 39°15'27" W - 279.34 feet, an arc length of 283.10 feet to a point from which a 5/8” iron rod with plastic cap found for a northwest corner of the parent tract, bears N 38°31’32” W, 1,063.32 feet;

THENCE N 67°46'00" E, 610.84 feet;

THENCE around a tangent curve to the right having a central angle of 22°00'00", a radius of 430.00 feet, a chord of N 78°46'00" E - 164.10 feet, an arc length of 165.11 feet;

THENCE N 89°46'00" E, 111.47 feet;

THENCE N 00°14'00" W, 110.00 feet;

THENCE N 45°14'00" W, 14.14 feet;

THENCE N 00°14'00" W, 50.00 feet;

THENCE N 44°46'00" E, 14.14 feet;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

THENCE N 00°14'00" W, 92.81 feet;

THENCE around a tangent curve to the left having a central angle of 30°00'00", a radius of 250.00 feet, a chord of N 15°14'00" W - 129.41 feet, an arc length of 130.90 feet;

THENCE N 30°14'00" W, 46.08 feet;

THENCE N 70°51'04" W, 15.18 feet;

THENCE around a non-tangent curve to the right having a central angle of 01°45'56", a radius of 325.00 feet, a chord of S 70°17'42" W - 10.01 feet, an arc length of 10.01 feet;

THENCE N 18°49'20" W, 50.00 feet;

THENCE N 19°57'05" E, 12.81 feet;

THENCE N 30°14'00" W, 1.38 feet;

THENCE around a tangent curve to the right having a central angle of 08°56'51", a radius of 725.00 feet, a chord of N 25°45'34" W - 113.10 feet, an arc length of 113.22 feet;

THENCE N 68°42'51" E, 50.00 feet;

THENCE N 59°46'00" E, 411.23 feet;

THENCE S 30°14'00" E, 170.00 feet;

THENCE S 59°46'00" W, 6.90 feet;

THENCE S 30°14'00" E, 166.95 feet;

THENCE around a tangent curve to the right having a central angle of 30°00'00", a radius of 440.00 feet, a chord of S 15°14'00" E - 227.76 feet, an arc length of 230.38 feet;

THENCE S 00°14'00" E, 310.40 feet;

THENCE N 89°46'00" E, 53.00 feet;

THENCE S 00°14'00" E, 120.00 feet;

THENCE N 89°46'00" E, 14.16 feet;

THENCE S 00°14'00" E, 60.00 feet;

THENCE S 89°46'00" W, 15.00 feet;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

THENCE S 44°46'00" W, 14.14 feet;

THENCE S 00°14'00" E, 190.00 feet to the POINT OF BEGINNING with the subject tract containing 799,601 square feet or 18.356 acres of land.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX B-5
LEGAL DESCRIPTION – NEIGHBORHOOD IMPROVEMENT AREA #4

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

METES AND BOUNDS DESCRIPTION
Lilyana Neighborhood Improvement Area #4
(approximately 67.494 acres)

BEING a tract of land situated in the J. Westover Survey, Abstract No. 1030, and the W. Wilhite Survey, Abstract No. 1002, City of Celina, Collin County, Texas, being part of a tract conveyed to LILYANA PHASE 4, LLC, by deed recorded in Document No. 20210302000414010 of the Deed Records, Collin County, Texas (DRCCT), with the subject tract being more particularly described as follows:

BEGINNING at a 5/8" iron rod found in a bend of County Road 84, a public road, and being on the west line of a right-of-way dedication created by the final plat of Wilson Creek Estates Phase 2, recorded in Cabinet K, Page 192, Plat Records, Collin County, Texas (PRCCT);

THENCE S 00°08'06" E, 2297.61 feet along County Road 84, and along the west line of said right-of-way dedication, and of another dedication created by the final plat of Wilson Creek Estates, recorded in Cabinet J, Page 605 PRCCT, to a point for corner;

THENCE departing said road, into the subject tract, the following:

S 89°46'00" W, 792.36 feet;

S 00°14'00" E, 6.12 feet;

S 89°46'00" W, 120.00 feet;

N 00°14'00" W, 78.67 feet;

A tangent curve to the left having a central angle of 30°00'00", a radius of 500.00 feet, a chord of N 15°14'00" W - 258.82 feet, an arc length of 261.80 feet;

N 30°14'00" W, 295.79 feet;

S 59°46'00" W, 110.00 feet;

N 75°14'00" W, 14.14 feet;

N 30°14'00" W, 110.00 feet;

S 59°46'00" W, 60.00 feet;

N 30°14'00" W, 110.00 feet;

N 75°14'00" W, 14.14 feet;

N 30°14'00" W, 60.00 feet;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

N 14°46'00" E, 14.14 feet;

N 30°14'00" W, 494.97 feet;

N 75°18'48" W, 14.12 feet;

N 31°27'16" W, 60.00 feet;

A non-tangent curve to the right having a central angle of 01°05'25", a radius of 330.00 feet, a chord of N 59°05'27" E - 6.28 feet, an arc length of 6.28 feet;

N 15°08'08" E, 14.05 feet;

N 59°46'00" E, 50.00 feet;

S 30°14'00" E, 4.87 feet;

S 75°14'00" E, 14.14 feet;

N 59°46'00" E, 225.35 feet;

N 14°46'00" E, 14.14 feet;

N 59°46'00" E, 50.00 feet;

S 75°14'00" E, 14.14 feet;

N 59°46'00" E, 219.77 feet;

N 15°24'44" E, 14.30 feet;

N 28°56'32" W, 109.92 feet;

N 61°03'28" E, 190.99 feet;

N 36°03'33" W, 150.88 feet;

A tangent curve to the right having a central angle of 35°18'53", a radius of 295.00 feet, a chord of N 18°24'06" W - 178.96 feet, an arc length of 181.83 feet;

N 00°44'40" W, 86.28 feet;

N 89°15'20" E, 106.54 feet;

N 00°44'40" W, 138.00 feet;

S 89°15'20" W, 533.56 feet;

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

A tangent curve to the left having a central angle of 07°17'16", a radius of 120.50 feet, a chord of S 85°36'43" W - 15.32 feet, an arc length of 15.33 feet;

S 81°58'05" W, 52.52 feet;

A tangent curve to the right having a central angle of 10°46'52", a radius of 179.50 feet, a chord of S 87°21'30" W - 33.73 feet, an arc length of 33.78 feet;

A compound curve to the right having a central angle of 15°06'07", a radius of 402.63 feet, a chord of N 79°42'00" W - 105.82 feet, an arc length of 106.12 feet;

S 64°33'12" W, 35.34 feet;

And N 19°31'46" E, 35.36 feet to a point in County Road 84;

THENCE N 89°09'41" E, 49.21 feet along said road to a PK nail found, being the intersection of County Road 84 and County Road 86, a public road;

THENCE N 89°15'20" E, 1269.46 feet continuing along County Road 84 to a point for corner;

THENCE N 88°41'35" E, 580.75 feet continuing along County Road 84 to the POINT OF BEGINNING with the subject tract containing 2,940,037 square feet or 67.494 acres of land.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX C
HOMBUYER DISCLOSURE FORM

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

[AFTER RECORDING RETURN TO:

_____

_____

_____

_____

_____][1]

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CELINA, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____

STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: $_____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Celina, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Wells South Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Celina. The exact amount of each annual installment will be approved each year by the Celina City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Celina.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF COLLIN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF COLLIN §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas[4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX D
MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Appendix D
Major Improvement Area Assessment Roll

Parcel Units	**All Parce**
Assessment	**$8,040,0(**

Year [1]	Principal	Interest	Principal & Interest[2]	Administrative Expenses[3]	Prepayment and Delinquency Reserve	Capitalized Interest/Other Credits	Total Annual Installme
9/1/2016	$0	$417,075	$0	$30,000	$0	($417,075)	$30,(
9/1/2017	$0	$603,000	$50,199	$30,600	$68,005	($603,000)	$148,8
9/1/2018	$80,000	$603,000	$95,348	$29,067	$40,200	($20,336)	$827,2
9/1/2019	$85,000	$597,000	$114,986	$23,836	$39,800	($14,849)	$845,7
9/1/2020	$95,000	$590,626	$133,381	$28,600	$39,375	($174,381)	$712,6
9/1/2021	$100,000	$583,500	$0	$32,000	$38,900	($55,614)	$698,7
9/1/2022	$105,000	$576,000	$0	$33,785	$38,400	$0	$753,1
9/1/2023	$115,000	$568,125	$0	$34,461	$37,875	$0	$755,4
9/1/2024	$125,000	$559,500	$0	$35,150	$37,300	$0	$756,9
9/1/2025	$135,000	$550,125	$0	$35,853	$36,675	$0	$757,6
9/1/2026	$145,000	$540,000	$0	$36,570	$36,000	$0	$757,5
9/1/2027	$155,000	$529,125	$0	$37,301	$35,275	$0	$756,7
9/1/2028	$195,000	$517,500	$0	$38,047	$6,225	$0	$756,7
9/1/2029	$215,000	$502,875	$0	$38,808	$0	$0	$756,6
9/1/2030	$230,000	$486,750	$0	$39,584	$0	$0	$756,3
9/1/2031	$245,000	$469,500	$0	$40,376	$0	$0	$754,8
9/1/2032	$265,000	$451,125	$0	$41,184	$0	$0	$757,3
9/1/2033	$280,000	$431,250	$0	$42,007	$0	$0	$753,2
9/1/2034	$300,000	$410,250	$0	$42,847	$0	$0	$753,0
9/1/2035	$325,000	$387,750	$0	$43,704	$0	$0	$756,4
9/1/2036	$345,000	$363,375	$0	$44,578	$0	$0	$752,9
9/1/2037	$370,000	$337,500	$0	$45,470	$0	$0	$752,9
9/1/2038	$400,000	$309,750	$0	$46,379	$0	$0	$756,1
9/1/2039	$425,000	$279,750	$0	$47,307	$0	$0	$752,0
9/1/2040	$460,000	$247,875	$0	$48,253	$0	$0	$756,1
9/1/2041	$490,000	$213,375	$0	$49,218	$0	$0	$752,5
9/1/2042	$530,000	$176,625	$0	$50,203	$0	$0	$756,8
9/1/2043	$565,000	$136,875	$0	$51,207	$0	$0	$753,0
9/1/2044	$610,000	$94,500	$0	$52,231	$0	$0	$756,7
9/1/2045	$650,000	$48,750	$0	$53,275	$0	$0	$752,0
Total	**$8,040,000**	**$12,582,451**	**$393,914**	**$1,201,901**	**$454,030**	**($1,285,255)**	**$21,387,0**

1 - The 9/30/XX dates represent the fiscal year end for the Major Improvement Area Bonds.

2 – Represents principal and interest on the City Contributed Major Improvements. The CCMI requirements were met, and payment concluded in 2019.

3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

4 - Annual Installments are calculated using a 7.50% interest rate on the Major Improvement area Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX E
NEIGHBORHOOD IMPROVEMENT AREA #1 ASSESSMENT ROLL

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Appendix E
Neighborhood Improvement Area #1 Assessment Roll

Parcel	All Parcels
Units	
Assessment	$5,790,000

Year[1]	Principal	Interest	Principal & Interest[2]	Administrative Expenses[3]	Prepayment and Delinquency Reserve	Capitalized Interest/Other Credits	Total Annual Installment
9/30/2016	$0	$250,297	$0	$30,000	$0	($250,297)	$30,00
9/30/2017	$0	$361,876	$14,994	$30,600	$48,974	($106,951)	$349,49
9/30/2018	$75,000	$361,875	$29,229	$20,933	$28,950	($6,234)	$509,75
9/30/2019	$80,000	$357,188	$35,250	$31,836	$28,575	($35,250)	$497,59
9/30/2020	$85,000	$347,718	$40,356	$31,600	$27,817	($64,356)	$468,13
9/30/2021	$90,000	$338,807	$0	$36,000	$27,105	($33,695)	$458,21
9/30/2022	$95,000	$341,250	$0	$33,785	$27,300	$0	$497,33
9/30/2023	$100,000	$335,313	$0	$34,461	$26,825	$0	$496,59
9/30/2024	$105,000	$329,063	$0	$35,150	$26,325	$0	$495,53
9/30/2025	$110,000	$322,500	$0	$35,853	$25,800	$0	$494,15
9/30/2026	$120,000	$315,625	$0	$36,570	$25,250	$0	$497,44
9/30/2027	$125,000	$308,125	$0	$37,301	$24,650	$0	$495,07
9/30/2028	$160,000	$300,313	$0	$38,047	$160	$0	$498,52
9/30/2029	$165,000	$290,313	$0	$38,808	$0	$0	$494,12
9/30/2030	$175,000	$280,000	$0	$39,584	$0	$0	$494,58
9/30/2031	$185,000	$269,063	$0	$40,376	$0	$0	$494,43
9/30/2032	$195,000	$257,500	$0	$41,184	$0	$0	$493,68
9/30/2033	$210,000	$245,313	$0	$42,007	$0	$0	$497,32
9/30/2034	$220,000	$232,188	$0	$42,847	$0	$0	$495,03
9/30/2035	$235,000	$218,438	$0	$43,704	$0	$0	$497,14
9/30/2036	$250,000	$203,750	$0	$44,578	$0	$0	$498,32
9/30/2037	$265,000	$188,125	$0	$45,470	$0	$0	$498,59
9/30/2038	$280,000	$171,563	$0	$46,379	$0	$0	$497,94
9/30/2039	$295,000	$154,063	$0	$47,307	$0	$0	$496,37
9/30/2040	$310,000	$135,625	$0	$48,253	$0	$0	$493,87
9/30/2041	$330,000	$116,250	$0	$49,218	$0	$0	$495,46
9/30/2042	$350,000	$95,625	$0	$50,203	$0	$0	$495,82
9/30/2043	$370,000	$73,750	$0	$51,207	$0	$0	$494,95
9/30/2044	$395,000	$50,625	$0	$52,231	$0	$0	$497,85
9/30/2045	$415,000	$25,938	$0	$53,275	$0	$0	$494,21
Total	**$5,790,000**	**$7,278,079**	**$119,829**	**$1,208,767**	**$317,731**	**($496,783)**	**$14,217,62**

1 - The 9/30/XX dates represent the fiscal year end for the Neighborhood Improvement Area #1 Bonds.

2 – Represents principal and interest on the City Contributed Major Improvements. The CCMI requirements were met and payment concluded in 2019.

3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

4 - Annual Installments are calculated using a 6.250% interest rate on the Neighborhood Improvement Area #1 Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX F
NEIGHBORHOOD IMPROVEMENT AREA #2 ASSESSMENT ROLL

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Appendix F
Neighborhood Improvement Area #2 Assessment Roll

Parcel	**All Parcels**
Units	**99**
Assessment	**$945,000**

Year[1]	Principal	Interest	Administrative Expenses[2]	Prepayment and Delinquency Reserve	Capitalized Interest	Total Annual Installment[3]
9/30/2020	$25,000	$54,322	$13,337	$0	$0	$92,659
9/30/2021	$25,000	$31,704	$15,000	$0	$0	$71,704
9/30/2022	$20,000	$33,856	$15,300	$4,475	$0	$73,631
9/30/2023	$20,000	$33,356	$15,606	$4,375	$0	$73,337
9/30/2024	$20,000	$32,856	$15,918	$4,275	$0	$73,049
9/30/2025	$20,000	$32,356	$16,236	$4,175	$0	$72,768
9/30/2026	$20,000	$31,856	$16,561	$4,075	$0	$72,492
9/30/2027	$20,000	$31,231	$16,892	$3,975	$0	$72,099
9/30/2028	$15,000	$30,606	$17,230	$3,875	$0	$66,712
9/30/2029	$15,000	$30,138	$17,575	$3,800	$0	$66,512
9/30/2030	$15,000	$29,669	$17,926	$3,725	$0	$66,320
9/30/2031	$20,000	$29,200	$18,285	$3,650	$0	$71,135
9/30/2032	$20,000	$28,400	$18,651	$3,550	$0	$70,601
9/30/2033	$20,000	$27,600	$19,024	$3,450	$0	$70,074
9/30/2034	$20,000	$26,800	$19,404	$3,350	$0	$69,554
9/30/2035	$20,000	$26,000	$19,792	$3,250	$0	$69,042
9/30/2036	$20,000	$25,200	$20,188	$3,150	$0	$68,538
9/30/2037	$20,000	$24,400	$20,592	$3,050	$0	$68,042
9/30/2038	$20,000	$23,600	$21,004	$2,950	$0	$67,554
9/30/2039	$25,000	$22,800	$21,424	$2,850	$0	$72,074
9/30/2040	$25,000	$21,800	$21,852	$2,725	$0	$71,377
9/30/2041	$25,000	$20,800	$22,289	$2,600	$0	$70,689
9/30/2042	$25,000	$19,800	$22,735	$2,475	$0	$70,010
9/30/2043	$25,000	$18,800	$23,190	$2,350	$0	$69,340
9/30/2044	$25,000	$17,800	$23,653	$2,225	$0	$68,678
9/30/2045	$30,000	$16,800	$24,127	$2,100	$0	$73,027
9/30/2046	$90,000	$15,600	$24,609	$1,950	$0	$132,159
9/30/2047	$95,000	$12,000	$25,101	$1,500	$0	$133,601
9/30/2048	$100,000	$8,200	$25,603	$1,025	$0	$134,828
9/30/2049	$105,000	$4,200	$26,115	$525	$0	$135,840
Total	**$945,000**	**$761,751**	**$595,221**	**$85,475**	**$0**	**$2,387,447**

1 – The 9/30/XX dates represent the fiscal year end for the Neighborhood Improvement Areas #2-3 Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

3- Annual Installments are calculated using a 2.50% interest rate for years 2021-2025, 3.125% interest rate for years 2026-2030, and 4.0% thereafter on the Neighborhood Improvement Areas #2-3 Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX G
NEIGHBORHOOD IMPROVEMENT AREA #3 ASSESSMENT ROLL

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Appendix G
Neighborhood Improvement Area #3 Assessment Roll

Parcel	**All Parcels**
Units	**182**
Assessment	**$2,275,000**

Year[1]	Principal	Interest	Administrative Expenses[2]	Prepayment and Delinquency Reserve	Capitalized Interest	Total Annual Installment[3]
9/30/2021	$0	$79,814	$0	$0	($79,814)	$0
9/30/2022	$40,000	$86,806	$25,500	$11,375	$0	$163,681
9/30/2023	$40,000	$85,806	$26,010	$11,175	$0	$162,991
9/30/2024	$40,000	$84,806	$26,530	$10,975	$0	$162,311
9/30/2025	$40,000	$83,806	$27,061	$10,775	$0	$161,642
9/30/2026	$40,000	$82,806	$27,602	$10,575	$0	$160,983
9/30/2027	$45,000	$81,556	$28,154	$10,375	$0	$165,085
9/30/2028	$40,000	$80,150	$28,717	$10,150	$0	$159,017
9/30/2029	$40,000	$78,900	$29,291	$9,950	$0	$158,141
9/30/2030	$40,000	$77,650	$29,877	$9,750	$0	$157,277
9/30/2031	$40,000	$76,400	$30,475	$9,550	$0	$156,425
9/30/2032	$45,000	$74,800	$31,084	$9,350	$0	$160,234
9/30/2033	$45,000	$73,000	$31,706	$9,125	$0	$158,831
9/30/2034	$45,000	$71,200	$32,340	$8,900	$0	$157,440
9/30/2035	$50,000	$69,400	$32,987	$8,675	$0	$161,062
9/30/2036	$50,000	$67,400	$33,647	$8,425	$0	$159,472
9/30/2037	$50,000	$65,400	$34,320	$8,175	$0	$157,895
9/30/2038	$55,000	$63,400	$35,006	$7,925	$0	$161,331
9/30/2039	$55,000	$61,200	$35,706	$7,650	$0	$159,556
9/30/2040	$60,000	$59,000	$36,420	$7,375	$0	$162,795
9/30/2041	$60,000	$56,600	$37,149	$7,075	$0	$160,824
9/30/2042	$65,000	$54,200	$37,892	$6,775	$0	$163,867
9/30/2043	$65,000	$51,600	$38,649	$6,450	$0	$161,699
9/30/2044	$70,000	$49,000	$39,422	$6,125	$0	$164,547
9/30/2045	$70,000	$46,200	$40,211	$5,775	$0	$162,186
9/30/2046	$200,000	$43,400	$41,015	$5,425	$0	$289,840
9/30/2047	$210,000	$35,400	$41,835	$4,425	$0	$291,660
9/30/2048	$215,000	$27,000	$42,672	$3,375	$0	$288,047
9/30/2049	$225,000	$18,400	$43,526	$2,300	$0	$289,226
9/30/2050	$235,000	$9,400	$44,396	$1,175	$0	$289,971
Total	**$2,275,000**	**$1,894,501**	**$989,202**	**$229,150**	**($79,814)**	**$5,308,040**

1 – The 9/30/XX dates represent the fiscal year end for the Neighborhood Improvement Areas #2-3 Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

3- Annual Installments are calculated using a 2.50% interest rate for years 2021-2025, 3.125% interest rate for years 2026-2030, and 4.0% thereafter on the Neighborhood Improvement Areas #2-3 Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

APPENDIX H
PROPOSED NEIGHBORHOOD IMPROVEMENT AREA #4 ASSESSMENT ROLL

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Appendix H
Proposed Neighborhood Improvement Area #4 Assessment Roll

	All Parcels
Parcel Units	**276**
Assessment	**$5,255,000**

Year[1]	Principal	Interest	Administrative Expenses[2]	Prepayment and Delinquency Reserve	Capitalized Interest	Total Annual Installment[3]
9/30/2022	$0	$223,338	$0	$0	($223,338)	$0
9/30/2023	$70,000	$223,338	$25,500	$26,275	$0	$345,113
9/30/2024	$75,000	$220,363	$26,010	$25,925	$0	$347,298
9/30/2025	$75,000	$217,175	$26,530	$25,550	$0	$344,255
9/30/2026	$80,000	$213,988	$27,061	$25,175	$0	$346,223
9/30/2027	$85,000	$210,588	$27,602	$24,775	$0	$347,965
9/30/2028	$85,000	$206,975	$28,154	$24,350	$0	$344,479
9/30/2029	$90,000	$203,363	$28,717	$23,925	$0	$346,005
9/30/2030	$95,000	$199,538	$29,291	$23,475	$0	$347,304
9/30/2031	$100,000	$195,500	$29,877	$23,000	$0	$348,377
9/30/2032	$100,000	$191,250	$30,475	$22,500	$0	$344,225
9/30/2033	$105,000	$187,000	$31,084	$22,000	$0	$345,084
9/30/2034	$110,000	$182,538	$31,706	$21,475	$0	$345,719
9/30/2035	$115,000	$177,863	$32,340	$20,925	$0	$346,128
9/30/2036	$120,000	$172,975	$32,987	$20,350	$0	$346,312
9/30/2037	$125,000	$167,875	$33,647	$19,750	$0	$346,272
9/30/2038	$130,000	$162,563	$34,320	$19,125	$0	$346,007
9/30/2039	$135,000	$157,038	$35,006	$18,475	$0	$345,519
9/30/2040	$145,000	$151,300	$35,706	$17,800	$0	$349,806
9/30/2041	$150,000	$145,138	$36,420	$17,075	$0	$348,633
9/30/2042	$155,000	$138,763	$37,149	$16,325	$0	$347,236
9/30/2043	$160,000	$132,175	$37,892	$15,550	$0	$345,617
9/30/2044	$170,000	$125,375	$38,649	$14,750	$0	$348,774
9/30/2045	$175,000	$118,150	$39,422	$13,900	$0	$346,472
9/30/2046	$390,000	$110,713	$40,211	$13,025	$0	$553,948
9/30/2047	$405,000	$94,138	$41,015	$11,075	$0	$551,228
9/30/2048	$420,000	$76,925	$41,835	$9,050	$0	$547,810
9/30/2049	$440,000	$59,075	$42,672	$6,950	$0	$548,697
9/30/2050	$465,000	$40,375	$43,526	$4,750	$0	$553,651
9/30/2051	$485,000	$20,613	$44,396	$2,425	$0	$552,434
Total	**$5,255,000**	**$4,726,000**	**$989,202**	**$529,725**	**($223,338)**	**$11,276,589**

1 – The 9/30/XX dates represent the fiscal year end for the Neighborhood Improvement Area #4 Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

3- Annual Installments are calculated using an estimated 4.25% interest rate on the Neighborhood Improvement Area #4 Bonds plus the Additional Interest plus Administrative Expenses.

Attachment: Draft Ordinance (Wells South PID – Levy Ordinance)

Life Connected.

Development Services
City of Celina, Texas

Memorandum

To: **Honorable Mayor Terry and the Celina City Council**
From: Bella Lopez, Senior Planner
CC: Jason Laumer, City Manager
Date: September 28, 2021
Re: Wells South PID - Bond

Action Requested:
Consider and act upon an ordinance of the City of Celina, Texas, approving and authorizing the issuance and sale of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project); approving and authorizing related agreements; and providing an effective date. (item continued from September 14, 2021) (Wells South PID - Bond) (Lopez)

Background Information:
This item is being continued from the regular City Council meeting held on September 14, 2021.
The pre-pricing ordinance is attached. The ordinance with final pricing will be provided to Council at the regular meeting.

Legal Review:
This item has been reviewed by the City Attorney.

Supporting Documents:
· Draft Bond Ordinance

Staff Recommendation:
Staff recommends approval.

ORDINANCE NO. 2021-___

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CELINA, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021 (WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT); AND APPROVING AND AUTHORIZING RELATED AGREEMENTS.

WHEREAS, the City of Celina, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code (the "PID Act"), has previously established the "Wells South Public Improvement District" (the "District"), pursuant to Resolution No. 2015-34R adopted by the City Council of the City (the "City Council") on July 14, 2015; and

WHEREAS, pursuant to the PID Act, the City Council published notice of and convened a public hearing on September 28, 2021, regarding the levy of special assessments against benefitted property located within the fourth construction phase of the District ("Neighborhood Improvement Area #4"), and, after hearing testimony at such public hearing, the City Council closed the public hearing and adopted Ordinance No. _____ (the "Neighborhood Improvement Area #4 Assessment Ordinance") on September 28, 2021; and

WHEREAS, in the Neighborhood Improvement Area #4 Assessment Ordinance, the City Council approved and accepted the Wells South Public Improvement District Amended and Restated Service and Assessment Plan, dated September 28, 2021 (as updated, amended, and/or restated, the "Service and Assessment Plan") relating to the District and levied special assessments (the "Neighborhood Improvement Area #4 Assessments") against the Neighborhood Improvement Area #4 Assessed Property as shown on the Neighborhood Improvement Area #4 Assessment Roll that is attached to the Service and Assessment Plan; and

WHEREAS, capitalized terms used in this Ordinance and not otherwise defined herein shall have the meanings assigned to them in the Service and Assessment Plan; and

WHEREAS, the City is authorized by the PID Act to issue its revenue bonds payable from the Neighborhood Improvement Area #4 Assessments and other revenues received for the purposes of (i) paying a portion of the Actual Costs of the Neighborhood Improvement Area #4 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Neighborhood Improvement Area #4 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 administration of the District, and (v) paying costs of issuance of the Bonds; and

WHEREAS, the City Council hereby finds and determines that it is in the best interests of the City to issue its bonds to be designated "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)" (the "Bonds"), such series to be payable from and secured by the Trust Estate (as defined in the Indenture); and

WHEREAS, the City Council hereby finds and determines to (i) approve the issuance of the Bonds to finance a portion of the Actual Costs of the Neighborhood Improvement Area #4 Improvements, as identified in the Service and Assessment Plan, (ii) approve the form, terms, and provisions of an Indenture (defined below) securing the Bonds authorized hereby, (iii) approve the form, terms and provisions of a Bond Purchase Agreement (defined below)

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

between the City and the purchaser of the Bonds, (iv) approve a Preliminary Limited Offering Memorandum (defined below) and a Limited Offering Memorandum (defined below), and (v) approve the form, terms and provisions of a Continuing Disclosure Agreement (defined below); and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code; now, therefore

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

SECTION 1. Approval of Issuance of Bonds and Indenture of Trust.

(a) The issuance of the Bonds in the principal amount of $_____ for the purpose of providing funds for (i) paying a portion of the Actual Costs of the Neighborhood Improvement Area #4 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Neighborhood Improvement Area #4 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 administration of the District, and (v) paying costs of issuance of the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of October 1, 2021, between the City and U.S. Bank National Association, as trustee (the "Trustee"), which Indenture is hereby approved in substantially the form attached hereto as **Exhibit A,** which is incorporated herein as a part hereof for all purposes, with such changes or additions thereto as may be approved by the Mayor or Mayor Pro Tem of the City (upon the advice of the City Manager) as evidenced by the execution and delivery thereof. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute the Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor or Mayor Pro Tem and such officials are hereby authorized to deliver the Indenture.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture with such insertions, omissions and modifications as may be required to conform the form of bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate pledged to such series, and shall never be payable from ad valorem taxes.

SECTION 2. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the "Underwriter") under that certain Bond Purchase Agreement (the "Bond Purchase Agreement"), dated the date hereof, between the City and the Underwriter, substantially in the form attached hereto as **Exhibit B** which is incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interests of the City at the price and on the terms and provisions set forth in the Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the City Manager, such approval to be evidenced by the execution and delivery of the Bond Purchase Agreement by the Mayor or Mayor Pro Tem of the City. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement.

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SECTION 3. Limited Offering Memorandum. The form and substance of the Preliminary Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto (the "Preliminary Limited Offering Memorandum") and the final Limited Offering Memorandum (the "Limited Offering Memorandum") are hereby in all respects approved and adopted. The Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, as thus approved and delivered, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and confirmed and the Preliminary Limited Offering Memorandum is hereby deemed "final" as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Mayor or Mayor Pro Tem, this City Council, including the Mayor and Mayor Pro Tem, are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum pertaining to the Development (as defined in the Limited Offering Memorandum), the Developer (as defined in the Limited Offering Memorandum) or their financial ability, or of any builders, any landowners, or the appraisal of the property in the District.

SECTION 4. Continuing Disclosure Agreement. That certain "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project) Continuing Disclosure Agreement of the Issuer" (the "Continuing Disclosure Agreement") between the City and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., is hereby authorized and approved in substantially the form attached hereto as **Exhibit C** which is incorporated herein as a part hereof for all purposes and the City Manager, Mayor, and Mayor Pro Tem of the City is authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and as approved by the City Manager, Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 5. Additional Actions. The Mayor, the Mayor Pro Tem, the City Manager, the Assistant City Manager, the Finance Director, and the City Secretary are each hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the City Manager, the Assistant City Manager, the Finance Director, and the City Secretary are each hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance or any other certificates, agreements, or other documents subsequent to the delivery of the Bonds which may be necessary or appropriate to carry out or fulfill the purpose and intent of the Service and Assessment Plan and the acquisition and construction of the Neighborhood Improvement Area #4 Improvements.

SECTION 6. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

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SECTION 7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 8. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 9. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 10. Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble of this Ordinance are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 11. Effective Date. This Ordinance shall take effect and be in force immediately from and after its adoption on the date shown below in accordance with Texas Government Code, Section 1201.028, as amended.

[Remainder of Page Intentionally Left Blank]

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

PASSED AND ADOPTED, this September 28, 2021.

CITY OF CELINA, TEXAS

_____
Mayor

ATTEST:

_____
City Secretary

(City Seal)

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT A

INDENTURE OF TRUST

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED AS OF OCTOBER 1, 2021

SECURING

$_____
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION 4
Section 1.1. Definitions. 4
Section 1.2. Findings. 12
Section 1.3. Table of Contents, Titles and Headings. 12
Section 1.4. Interpretation. 12
ARTICLE II THE BONDS 13
Section 2.1. Security for the Bonds. 13
Section 2.2. Limited Obligations. 13
Section 2.3. Authorization for Indenture. 13
Section 2.4. Contract with Owners and Trustee. 13
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS 14
Section 3.1. Authorization. 14
Section 3.2. Date, Denomination, Maturities, Numbers and Interest. 14
Section 3.3. Conditions Precedent to Delivery of Bonds. 15
Section 3.4. Medium, Method and Place of Payment. 15
Section 3.5. Execution and Registration of Bonds. 16
Section 3.6. Ownership. 17
Section 3.7. Registration, Transfer and Exchange. 17
Section 3.8. Cancellation. 18
Section 3.9. Temporary Bonds. 18
Section 3.10. Replacement Bonds. 18
Section 3.11. Book-Entry Only System. 19
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System. 20
Section 3.13. Payments to Cede & Co. 20
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY 21
Section 4.1. Limitation on Redemption. 21
Section 4.2. Mandatory Sinking Fund Redemption. 21
Section 4.3. Optional Redemption. 22
Section 4.4. Extraordinary Optional Redemption. 22
Section 4.5. Partial Redemption. 22
Section 4.6. Notice of Redemption to Owners. 23
Section 4.7. Payment Upon Redemption. 24
Section 4.8. Effect of Redemption. 24
ARTICLE V FORM OF THE BONDS 24
Section 5.1. Form Generally. 24
Section 5.2. CUSIP Registration. 25
Section 5.3. Legal Opinion. 25
ARTICLE VI FUNDS AND ACCOUNTS 25
Section 6.1. Establishment of Funds and Accounts. 25
Section 6.2. Initial Deposits to Funds and Accounts. 26
Section 6.3. Pledged Revenue Fund. 26
Section 6.4. Bond Fund. 27
Section 6.5. Project Fund. 28

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

TABLE OF CONTENTS

Page

Section 6.6. Redemption Fund. 29
Section 6.7. Reserve Fund. 29
Section 6.8. Rebate Fund: Rebate Amount. 31
Section 6.9. Administrative Fund. 32
Section 6.10. Investment of Funds. 32
Section 6.11. Security of Funds. 33
ARTICLE VII COVENANTS 33
Section 7.1. Confirmation of Special Assessments. 33
Section 7.2. Collection and Enforcement of Special Assessments. 33
Section 7.3. Against Encumbrances. 34
Section 7.4. Records, Accounts, Accounting Reports. 34
Section 7.5. Covenants to Maintain Tax-Exempt Status. 34
ARTICLE VIII LIABILITY OF CITY 38
ARTICLE IX THE TRUSTEE 39
Section 9.1. Trustee as Registrar and Paying Agent. 39
Section 9.2. Trustee Entitled to Indemnity. 39
Section 9.3. Responsibilities of the Trustee. 39
Section 9.4. Property Held in Trust. 40
Section 9.5. Trustee Protected in Relying on Certain Documents. 40
Section 9.6. Compensation. 41
Section 9.7. Permitted Acts. 41
Section 9.8. Resignation of Trustee. 41
Section 9.9. Removal of Trustee. 42
Section 9.10. Successor Trustee. 42
Section 9.11. Transfer of Rights and Property to Successor Trustee. 43
Section 9.12. Merger, Conversion or Consolidation of Trustee. 43
Section 9.13. Trustee to File Continuation Statements. 43
Section 9.14. Accounts, Periodic Reports and Certificates. 43
Section 9.15. Construction of Indenture. 44
ARTICLE X MODIFICATION OR AMENDMENT OF THIS INDENTURE 44
Section 10.1. Amendments Permitted. 44
Section 10.2. Owners' Meetings. 45
Section 10.3. Procedure for Amendment with Written Consent of Owners. 45
Section 10.4. Effect of Supplemental Indenture. 46
Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments. 46
Section 10.6. Amendatory Endorsement of Bonds. 46
Section 10.7. Waiver of Default. 46
Section 10.8. Execution of Supplemental Indenture. 47
ARTICLE XI DEFAULT AND REMEDIES 47
Section 11.1. Events of Default. 47
Section 11.2. Immediate Remedies for Default. 47
Section 11.3. Restriction on Owner's Action. 48
Section 11.4. Application of Revenues and Other Moneys After Default. 49
Section 11.5. Effect of Waiver. 50
Section 11.6. Evidence of Ownership of Bonds. 50
Section 11.7. No Acceleration. 50
Section 11.8. Mailing of Notice. 51
Section 11.9. Exclusion of Bonds. 51

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

TABLE OF CONTENTS

Page

Section 11.10. Remedies Not Exclusive. 51
Section 11.11. Direction by Owners. 51
ARTICLE XII GENERAL COVENANTS AND REPRESENTATIONS 51
Section 12.1. Representations as to Trust Estate 51
Section 12.2. Accounts, Periodic Reports and Certificates 52
Section 12.3. General. 52
ARTICLE XIII SPECIAL COVENANTS 52
Section 13.1. Further Assurances; Due Performance. 52
Section 13.2. Additional Obligations or Other Liens. 52
Section 13.3. Books of Record. 53
ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE 53
Section 14.1. Trust Irrevocable. 53
Section 14.2. Satisfaction of Indenture. 54
Section 14.3. Bonds Deemed Paid. 54
ARTICLE XV MISCELLANEOUS 54
Section 15.1. Benefits of Indenture Limited to Parties. 54
Section 15.2. Successor is Deemed Included in All References to Predecessor. 55
Section 15.3. Execution of Documents and Proof of Ownership by Owners. 55
Section 15.4. Waiver of Personal Liability 55
Section 15.5. Notices to and Demands on City and Trustee. 55
Section 15.6. Partial Invalidity. 56
Section 15.7. Applicable Laws. 57
Section 15.8. Payment on Business Day. 57
Section 15.9. Counterparts. 57
Section 15.10. No Boycott of Israel. 57
Section 15.11. Iran, Sudan, and Foreign Terrorist Organizations 57
Section 15.12. No Discrimination Against Fossil Fuel Companies. 58
Section 15.13. No Discrimination Against Firearm Entities and Firearm Trade Associations. 58
EXHIBIT A A-1

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

INDENTURE OF TRUST

THIS INDENTURE, dated as of October 1, 2021 is by and between the CITY OF CELINA, TEXAS (the "City"), and U.S. BANK NATIONAL ASSOCIATION, DALLAS, TEXAS, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted by the Petitioner and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located in the extraterritorial jurisdiction of the City to be known as Wells South Public Improvement District (the "District"); and

WHEREAS, the petition contained the signature of the owner of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Collin Central Appraisal District, and the signature of the record owner of real taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on July 14, 2015, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on July 14, 2015, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2015-34R, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on July 24, 2015, the City published notice of its authorization of the District in the *Celina Record*, a newspaper of general circulation in the City and the extraterritorial jurisdiction of the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after July 24, 2015; and

WHEREAS, the District is now located entirely within the corporate limits of the City; and

WHEREAS, the City has previously issued the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Neighborhood Improvement Area #1 Project) (the "Neighborhood Improvement Area #1 Bonds") secured by certain assessments levied against property located within the first construction phase of the District ("Neighborhood Improvement Area #1"); and

WHEREAS, the City has previously issued the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2015 (Wells South Public Improvement District Major Improvement Area Project) (the "Major Improvement Area Bonds") secured by certain assessments levied against property located within the District that was not located within Improvement Area #1 (the "Major Improvement Area"); and

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

WHEREAS, the City has previously issued the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2020 (Wells South Public Improvement District Neighborhood Improvement Areas #2-3 Project) (the "Neighborhood Improvement Areas #2-3 Bonds") secured by certain assessments levied against property located within the second construction phase of the District ("Neighborhood Improvement Area #2") and certain assessments levied against property located within the third construction phase of the District ("Neighborhood Improvement Area #3"); and

WHEREAS, in the indentures authorizing the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-3 Bonds, and the Major Improvement Area Bonds, the City reserved the right to issue additional series of bonds as "Additional Obligations" pursuant to other indentures, assessment ordinances, or similar agreements which do not constitute or create a lien on the trust estate and are not payable from pledged revenues which secure, respectively, the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-3 Bonds, and the Major Improvement Area Bonds; provided that prior to the issuance of such "Additional Obligations" the requirements set forth in Section 13.2(c) of the indenture authorizing the issuance of the Major Improvement Area Bonds must be satisfied; and

WHEREAS, on August 10, 2021, the City Council, by Resolution 2021-53R, made findings and determinations relating to the Actual Costs of certain Authorized Improvements (the "Neighborhood Improvement Area #4 Improvements") allocable to the property within the District located in the fourth construction phase of the District ("Neighborhood Improvement Area #4"), received and accepted a preliminary update to the service and assessment plan, including a proposed assessment roll for Neighborhood Improvement Area #4 (the "Assessment Roll"), called a public hearing for September 14, 2021, and directed City staff to: (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish such notice of the September 14, 2021 public hearing, as required by Section 372.016(b) of the PID Act; and

WHEREAS, on August 16, 2021, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Celina Record*, a newspaper of general circulation in the City, to consider the proposed Assessment Roll and the "Wells South Public Improvement District Amended and Restated Service and Assessment Plan" (as updated, amended, and/or restated for time to time, the "Service and Assessment Plan"), as updated for Neighborhood Improvement Area #4 and the levy of assessments on property in Neighborhood Improvement Area #4 of the District (the "Special Assessments"); and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of the Special Assessments on property in Neighborhood Improvement Area #4 of the District to the last known addresses of the owners of the property liable for the Special Assessments; and

WHEREAS, the City Council opened and convened the hearing on September 14, 2021, and then the City Council recessed such public hearing until September 28, 2021; and

WHEREAS, the City Council opened and reconvened the hearing on September 28, 2021, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the proposed Assessment Roll, and the Special Assessments, and to offer testimony pertinent to any issue presented on the amount of the Special Assessments, the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

allocation of the Actual Costs of the Neighborhood Improvement Area #4 Improvements, the purposes of the Special Assessments, the special benefits of the Neighborhood Improvement Area #4 Improvements, and the penalties and interest on annual installments and on delinquent annual installments of Special Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City Council approved Ordinance No. 2021-_____ (the "Assessment Ordinance"), which levied the Special Assessments and approved and accepted the Service and Assessment Plan, as updated for Neighborhood Improvement Area #4, in conformity with the requirements of the PID Act and the City Council found and determined that the Special Assessments should be levied as provided in the Service and Assessment Plan and the Assessment Roll; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Special Assessments for the purpose of (i) paying a portion of the Actual Costs of the Neighborhood Improvement Area #4 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Neighborhood Improvement Area #4 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 administration of the District, and (v) paying costs of issuance of the Bonds; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act and as Additional Obligations under the indentures authorizing the Neighborhood Improvement Area #1 Bonds, the Neighborhood Improvement Areas #2-3 Bonds, and the Major Improvement Area Bonds, such bonds to be entitled “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)” (the “Bonds”), such Bonds being payable solely from the Trust Estate (as defined herein) and for the purposes set forth in the preamble of this Indenture; and

WHEREAS, prior to the issuance of the Bonds, evidence satisfactory to the City and its advisors has been presented that the requirements of Section 13.2(c) of the indenture authorizing the Major Improvement Area Bonds have been satisfied and that the Bonds may be issued as Additional Obligations in accordance with that indenture; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms set forth in this Indenture;

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the “Trust Estate”):

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

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SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, HOWEVER, that if and to the extent Special Assessments have been prepaid, the lien on real property associated with such Special Assessment prepayment shall be released and any rights of the Trustee and the Owners, as provided in this Indenture, to request the City to proceed with foreclosure procedures for the purpose of protecting and enforcing the rights of the Owners with respect to such property shall terminate;

PROVIDED, FURTHER, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price (as defined herein) of and the interest on all the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

“Account” means any of the accounts established pursuant to Section 6.1 of this Indenture.

“Actual Costs” mean, with respect to Neighborhood Improvement Area #4 Improvements, the demonstrated, reasonable, allocable, and allowable costs of constructing such Neighborhood Improvement Area #4 Improvement, as specified in a payment request in a

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

form that has been reviewed and approved by the City. Actual Costs may include (a) costs incurred in the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Neighborhood Improvement Area #4 Improvement, (b) costs incurred in preparing the construction plans for such Neighborhood Improvement Area #4 Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approval for such Neighborhood Improvement Area #4 Improvement, (d) the costs incurred for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes related to such Neighborhood Improvement Area #4 Improvement, (e) all labor, bonds, and material, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction, or implementation of such Neighborhood Improvement Area #4 Improvement, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses, and (g) all payments for Administrative Expenses.

"Additional Interest" means the amount collected by application of the Additional Interest Rate.

"Additional Interest Rate" means the 0.50% additional interest rate charged on the Special Assessments pursuant to Section 372.018 of the PID Act.

"Additional Interest Reserve Account" means the reserve account administered by the City and segregated from other funds of the City in accordance with the provisions of Section 6.7 of this Indenture.

"Additional Interest Reserve Requirement" means an amount equal to 5.50% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account.

“Additional Obligations” means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary note or time warrant secured in whole or in part by an assessment, other than the Special Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

“Administrative Expenses” means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the District and preparing the assessment rolls, (iii) computing, levying, collecting and transmitting the Special Assessments or the Annual Installments thereof, (iv) maintaining the records of Special Assessments, including payments, reallocations and/or cancellations of the Special Assessments or Annual Installments thereof, (v) issuing, paying, and redeeming the Bonds, (vi) investing or depositing the Special Assessments or other monies, (vii) complying with the PID Act with respect to the Bonds, (viii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the Bonds, and (ix) administering the construction of the Neighborhood Improvement Area #4 Improvements. Special Assessments collected to pay Administrative Expenses that are collected and not expensed in any year shall be carried

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forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administrative Expenses.

"Administrative Fund" means that Fund established by Section 6.1 and administered pursuant to Section 6.9 hereof.

"Administrator" means an employee of the City or third-party designee of the City who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is MuniCap, Inc.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

"Annual Installment" means, with respect to each Assessed Parcel, each annual payment of the Special Assessments (including both principal of and interest on the Special Assessments) as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix H; which annual payment includes Administrative Expenses and the Additional Interest collected on each annual payment of the Special Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

"Annual Service Plan Update" means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

"Applicable Laws" means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State of Texas or of the United States, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

"Assessed Parcel" means each parcel of land located within Neighborhood Improvement Area #4 of the District against which a Special Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessed Property" means, collectively, all Assessed Parcels.

"Assessment Ordinance" means Ordinance No. 2021-____ adopted by the City Council on September 28, 2021, that levied the Special Assessments on the Assessed Parcels located in Neighborhood Improvement Area #4.

"Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) a Special Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Special Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds.

"Assessment Roll" means, the assessment roll attached as Appendix H to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Special Assessment against each Assessed Parcel related to the Bonds and the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Neighborhood Improvement Area #4 Improvements, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

"Authorized Denomination" means $25,000 and any integral multiple of $1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond is less than $25,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond.

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act, including those listed in Section III of the Service and Assessment Plan.

"Bond" means any of the Bonds.

"Bond Counsel" means Norton Rose Fulbright US LLP or any other attorney or firm of attorneys designated by the City that is nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Date" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

"Bond Fund" means the Fund established pursuant to Section 6.1 and administered as provided in Section 6.4.

"Bond Ordinance" means Ordinance No. 2021-__ adopted by the City Council on September 28, 2021 authorizing the issuance of the Bonds pursuant to this Indenture.

"Bond Pledged Revenue Account" means the Account established pursuant to Section 6.1.

"Bond Year" means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

"Bonds" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)".

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

"Capitalized Interest Account" means the Account of such name established pursuant to Section 6.1.

"Certificate for Payment" means a certificate substantially in the form of Exhibit A attached to the PID Reimbursement Agreement or otherwise approved by the Developer and the City Representative executed by a Person approved by the City Representative, delivered to the City Representative and the Trustee specifying the amount of work performed and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in an account of the Project Fund as further described in the PID Reimbursement Agreement and Section 6.5 herein.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

"City Certificate" means a certificate signed by a City Representative and delivered to the Trustee.

"City Representative" means any official or agent of the City authorized by the City Council to undertake the action referenced herein.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

"Costs of Issuance Account" means the Account of such name established pursuant to Section 6.1.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

"Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of a delinquent Special Assessment, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in St. Paul, Minnesota, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Developer" means Celina Development, LLC, a Texas limited liability company, and its successors and assigns.

"District Administration Account" means the Account of such name established pursuant to Section 6.1.

"DTC" shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" shall mean brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Special Assessments against any Assessed Parcel or Assessed Parcels, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"Fund" means any of the funds established pursuant to Section 6.1 of this Indenture.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

"Indenture" means this Indenture of Trust as originally executed, or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

"Initial Bond" means the Initial Bond as set forth in Exhibit A to this Indenture.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing March 1, 2022.

"Investment Securities" means those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; and provided further investments 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.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Minor Amount Redemption" means a redemption of a principal amount of Bonds pursuant to Section 4.4 hereof that is less than ten percent (10%) of the Outstanding principal amount of the Bonds.

"Neighborhood Improvement Area #4" means the fourth phase to be developed within the District and further identified and depicted in Appendix B-5 in the Service and Assessment Plan.

"Neighborhood Improvement Area #4 Improvement Account" means the Account of the Project Fund of such name established pursuant to Section 6.1.

"Neighborhood Improvement Area #4 Improvements" means the Public Improvements which will benefit the Assessed Property, as more particularly described in Section III-F of the Service and Assessment Plan.

"Outstanding" means, as of any particular date when used with reference to the Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.10 herein.

"Owner" means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

book-entry only form and held by DTC as securities depository in accordance with Section 3.11 herein.

"Paying Agent/Registrar" means initially the Trustee, or any successor thereto as provided in this Indenture.

"Person" or "Persons" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Petitioner" means The George White Family Limited Partnership, a Texas limited partnership.

"PID Act" means Texas Local Government Code, Chapter 372, as amended.

"PID Reimbursement Agreement" means the "PID Reimbursement Agreement – Wells South" between the City and the Developer relating to the Bonds, dated as of December 7, 2015, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Authorized Improvements within the District, the issuance of bonds, the reimbursement of costs to the Developer from the proceeds of the bonds for funds advanced by the Developer and used to pay costs of such Authorized Improvements and other matters related thereto.

"Pledged Funds" means the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

"Pledged Revenue Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3 herein.

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Administrative Expenses and (ii) any additional revenues that the City may pledge to the payment of Bonds.

"Prepayment" means the payment of all or a portion of a Special Assessment before the due date thereof.

"Principal and Interest Account" means the Account of such name established pursuant to Section 6.1.

"Project Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5 herein.

"Public Improvements" means the Authorized Improvements for which Special Assessments are levied against the Assessed Property that are designed, constructed, and installed in accordance with the Service and Assessment Plan or an Annual Service Plan Update for the benefit of the Assessed Property.

"Purchaser" means the initial purchaser of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Rebate Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8 herein.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

"Record Date" means the close of business on the fifteenth calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

"Redemption Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6 herein.

"Redemption Price" means, when used with respect to any Bond or portion thereof, the applicable redemption price shown in Article IV of this Indenture.

"Refunding Bonds" means bonds issued pursuant to the PID Act and/or Chapter 1207 of the Texas Government Code or any other applicable law of the State of Texas (each as amended) to refund all or any portion of the then Outstanding Bonds.

"Register" means the register specified in Article III of this Indenture.

"Reserve Account" means the Account of such name established pursuant to Section 6.1.

"Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date, the Reserve Account Requirement is $_____ which is an amount equal to [125% of average Annual Debt Service] on the Bonds as of the Closing Date.

"Reserve Fund" means that fund established pursuant to Section 6.1 and administered in Section 6.7 herein.

"Service and Assessment Plan" means the document, including the Assessment Roll, as amended, including any Annual Service Plan Update, which is attached as to the Assessment Ordinance, as the same may be amended or updated from time to time.

"Sinking Fund Installment" means the amount of money to redeem or pay at maturity the principal of Bonds payable from such installments at the times and in the amounts provided in Section 4.2 herein.

"Special Assessments" means the aggregate assessments, as shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, including the portion to be paid for Administrative Expenses, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel, or consolidation of multiple Assessed Parcels, or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"Stated Maturity" means the date the Bonds, or any portion of the Bonds, as applicable, are scheduled to mature without regard to any redemption or prepayment.

"Substantial Amount Redemption" means a redemption of a principal amount of Bonds pursuant to Section 4.4 hereof that is greater than or equal to ten percent (10%) of the Outstanding principal amount of the Bonds.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

"Supplemental Indenture" means an indenture which has been duly executed by the Trustee and the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"Tax Certificate" means the Certificate as to Tax Exemption delivered by the City on the Closing Date for the Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the interest on such Bonds to be included in the gross income of the Owners thereof for Federal income tax purposes.

"Trust Estate" means the Trust Estate described in the granting clauses of this Indenture.

"Trustee" means U.S. Bank National Association, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

Section 1.2. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

The Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of this 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 Trust Estate granted by the City under this 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 Trust Estate granted by the City under this 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.

Section 2.2. Limited Obligations.

The Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the City. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

shall be a part of the contract of the City with the Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $_____ for the purpose of (i) paying a portion of the Actual Costs of the Neighborhood Improvement Area #4 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Neighborhood Improvement Area #4 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 administration of the District, and (v) paying costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated October 19, 2021 (the "Bond Date") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2022 computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest as set forth below:

Year	Principal Amount($)	Interest Rate (%)

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

(a) a copy of the executed Assessment Ordinance;

(b) a copy of the executed Bond Ordinance;

(c) a copy of the executed PID Reimbursement Agreement;

(d) a copy of this Indenture executed by the Trustee and the City; and

(e) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

(a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from or on behalf of the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, United States mail, first-class, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each Owner as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two (2) years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem and City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to hold such office before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his or her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.7. Registration, Transfer and Exchange.

(a) So long as any Bond remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will file and maintain a copy of the Register with the City, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and bearing the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first-class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond redeemed in part.

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the records retention requirements of the Trustee.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to

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pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11. Book-Entry Only System.

The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the City to DTC. On the Closing Date, the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC

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Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, and notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV.

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the price of par plus accrued and unpaid interest to the redemption date (the "Redemption Price") from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installments($)	Redemption Date	Sinking Fund Installments ($)

* Stated Maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installments ($)	Redemption Date	Sinking Fund Installments ($)

* Stated Maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installments ($)	Redemption Date	Sinking Fund Installments

_____
* Stated Maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installments ($)	Redemption Date	Sinking Fund Installments

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* Stated Maturity

(b) At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2, the Trustee shall select a principal amount of Bonds (in accordance with Section 4.5) of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (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 and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least forty-five (45) days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds maturing on or after September 1, 20__, before their respective scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision in this 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 and in an amount specified in a City Certificate, on the first day of any month, at the Redemption Price 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 Prepayments (including related transfers to the Redemption Fund made pursuant to Sections 6.3(d), 6.7(b), or 6.7(d), or any other transfers to the Redemption Fund under the terms of this Indenture). The City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to this Section 4.4.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral multiple thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $1,000. No redemption shall result in a Bond in a

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denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond 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 $1,000, may be issued.

(b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee may select Bonds in any method that results in a random selection.

(c) In selecting the Bonds to be redeemed pursuant to Section 4.3, the Trustee may rely on the directions provided in a City Certificate.

(d) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond, as applicable, to be redeemed shall be selected in the following manner:

(i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds; and

(ii) with respect to a Minor Amount Redemption, the Outstanding Bonds or Bonds, as applicable, shall be redeemed in inverse order of maturity.

(e) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than thirty (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. So long as the Bonds are in book-entry-only form and held by DTC as security depository, Owner means Cede & Co., as nominee for DTC.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 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.

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(e) 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 are not satisfied 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.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this 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.

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A to this Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar

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manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and, none of the City, the Trustee, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund; and

(vii) Administrative Fund.

(b) Creation of Accounts.

(i) The following Accounts are hereby created and established under the Bond Fund:

(A) Capitalized Interest Account

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(B) Principal and Interest Account.

(ii) The following Accounts are hereby created and established under the Reserve Fund:

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

(iii) The following Accounts are hereby created and established under the Project Fund:

(A) Neighborhood Improvement Area #4 Improvement Account; and

(B) Costs of Issuance Account.

(iv) The following Account is hereby created and established under the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account.

(v) The following Account is hereby created and established under the Administrative Fund:

(A) District Administration Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(i) to the Capitalized Interest Account of the Bond Fund: $_____;

(ii) to the Reserve Account of the Reserve Fund: $_____;

(iii) to the Neighborhood Improvement Area #4 Improvement Account of the Project Fund: $_____;

(iv) to the Costs of Issuance Account of the Project Fund: $_____; and

(v) to the District Administration Account of the Administrative Fund: $_____.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 15 of each year while the Bonds are Outstanding and beginning February 15, 2022, the City shall deposit or cause to be deposited the Pledged

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Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, 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 an amount sufficient to pay debt service on the Bonds 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 in accordance with Section 6.7 hereof, (iii) third, to the Additional Interest Reserve Account in an amount equal to the Additional Interest collected in accordance with Section 6.7(b) hereof, (iv) fourth, to pay other Actual Costs of the Neighborhood Improvement Area #4 Improvements, and (v) fifth, to pay other costs permitted by the PID Act.

(b) 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.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first, to the payment of interest and then, to the payment of principal (including any Sinking Fund Installments) on the Bonds, as described in Section 11.4(a) hereof.

(d) Notwithstanding Section 6.3(a) hereof, 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.

(e) Notwithstanding Section 6.3(a) hereof, 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 Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds, and third to the Redemption Fund.

(f) 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 an account of the Reserve Fund, the City may direct the Trustee by City Certificate to apply Special Assessments for any lawful purposes permitted by the PID Act for which Special Assessments may be paid.

(g) Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the City pursuant to a City Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to this Indenture.

Section 6.4. Bond Fund.

(a) 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

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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 below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

Date	**Amount ($)**

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred, in accordance with a City Certificate delivered to the Trustee, to the Neighborhood Improvement Area #4 Improvement Account of the Project Fund, or if the Project Fund has been closed as provided in Section 6.5(g) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof.

(b) 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 the Neighborhood Improvement Area #4 Improvement Account of the Project Fund to pay Actual Costs of the Neighborhood Improvement Area #4 Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certificate for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Neighborhood Improvement Area #4 Improvement Account shall be pursuant to and in accordance with the disbursement procedures described in the PID Reimbursement Agreement or as provided in such written direction. Such provisions and procedures related to such disbursement contained in the PID Reimbursement Agreement, and no other provisions of the PID Reimbursement Agreement, are herein incorporated by reference and deemed set forth herein in full.

(c) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Neighborhood Improvement Area #4 Improvement Account of the Project Fund are not expected to be expended for purposes of the Neighborhood Improvement Area #4 Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of the Neighborhood Improvement Area #4 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Neighborhood Improvement Area #4 Improvement Account of the Project Fund will ever be expended for the purposes of the Neighborhood Improvement Area #4 Improvement Account of the Project

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Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Neighborhood Improvement Area #4 Improvement Account of the Project Fund that are not expected to be used for purposes of the Neighborhood Improvement Area #4 Improvement Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Neighborhood Improvement Area #4 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.

(d) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(e) Upon the filing of a City Certificate stating that all Neighborhood Improvement Area #4 Improvements have been completed and that all Actual Costs of the Neighborhood Improvement Area #4 Improvements have been paid, or that any such Actual Costs of the Neighborhood Improvement Area #4 Improvements are not required to be paid from the Neighborhood Improvement Area #4 Improvement Account of the Project Fund pursuant to a Certificate for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Neighborhood Improvement Area #4 Improvement Account of the Project Fund to the Bond Fund and (ii) the Neighborhood Improvement Area #4 Improvement Account of the Project Fund shall be closed. If the Neighborhood Improvement Area #4 Improvement Account has been closed pursuant to the provisions of this Section and the Cost of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(f), the Project Fund shall be closed.

(f) Not later than 6 months following the Closing Date, upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account of the Project Fund and used to pay Actual Costs or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

(a) The Trustee shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds to accumulate from the deposits outlined in Section 6.3(a) hereof, and when accumulated, maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement except to the extent such deficiency is due to the application of Section 6.7(d) hereof. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

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(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2022, an amount equal to the Additional Interest until the Additional Interest Reserve Requirement has been has accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update unless and until it receives a City Certificate directing that a different amount be used.

(c) Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate 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 the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a City Certificate, as a result of such Prepayment and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the

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amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of debt service on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond.

(f) 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 Additional Interest Reserve Account of the Reserve Fund, and second, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

(g) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds.

(h) If, after a Reserve Account withdrawal pursuant to Section 6.7(f), the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds as of such Interest Payment Date.

Section 6.8. Rebate Fund: Rebate Amount.

(a) There is hereby established a special fund of the City to be designated “City of Celina, Texas, Rebate Fund” (the “Rebate Fund”) to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts relating to the Bonds due the United States Government in accordance with the Code.

(b) In order to assure that Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.5(h) and shall not be liable or responsible if it follows the instructions of the City and shall not be required to take any action under this Section and Section 7.5(h) in the absence of written instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the Rebate Amount to the Bond Fund.

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Section 6.9. Administrative Fund.

(a) The City shall deposit or cause to be deposited to the District Administration Account of the Administrative Fund the amounts collected each year to pay the Administrative Expenses and Delinquent Collection Costs.

(b) Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) days in advance of the making of such investment. The money in any Fund or Account shall be invested 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. Such investments shall be valued each year in terms of current market value as of September 30. Amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this 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.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee shall follow the written instruction of any City Certificate. The Trustee shall not incur any liability for losses arising from any investments made pursuant

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to this Section. The Trustee shall not be required to determine the suitability or legality of any investments.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the City and the Administrator monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

Section 6.11. Security of Funds.

All Funds or Accounts heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds or Accounts shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Special Assessments.

The City hereby confirms, covenants, and agrees that the Special Assessments to be collected from the Assessed Property are as so reflected in the Service and Assessment Plan (as it may be updated from time to time), and, in accordance with the Assessment Ordinance, it has levied the Special Assessments against the respective Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Special Assessments.

(a) For so long as any Bonds are Outstanding and/or amounts are due the Developer to reimburse it for its funds it has contributed to pay Actual Costs of the Neighborhood Improvement Area #4 Improvements, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Special 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 Special Assessments.

(b) 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

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delinquent Special Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds, 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 Trust Estate, other than that specified in Section 9.6 of this Indenture, or upon any other property pledged under this 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.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, except for other indebtedness incurred in compliance with Section 13.2 of this Indenture.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, and/or the obligation to the Developer to reimburse it for funds it has contributed to pay Actual Costs of the Neighborhood Improvement Area #4 Improvements remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Special Assessments. The Trustee and Owners of any Bonds or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty (30) days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in section 1.148-1(b) of the Regulations.

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"Gross Proceeds" means any proceeds as defined in section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Regulations" means any proposed, temporary or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or

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refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

(i) Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The City covenants and agrees that the levied Special Assessments will meet the requirements of the "tax assessment loan exception" within the meaning of section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Special Assessments continue to meet such requirements for so long as the Bonds are outstanding hereunder.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City

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separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, or City Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

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ARTICLE VIII

LIABILITY OF CITY

The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Administrative Expenses) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Administrative Expenses on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture, the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any

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action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector, the City Manager, or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as Paying Agent /Registrar for and in respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, the Trustee may not request or require indemnification as a condition to making any deposits, payments, or transfers when required hereunder, or delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund or the District Administration Account of the Administrative Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the offering documents, this Indenture, or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect

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to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys and shall have no liability for the negligence or willful misconduct of the agents and attorneys appointed with due care.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct, both before and after default by the City. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Neighborhood Improvement Area #4 Improvements.

The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the holders of at least fifty-one percent (51%) of the aggregate principal amount of Bonds then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default.

In case a default or an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its sole discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Registrar and Paying Agent, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession in the Administrative Fund.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Owners of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate outstanding principal of the Bonds.

Section 9.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least twenty-five percent (25%) of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

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Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee to File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, such continuation statements as are delivered to the Trustee by the City, or on behalf of the City, and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC.

Section 9.14. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less

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than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.15. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. Permissive rights of the Trustee are not to be construed as duties.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Owners of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to provide for the issuance of Refunding Bonds as set forth in Section 13.2 herein; and

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(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Any modification or amendment made pursuant to this paragraph shall not be subject to the notice procedures specified in Section 10.3 below.

Notwithstanding the above, no Supplemental Indenture under this Section shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the: (i) interest of the Owners in any material respect, or (ii) exclusion of interest on any Bond from gross income for purposes of federal income taxation.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first-class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the City or Bond Counsel, acting on the City's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the

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matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period; provided, however, that the Trustee during such sixty day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture, as it may deem expedient; provided, further, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inactions.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.7. Waiver of Default.

With the written consent of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

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Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

(a) Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(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 Special 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; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds available to the City to make any such payment; and

(iv) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice 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.

(b) Nothing in Section 11.1(a) will be an Event of Default if it is in violation of any applicable state law or court order.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds then Outstanding and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for

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money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

(b) THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) 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 under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, 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 Certificate, 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.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this 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.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 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 Section 9.2 herein, (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 at least 51% of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action or suit is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to

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enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this 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 hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall 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 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 Owners entitled thereto, without any discrimination or preference; and
>
> SECOND: To the payment to the 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 pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are

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Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

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Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first-class, postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate outstanding principal of the Bonds shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Pledged Revenues and the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(c) The City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Special Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, notice of the Annual Installments shall 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.

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations or Other Liens.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, 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.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(b) Other than Refunding 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 this Indenture or the priority hereof 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 this Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in this Section 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.

(c) Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds.

(d) Notwithstanding anything to the contrary herein, no Refunding Bonds, Additional Obligations or subordinate obligations described by Section 13.2(c) above may be issued by the City unless: (1) the principal (including sinking fund installments) of such Refunding Bonds, Additional Obligations or subordinate obligations are scheduled to mature on September 1 of the years in which principal is schedule to mature, and (2) the interest on such Refunding Bonds, Additional Obligations or subordinate obligations must be scheduled to be paid on March 1 and/or September 1 of the years in which interest is scheduled to be paid.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Trust Estate and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Deemed Paid.

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 herein, (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 publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 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 in writing 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.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate, shall be in writing and shall be delivered by hand, mailed by first-class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City: City of Celina, Texas
142 North Ohio Street
Celina, Texas 75009

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Attn: City Manager

If to the Trustee or the Paying Agent/Registrar:	U.S. Bank National Association Attention: Bond Operations 111 Fillmore Avenue East St. Paul, Minnesota 55107-1402

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

(c) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the City shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its sole discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a previous or subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. No Boycott of Israel.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 15.11. Iran, Sudan, and Foreign Terrorist Organizations.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Trustee understands 'affiliate' to mean an

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 15.12. No Discrimination Against Fossil Fuel Companies.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, the Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 15.13. No Discrimination Against Firearm Entities and Firearm Trade Associations.

(a) To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

(b) As used in this Section, the Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

(*Remainder of Page Intentionally Left Blank*)

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF CELINA, TEXAS

By: _____,
Mayor

Attest:

_____
City Secretary

[CITY SEAL]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

Signature Page to Indenture of Trust
Relating to
CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT A

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED REGISTERED

No. _____ $_____

United States of America
State of Texas

CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 1, 20___	October 19, 2021	_____

The City of Celina, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing March 1, 2022, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in St. Paul, Minnesota (the "Designated Payment/Transfer Office"), of

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

U.S. Bank National Association, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated October 19, 2021, issued in the aggregate principal amount of [$_____] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of October 1, 2021 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Neighborhood Improvement Area #4 Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Neighborhood Improvement Area #4 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 administration of the District, and (v) paying costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of $25,000 and any multiple of $1,000 in excess thereof.

The Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Redemption Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installments($)	Redemption Date	Sinking Fund Installments ($)

* Stated Maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installments ($)	Redemption Date	Sinking Fund Installments ($)

* Stated Maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installments ($)	Redemption Date	Sinking Fund Installments

* Stated Maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installments ($)	Redemption Date	Sinking Fund Installments

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

_____
* Stated Maturity

At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption, pursuant to the provisions of the Indenture, a principal amount of Bonds of such maturity equal to the Sinking Fund Installments of such Bonds to be redeemed, shall 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 required to be redeemed on any sinking fund redemption date 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 (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.

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 forty-five (45) days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds maturing on or after [September 1, 20__] before their scheduled maturity dates, in whole or in part, on any date on or after [September 1, 20__], such redemption date or dates to be fixed by the City, at a price of par (the "Redemption Price"), plus accrued interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the first day of any month, at a Redemption Price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

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 are not satisfied 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 Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue Additional Obligations on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF CELINA, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

_____
Mayor, City of Celina, Texas

_____
City Secretary, City of Celina, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO._____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

_____
Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
Dallas, Texas, as Trustee

DATED: _____

By:_____
Authorized Signatory

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

_____

_____

_____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____ _____

Signature Guaranteed By:

_____

_____

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Year	Principal Amount($)	Interest Rate (%)"

(Information to be inserted from Section 3.2(c) hereof); and

(iii) the Initial Bond shall be numbered T-1.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT B

BOND PURCHASE AGREEMENT

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

$[5,255,000]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

BOND PURCHASE AGREEMENT

September 28, 2021

City of Celina, Texas
142 N. Ohio St.
Celina, Texas 75009

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the "Underwriter"), offers to enter into this Bond Purchase Agreement (this "Agreement") with the City of Celina, Texas (the "City"), which will be binding upon the City and the Underwriter upon the acceptance of this Agreement by the City. This offer is made subject to its acceptance by the City by execution of this Agreement and its delivery to the Underwriter on or before 10:00 p.m., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (defined herein), between the City and U.S. Bank National Association, as trustee (the "Trustee"), authorizing the issuance of the Bonds (defined herein), and the Limited Offering Memorandum (defined herein).

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the $[5,255,000] aggregate principal amount of the "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)" (the "Bonds"), at a purchase price of $_____ (representing the aggregate principal amount of the Bonds, [plus a _____ Premium/less an original issue discount] of $_____ and less an Underwriter's discount of $_____).

Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the City (including, without limitation, a "municipal advisor" (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), but rather is acting solely in its capacity as Underwriter for its own account. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's length commercial transaction between the City and the Underwriter, (ii) in connection with the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering described herein or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the City, and (vi) the Underwriter has provided to the City prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB"), which have been received by the City. The City further acknowledges and agrees that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the City regarding the expenditure of Bond proceeds and the construction of the Neighborhood Improvement Area #4 Improvements financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

The Bonds shall be dated October 6, 2021, and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on October 6, 2021 (or such other date as may be agreed to by the City and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the City Council of the City (the "City Council") on September 28, 2021 (the "Bond Ordinance") and shall be issued pursuant to the provisions of the Public Improvement District Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "Act"), and the Indenture of Trust, dated as of October 1, 2021, between the City and the Trustee, authorizing the issuance of the Bonds (the "Indenture"). The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the "Special Assessments") levied pursuant to a separate ordinance adopted by the City Council on September 28, 2021 (the "Assessment Ordinance") against assessable property (the "Assessed Property") located within Neighborhood Improvement Area #4 (as defined in the Indenture) of the Wells South Public Improvement District (the "District") all to the extent and upon the conditions described in the Indenture. The District was established by a resolution (the "Creation Resolution"), enacted by the City Council on July 14, 2015, in accordance with the Act. The original service and assessment plan for the District was approved on December 7, 2015 and was most recently amended and restated by the City on September 28, 2021 (the "Service and Assessment Plan"). The Creation Resolution, the Assessment Ordinance, the Bond Ordinance and the Indenture are collectively referred to herein as the "Authorizing Documents."

The Bonds shall be as described in Schedule I attached hereto, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for the purposes

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

described in the Limited Offering Memorandum under "PLAN OF FINANCE — The Bonds" and shall be generally applied as described in the Limited Offering Memorandum under "SOURCES AND USES OF FUNDS."

3. Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 4 hereof and to no more than thirty-five persons that qualify as "Accredited Investors" (as defined in Rule 501 of Regulation D under the Securities Act (as defined herein)) or "Qualified Institutional Buyers" (within the meaning of Rule 144A under the Securities Act). On or before the third (3rd) business day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel (as defined herein) the Issue Price Certificate (as defined herein), in substantially the form attached hereto as Appendix B.

4. Establishment of Issue Price.

a. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City on or before the third (3rd) business day prior to the Closing Date an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B (the "Issue Price Certificate"), with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this Section to establish the issue price of the Bonds may be taken on behalf of the City by the Financial Advisor (defined below) and any notice or report to be provided to the City may be provided to the Financial Advisor or to Bond Counsel.

b. The Underwriter confirms that it has offered all the Bonds of each maturity to the public on or before the date of this Agreement at the respective offering price (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. The City will treat the first price at which 10% of each maturity of the Bonds is sold to the public as of the sale date as the issue price of that maturity (the "10% test"). At or promptly after the execution of this Agreement, the Underwriter shall report to the City on Schedule A to the Issue Price Certificate the first price at which the Underwriter has sold to the public each maturity of Bonds, and shall identify to the City on Schedule A to the Issue Price Certificate those maturities of the Bonds for which the 10% test has not been satisfied. If different interest coupons apply within a maturity, each separate CUSIP number within that maturity will be treated as a separate maturity for this purpose.

c. The City and the Underwriter agree that the restrictions set forth in the next sentence shall apply to those maturities of the Bonds for which the 10% test has not been met as of the date of this Agreement, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when the Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if such sale occurs prior to the close of the fifth (5th) business day after the sale date.

d. The Underwriter confirms that any selling group agreement and each third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires, (B) promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and (C) acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

e. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) "public" means any person other than an underwriter or a related party to an underwriter;

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) "sale date" means the date of execution of this Agreement by all parties.

5. Limited Offering Memorandum.

a. Delivery of Limited Offering Memorandum. The City previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated September 17, 2021 (the "Preliminary Limited Offering Memorandum"), in a "designated electronic format," as defined in the MSRB Rule G-32 ("Rule G-32"). The City will prepare, or cause to be prepared, a final Limited Offering Memorandum relating to the Bonds (as more particularly defined below, the "Limited Offering Memorandum") which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission's Rule 15c2-12, as amended ("Rule 15c2-12"), (iii) in a "designated electronic format," and (iv) substantially in the form of the most recent version of the Preliminary Limited Offering Memorandum provided to the Underwriter before the execution hereof, except for the inclusion of the information permitted to be excluded from the Preliminary Limited Offering Memorandum by Section (b)(1) of Rule 15c2-12. The Limited Offering Memorandum, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the "Limited Offering Memorandum." Until the Limited Offering Memorandum has been prepared and is available for distribution, the City shall provide to the Underwriter, upon request, sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

b. Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the public offering, sale, and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Limited Offering Memorandum has been deemed "final" by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12.

c. Use of Limited Offering Memorandum in Offering and Sale. The City hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the public offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City's acceptance of this Agreement (but, in any event, not later than the earlier of the Closing Date or seven (7) business days after the City's acceptance of this Agreement) copies of the Limited Offering Memorandum which is complete as of the date of its delivery to the Underwriter. The City shall provide the Limited Offering Memorandum, or cause the Limited Offering Memorandum to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

d. Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the twenty-fifth (25th) day after the "end of the underwriting period" for the Bonds), the City becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the City will promptly notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the City will forthwith prepare and furnish, at no expense to the Underwriter (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Limited Offering Memorandum so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or so that the Limited Offering Memorandum will comply with law; provided, however, that for all

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

purposes of this Agreement and any certificate delivered by the City in accordance herewith, the City makes no representations with respect to the following information (collectively, the "Non-City Disclosures") (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system, and (ii) the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in the maps of the District therein or under the captions and subcaptions "PLAN OF FINANCE" (except for the information under the subcaption "— Prior Bond Issuances" and "— The Bonds"), "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS," "BOOK-ENTRY ONLY SYSTEM," "THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "THE PID ADMINISTRATOR," "APPRAISAL," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, Neighborhood Improvement Area #4 Improvements, and the Development, as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "INFORMATION RELATING TO THE TRUSTEE," "APPENDIX E-2" and "APPENDIX G." If such notification shall be subsequent to the Closing (as defined herein), the City, at no expense to the Underwriter, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum. The City shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

e. Filing with MSRB. The Underwriter hereby agrees to timely file the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access ("EMMA") system within one (1) business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the City can assume that the "end of the underwriting period" for purposes of Rule 15c2-12 is the Closing Date.

f. Limited Offering. The Underwriter hereby represents, warrants and covenants that the Bonds were initially sold pursuant to a limited offering. The Bonds were sold to not more than thirty-five (35) persons that qualify as "Accredited Investors" (as defined in Rule 501 of Regulation D under the Securities Act) or "Qualified Institutional Buyers" (within the meaning of Rule 144A under the Securities Act).

6. City Representations, Warranties and Covenants. The City represents, warrants and covenants that:

a. Due Organization, Existence and Authority. The City is a political subdivision of the State of Texas (the "State"), and has, and at the Closing Date will have, full legal right, power and authority:

(i) to enter into and perform its duties and obligations under:

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(1) this Agreement;

(2) the Indenture;

(3) the PID Reimbursement Agreement Wells South effective December 7, 2015 (the "PID Reimbursement Agreement"), executed and delivered by the City and Celina Development, LLC, a Texas limited liability company (the "Master Developer");

(4) the Amended and Restated Development Agreement ("Wells South Tract") effective as of April 28, 2015, by and between the City and the George White Family Limited Partnership (the "Original Landowner"), as further amended by that certain First Amendment to Amended and Restated Development Agreement (Wells South Tract) effective February 13, 2018, by and between the City and the Master Developer, as successor in interest to the Original Landowner, and any future amendments thereto (the "Development Agreement"); and

(5) the Continuing Disclosure Agreement of the Issuer with respect to the Bonds, dated as of October 1, 2021 (the "Continuing Disclosure Agreement of the Issuer"), executed and delivered by the City and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

(ii) to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the PID Reimbursement Agreement, (4) the Development Agreement, (5) the Continuing Disclosure Agreement of the Issuer, (6) the Limited Offering Memorandum and (7) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (7) being referred to collectively herein as the "City Documents").

b. Due Authorization and Approval of City. By all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, except as may have been approved by the Underwriter. When validly executed and delivered by the other parties thereto, the City Documents will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their respective terms, except insofar as enforcement may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors' rights generally. The City has complied, and will at the Closing be in compliance, in all material respects, with the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

obligations on its part to be performed on or prior to the Closing Date under the City Documents.

c. Due Authorization for Issuance of the Bonds. The City has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The City has, and at the Closing will have, full legal right, power and authority (i) to enter into, execute, deliver, and perform its obligations under this Agreement and the other City Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, the Bond Ordinance, the Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described by the Bond Ordinance and the other City Documents.

d. No Breach or Default. As of the time of acceptance hereof, and to its knowledge, the City is not, and as of the Closing Date the City will not be, in breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on the City's ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the City Documents and compliance by the City with obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be permitted by the City Documents.

e. No Litigation. At the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending against the City with respect to which the City has been served with process, nor to the knowledge of the City is any Action threatened against the City, in which any such Action (i) in any way questions the existence of the City or the rights of the members of the City Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City described therein, or contests the exclusion of the interest on the Bonds from federal

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

income taxation, or (iv) which may result in any material adverse change in the financial condition of the City; and, as of the time of acceptance hereof, to the City's knowledge, there is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of this sentence.

f. Bonds Issued Pursuant to Indenture. The City represents that the Bonds, when issued, executed, and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Special Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of certain revenues and the monies in certain funds and accounts established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

g. Special Assessments. The Special Assessments constituting the security for the Bonds have been levied by the City in accordance with the Act on those parcels of land identified in the Assessment Roll (as defined in the Service and Assessment Plan). According to the Act, such Special Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

h. Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

i. Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Special Assessments which secure the Bonds without the prior approval of the Underwriter.

j. Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

k. Limited Offering Memorandum. At the time of the City's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 5 of this Agreement) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the "end of the underwriting period," the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures; and further provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

l. Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (d) of Section 5 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the "end of the underwriting period," the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

m. Compliance with Rule 15c2-12. During the past five (5) years, the City has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

n. Use of Bond Proceeds. The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

o. Blue Sky and Securities Laws and Regulations. The City will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, at no expense to the City, (i) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the initial distribution of the Bonds by the Underwriter (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

p. Certificates of the City. Any certificate signed by any official of the City authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

q. Intentional Actions Regarding Representations and Warranties. The City covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

r. Financial Advisor. The City has engaged Hilltop Securities Inc. as its financial advisor (the "Financial Advisor") in connection with its offering and issuance of the Bonds.

By delivering the Limited Offering Memorandum to the Underwriter, the City shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties and covenants set forth above.

7. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the Master Developer and Lilyana Phase 4, LLC, a Texas limited liability company (the "Neighborhood Improvement Area #4 Developer" and together with the Master Developer, the "Developer") an executed Developer Letter of Representations (the "Developer Letter of Representations") in the form of Appendix A hereto, and at the Closing, a certificate signed by the Developer as set forth in Section 10(e) hereof (the "Developer Closing Certificate").

8. The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter, (i) the City will deliver or cause to be delivered to DTC through its "FAST" System, the Bonds in the form of one fully registered Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, duly executed by the City and authenticated by the Trustee as provided in the Indenture, and (ii) the City will deliver the closing documents hereinafter mentioned to Norton Rose Fulbright US LLP ("Bond Counsel"), or a place to be mutually agreed upon by the City and the Underwriter. Settlement will be through the facilities of DTC. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the "Closing." The Bonds will be made available to the Underwriter or Underwriter's Counsel (as defined herein) for inspection not less than twenty-four (24) hours prior to the Closing.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

9. Underwriter's Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and in the Developer Letter of Representations and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Agreement to purchase, accept delivery of, and pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder at or prior to Closing and shall also be subject to the following additional conditions:

a. Bring-Down Representations of the City. The representations and covenants of the City contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

b. Executed Agreements and Performance Thereunder. At the time of the Closing:

(i) the City Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter;

(ii) the Authorizing Documents shall be in full force and effect;

(iii) there shall be in full force and effect such other resolutions or actions of the City as, in the opinion of Bond Counsel and Underwriter's Counsel, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the City described in this Agreement and the City Documents;

(iv) there shall be in full force and effect such other resolutions or actions of the Developer as, in the opinions of Shupe Ventura, PLLC ("Developer's Special Counsel") and Haynes and Boone, LLP ("Developer's Counsel") shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the Development Agreement, the PID Reimbursement Agreement, and the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of October 1, 2021, executed and delivered by the Developer, MuniCap, Inc., as PID Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent (the "Continuing Disclosure Agreement of the Developer" and, together with the Developer Letter of Representations, the Development Agreement, and the PID Reimbursement Agreement, the "Developer Documents"); and

(v) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing.

c. No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Indenture, the City Documents, the Developer Documents or other documents relating to the financing and construction of the Neighborhood Improvement Area #4 Improvements, and the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Development (as defined in the Limited Offering Memorandum), and the Developer shall not be in default in the payment of principal or interest on any of its indebtedness which default shall materially adversely impact the ability of the Developer to pay the Special Assessments when due.

d. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 below.

e. Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the City if, between the date of this Agreement and the Closing, in the Underwriter's reasonable judgment, the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

(i) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either the House or the Senate thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either the House or the Senate of the Congress of the United States by a Committee of such the House or the Senate to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof; or

(ii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or that the Indenture need to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); or

(iii) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; or

(iv) there shall have occurred (whether or not foreseeable) (i) any outbreak of hostilities (including, without limitation, an act of terrorism) including, but not limited to, an escalation of hostilities that existed prior to the date hereof, (ii) national or international calamity or crisis, including, but not limited to, an escalation in the scope or magnitude of any pandemic or natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States, and the effect of any such event on the financial markets of the United States shall be such as would make it impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(v) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed in or described in the Limited Offering Memorandum; or

(vi) any state blue sky or securities commission or other governmental agency or body in any state in which more than ten percent (10%) of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(vii) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of the Special Assessments to pay principal of and interest on the Bonds; or

(viii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(ix) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

(x) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum; or

(xi) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

(xii) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(xiii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as described in this Agreement or in the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act, the Securities Exchange Act of 1934 and the Trust Indenture Act; or

(xiv) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (viii), (xiii) and (xiv) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

10. Closing Documents. At or prior to the Closing, the Underwriter (or Underwriter's Counsel on behalf of the Underwriter) shall receive the following documents:

a. Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the Closing Date and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 10(b) hereof, to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

b. Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the City and the Underwriter, in form and substance acceptable to Underwriter's Counsel, to the following effect:

(i) Except to the extent noted therein, Bond Counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum but that Bond Counsel has reviewed the statements and information appearing therein under the captions and subcaptions "PLAN OF FINANCE — The Bonds." "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "— Legal Opinions," "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and APPENDIX B and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of 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;

(ii) The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(iii) The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance (including approving the Service and Assessment Plan) and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the "City Actions") and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

(iv) The Indenture, the Development Agreement, the PID Reimbursement Agreement, the Continuing Disclosure Agreement of the Issuer, and this Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instruments, documents, and agreements by the other parties thereto, constitute the legal, valid, and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors' rights, or by the application of equitable principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to governmental entities.

c. City Legal Opinion. An opinion of an attorney for the City, dated the Closing Date and addressed to the Underwriter, the City, Bond Counsel, Developer's

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Counsel, Developer's Special Counsel, and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

d. Opinion(s) of Developer's Counsel. (i) An opinion of Developer's Counsel, substantially in the form of Appendix D-1 hereto, dated the Closing Date, and (ii) an opinion of Developer's Special Counsel, substantially in the form of Appendix D-2 hereto, dated the Closing Date each of which shall be addressed to the City, Bond Counsel, the Attorney for the City, the Underwriter, and the Trustee. Such opinions shall be in substantially such forms unless the City and the Underwriter mutually agree upon changes thereto.

e. Developer Closing Certificate. The Developer Closing Certificate dated as of the Closing Date, signed by authorized officers of the Developer in substantially the form of Appendix E hereto.

f. City Closing Certificate. A certificate of the City, dated the Closing Date, to the effect that:

(i) the representations and warranties of the City contained herein and in the City Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Authorizing Documents and City Documents are in full force and effect and have not been amended, modified, or supplemented;

(iii) except as disclosed in the Limited Offering Memorandum, no litigation or proceeding against the City is pending or, to the best of the knowledge of such person, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the City Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from levying and collecting the Special Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

(iv) the City has, to the best of such person's knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing.

g. Trustee's Counsel Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, the City and Bond Counsel, in form and substance acceptable to Underwriter's Counsel, the City and Bond Counsel to the following effect:

(i) The Trustee is organized, validly existing and in good standing as a national banking association organized under the laws of the United States of

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

America, and is duly qualified to serve as Trustee in accordance with the qualifications set forth for the Trustee in the Indenture;

(ii) The Trustee has full right, power, and authority to enter into the Indenture, to perform its obligations under, and to carry out and consummate all of the transactions involving the Trustee contemplated by, the Indenture; and

(iii) The Indenture has been duly authorized, executed and delivered by the Trustee and is valid and enforceable against the Trustee in accordance with its terms;

h. Trustee's Certificate. A customary authorization and incumbency certificate dated prior to Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

i. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP ("Underwriter's Counsel"), to the effect that:

(i) The Bonds are not subject to the registration requirements of the Securities Act, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act, as amended;

(ii) Such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Limited Offering Memorandum or in the Limited Offering Memorandum and makes no representation that it has independently verified the accuracy, completeness or fairness of any such statements. In its capacity as counsel to the Underwriter, to assist the Underwriter in part of its responsibility with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, such counsel has participated in conferences with representatives of the Underwriter, representatives of the City, and its counsel, Norton Rose Fulbright US LLP, as bond counsel, Hilltop Securities Inc., as financial advisor, the public improvement district administrator, the Developer, and its engineers and others, during which the contents of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which, with respect to the Preliminary Limited Offering Memorandum, did not extend beyond the date of this Agreement, and, with respect to the Limited Offering Memorandum, did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the City, the Developer and others and on the records, documents, certificates, opinions and matters herein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Limited Offering Memorandum which caused such counsel to believe, as of the date of the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Preliminary Limited Offering Memorandum and as of the date of this Agreement, based on the documents, drafts and facts in existence and reviewed as of those dates, that the Preliminary Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c2-12 or otherwise left blank and any other differences with the information in the Limited Offering Memorandum), and (b) no facts had come to the attention of the attorneys in such counsel's firm rendering legal service to the Underwriter in connection with the Limited Offering Memorandum which caused such counsel to believe that the Limited Offering Memorandum contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, such counsel expressly excludes from the scope of this paragraph and expresses no view or opinion, with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, about any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, feasibility, valuation, appraisals, absorption, real estate or environmental matters, relationship among the parties, Appendices, or any information about book-entry, DTC, Cede & Co., tax matters, included or referred to therein or omitted therefrom. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; and

(iii) The Continuing Disclosure Agreement of the Issuer satisfies the requirements contained in Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission for an undertaking for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by said Rule; provided that, for purposes of this opinion, such counsel is not expressing any view regarding the content of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum that is not expressly stated in numbered paragraph ii, above.

j. Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

k. Delivery of City Documents and Developer Documents. The City Documents and Developer Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

l. Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

m. Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and Underwriter's Counsel setting forth the facts, estimates and circumstances in existence on the Closing Date, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code.

n. Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State's Certificate of Registration for the Initial Bond.

o. Continuing Disclosure Agreements. The Continuing Disclosure Agreement of the Issuer and the Continuing Disclosure Agreement of the Developer shall have been executed by the parties thereto in substantially the forms attached to the Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

p. Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property in Neighborhood Improvement Area #4 of the District dated October 6, 2021.

q. Letter of Representation of PID Administrator. Letter of Representation of PID Administrator, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

r. Evidence of Filing of Creation Resolution and Assessment Ordinance. Evidence that the Assessment Ordinance, including the legal description of the property within Neighborhood Improvement Area #4, the Assessment Roll and a statement indicating the contact for and address of where a copy of the Service and Assessment Plan, and any updates thereto may be obtained or viewed, have been filed of record in the real property records of Collin County, Texas.

s. Lender Consent Certificate. Lender Consent Certificate of Interbank, an Oklahoma state chartered bank acknowledging the creation of the District and consenting to and acknowledging the adoption of the Assessment Ordinance, the levy of the Special Assessments, and the subordination of its lien to the lien created by the Special Assessments, in form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

t. Developer Organizational Documents. The Developer shall have delivered to the Underwriter and the City, (i) fully executed copies of the Developer's organizational documents, (ii) a Certificate of Status from the Texas Secretary of State and (iii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

u. Rule 15c2-12 Certification. A resolution, an ordinance (including the Bond Ordinance) or a certificate of the City whereby the City has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Section (b)(1) of Rule 15c2-12 in connection with the offering of the Bonds, which action may be based on the approval of the release of the Preliminary Limited Offering Memorandum by an authorized City official (if such official has been duly authorized to take such action by the City Council), or certification, if made in the form of a certificate, may be included in the City Certificate required by Section 10(f) hereof.

v. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City and the Developer have engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Continuing Disclosure Agreement of the Issuer and the Continuing Disclosure Agreement of the Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

w. BLOR. A copy of the Blanket Issuer Letter of Representation to DTC relating to the Bonds and signed by the City.

x. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or Underwriter's Counsel may reasonably deem necessary.

11. City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the Closing Date of the purchase price set forth in Section 1 hereof, the Attorney General Opinion and the opinion of Bond Counsel described in Section 10(a) hereof.

12. Consequences of Termination. If the City shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Underwriter and the City shall have no further obligation hereunder, except as further set forth in Sections 13, 15 and 16 hereof.

13. Costs and Expenses.

a. The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and mailing of the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the City's Financial Advisor, the Trustee's counsel, Bond Counsel, Developer's Counsel, Developer's Special Counsel, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Developer, including but not limited to the fees and expenses of the Appraiser and the PID Administrator; and (vi) the expenses incurred by or on behalf of City employees and representatives that are

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

b. The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; (ii) fees of Underwriter's Counsel; and (iii) all other expenses, including CUSIP fees (including out-of-pocket expenses and related regulatory expenses), incurred by it in connection with its public offering and distribution of the Bonds, except as noted in Section 13(a) above.

c. The City acknowledges that the Underwriter will pay from the Underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation ("Texas MAC") whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

14. Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Celina, Texas, 142 North Ohio Street, Celina, Texas 75009, Attention: City Manager.

Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Attention: Mr. R.R. "Tripp" Davenport, III, Director.

15. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in or by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

16. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. The City and the Underwriter agree that electronic signatures to this Agreement may be regarded as original signatures.

17. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

18. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State.

19. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other party hereto.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

20. No Personal Liability. None of the members of the City Council, nor any officer, representative, agent, or employee of the City, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

21. Anti-Boycott Verification. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

22. Iran, Sudan and Foreign Terrorist Organizations. The Underwriter represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization..

23. No Discrimination Against Fossil-Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale,

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

24. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, 'discriminate against a firearm entity or firearm trade association' (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) 'firearm entity' means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) 'firearm trade association' means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which insures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

25. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Underwriter's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

"Form 1295"). The City hereby confirms receipt of the Form 1295 from the Underwriter, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Underwriter and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Underwriter; and, neither the City nor its consultants have verified such information.

26. Entire Agreement. This Agreement is made solely for the benefit of the City and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section and in Section 16 shall survive any termination of this Agreement.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

FMSbonds, Inc.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President - Trading

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Accepted at _____ a.m./p.m. central time on the date first stated above.

City of Celina, Texas

By: _____
Mayor

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

SCHEDULE I

$[5,255,000]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

Dated Date: October 6, 2021
Interest Accrues From: Date of Delivery

$[_____] [_____%] Term Bonds, Due September 1, 20[__], Priced to Yield [_____%] [(a) (b) (c)(d)]

$[_____] [_____%] Term Bonds, Due September 1, 20[__], Priced to Yield [_____%] [(a) (b) (c)(d)]

(a) The initial reoffering prices or yields of the Bonds have been determined in accordance with the 10% test.

(b) The Bonds maturing on or after September 1, 20__ may be redeemed before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20__ such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed of redemption.

(c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS — Redemption Provisions."

(d) The Bonds are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedules.

$_____ Term Bonds Maturing September 1, 20[ ]

Mandatory Sinking Fund Redemption Date	Sinking Fund Installment	Mandatory Sinking Fund Redemption Date	Sinking Fund Installment
September 1, 20__	$	September 1, 20__	$
September 1, 20__		September 1, 20__	
September 1, 20__		September 1, 20__†	

† Stated Maturity

$_____ Term Bonds Maturing September 1, 20[ ]

Mandatory Sinking Fund Redemption Date	Sinking Fund Installment	Mandatory Sinking Fund Redemption Date	Sinking Fund Installment
September 1, 20__	$	September 1, 20__	$
September 1, 20__		September 1, 20__	
September 1, 20__		September 1, 20__†	

† Stated Maturity

[Remainder of this page intentionally left blank.]

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

$[5,255,000]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

DEVELOPER LETTER OF REPRESENTATIONS

September 28, 2021

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Celina, Texas (the "City") and FMSbonds, Inc. (the "Underwriter"), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the "Bond Purchase Agreement") for the sale and purchase of the $[5,255,000] "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)" (the "Bonds"). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter, the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, Celina Development, LLC, a Texas limited liability company (the "Master Developer"), and Lilyana Phase 4, LLC, a Texas limited liability company (the "Neighborhood Improvement Area #4 Developer" and together with the Master Developer, the "Developer"), makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

2. Updating of the Limited Offering Memorandum. If, after the date of this Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Developer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, that for the purposes of this Developer Letter of Representations and any certificate delivered by the Developer in accordance with the Bond Purchase Agreement, the Developer makes no representations with respect to the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in the maps of the District therein and under the captions and subcaptions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS," "THE DEVELOPMENT" and "THE DEVELOPER" and, to the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Neighborhood Improvement Area #4 Improvements, and the Development, as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "APPENDIX E-2" and "APPENDIX F" (collectively, the "Developer Disclosures") in accordance with subsection 4(f) herein.

3. Developer Documents. The Developer has executed and delivered (or the Developer has been assigned in full) each of the below listed documents (individually, a "Developer Document" and collectively, the "Developer Documents") in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms:

a. this Developer Letter of Representations;

b. the PID Reimbursement Agreement Wells South effective December 7, 2015, executed and delivered by the City and the Master Developer;

c. the Amended and Restated Development Agreement (Wells South Tract) effective as of April 28, 2015, by and between the City and the George White Family Limited Partnership (the "Original Landowner"), as further amended by that certain First Amendment to Amended and Restated Development Agreement (Wells South Tract) effective February 13, 2018, by and between the City and the Master Developer, as successor in interest to the Original Landowner, and any future amendments thereto (the "Development Agreement"); and

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

d. the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of October 1, 2021, executed and delivered by the Developer, MuniCap, Inc., as PID Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent.

The Developer has complied in all material respects with all of the Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

4. Developer Representations, Warranties and Covenants. The Developer represents, warrants, and covenants to the City and the Underwriter that:

a. Due Organization and Existence. Each Developer is duly formed and validly existing as a limited liability company under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of each Developer provided by the respective Developer (the "Developer Organizational Documents") to the City and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

c. No Breach. The execution and delivery of the Developer Documents by the Developer does not violate any judgment, order, writ, injunction or decree binding on the Developer or any indenture, agreement, or other instrument to which the Developer is a party.

d. No Litigation. There are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

e. Information. The information prepared and submitted by the Developer to the City or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

f. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Developer represents and warrants that the information set forth in the Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

g. Events of Default. No "Event of Default" or "event of default" by the Developer under any of the Developer Documents, any documents to which the Developer is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Neighborhood Improvement Area #4 Improvements to which the Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such "Event of Default" or "event of default," by the Developer has occurred and is continuing.

5. Indemnification.

a. The Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission, untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

b. Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Developer Letter of Representations will be binding upon the Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the City, and no other person or firm or entity will acquire or have any right under or by virtue of this Developer Letter of Representations.

[*Signature page follows.*]

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Celina Development, LLC
a Texas limited liability company

By:_____

Name:_____

Title:_____

Lilyana Phase 4, LLC
a Texas limited liability company

By:_____

Name:_____

Title:_____

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

APPENDIX B

$[5,255,000]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of FMSbonds, Inc. ("FMS"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") of the City of Celina, Texas (the "Issuer").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) FMS offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, FMS agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

after the Sale Date, or (ii) the date on which FMS sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 28, 2021.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

[Remainder of this page intentionally left blank.]

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents FMS's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Tax Exemption with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

FMSbonds, Inc.,
as Underwriter

By:_____

Name: Theodore A. Swinarski
Title: Senior Vice President – Trading

Date: _____, 2021

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(*Attached*)

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

APPENDIX C

LETTERHEAD OF MESSER, FORT & MCDONALD, PLLC

October 6, 2021

City of Celina
142 North Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Norton Rose Fulbright US, LLP
2200 Ross Avenue
Suite 3600
Dallas, Texas 75201-7932

U.S. Bank National Association, as Trustee
111 Filmore Avenue East
St. Paul, Minnesota 55107
Attn: Bond Operations

Shupe Ventura, PLLC
9406 Biscayne Boulevard
Dallas, Texas 75218

Haynes & Boone, LLP
1221 McKinney Street
Houston, Texas 77010

$[5,255,000]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

Ladies and Gentlemen:

This firm has acted as special counsel to the City of Celina, Texas (the "City") and are rendering this opinion for limited purposes in connection with the issuance and sale of $[5,255,000] "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)" (the "Bonds"), by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to Ordinance No. 2021-__, enacted by the City Council of the City (the "City Council") on September 28, 2021 (the "Bond Ordinance"), and were issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "Act"), and the Indenture of Trust dated as of October 1, 2021 (the "Indenture") by and between the City and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are being sold to FMSbonds, Inc. pursuant to the Bond Purchase Agreement dated September 28, 2021 between the City and FMSbonds Inc. (the "Bond Purchase Agreement"). This opinion is being delivered pursuant to Section 10(c) of the Bond Purchase Agreement. Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In our capacity as special counsel to the to the City, and for the purposes of rendering opinions set forth herein, we have reviewed:

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(a) Resolution No. 2015-34R (the "Creation Resolution"), enacted by the City Council on July 14, 2015;

(b) Ordinance No. _____, accepted and approved by the City Council on September 28, 2021 (the "Assessment Ordinance," and the Amended and Restated Service and Assessment Plan (the "Service and Assessment Plan") attached as an exhibit thereto;

(c) The Bond Ordinance;

(d) The Indenture;

(e) the PID Reimbursement Agreement Wells South effective December 7, 2015 (the "PID Reimbursement Agreement"), executed and delivered by the City and Celina Development, LLC, a Texas limited liability company (the "Master Developer");

(f) the Amended and Restated Development Agreement ("Wells South Tract") effective as of April 28, 2015, by and between the City and the George White Family Limited Partnership(the "Original Landowner"), as further amended by that certain First Amendment to Amended and Restated Development Agreement (Wells South Tract) effective February 13, 2018, by and between the City and the Master Developer, as successor in interest to the Original Landowner, and any future amendments thereto (the "Development Agreement");

(g) the Continuing Disclosure Agreement of the Issuer with respect to the Bonds, dated as of October 1, 2021 (the "Continuing Disclosure Agreement of the Issuer"), executed and delivered by the City and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc, as Dissemination Agent; and

(h) Such other documents, records, agreements or certificates as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

The Creation Resolution, the Assessment Ordinance, the Indenture and the Bond Ordinance shall hereinafter be collectively referred to as the "Authorizing Documents" and the remaining documents shall hereinafter be collectively referred to as the "Reviewed Documents."

In rendering the opinions expressed below, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following assumptions: (a) the due authorization, execution and delivery of each of the Reviewed Documents by all parties thereto other than the City; (b) the genuineness of all signatures to the Reviewed Documents; (c) the correctness and truthfulness of all the statements of fact contained in the Reviewed Documents; (d) the authenticity of the Reviewed Documents; (e) the conformity to original documents of the Reviewed Documents submitted to us as copies; and (f) the additional assumptions set forth on **Exhibit A** attached to this letter and the exclusions set forth on **Exhibit B** attached to this letter. Our opinions are limited to matters expressly stated herein and no opinion is to be inferred or may be implied beyond the matters expressly stated.

In rendering the opinions set forth below, we have also relied upon: (a) the representations and warranties contained in the Reviewed Documents; (b) the resolutions and other documents of the parties to the Reviewed Documents authorizing or approving the Reviewed Documents; (c) the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Closing Certificate of the Developer delivered pursuant to the Bond Purchase Agreement; (d) the Developer Letter of Representations delivered pursuant to the Bond Purchase Agreement; (e) the legal opinion delivered pursuant to the Bond Purchase Agreement by Haynes and Boone, LLP, Developer's Counsel; and (f) the legal opinion delivered pursuant to the Bond Purchase Agreement by Shupe Ventura, PLLC, Developer's Special Counsel (collectively, the "Reliance Materials"). We have not made any independent or other investigation, review, analysis, or inquiry as to any of the facts, matters, circumstances or legal opinions or conclusions contained in the Reviewed Documents or Reliance Materials or the accuracy or completeness thereof. Additionally, we have assumed that none of the Reviewed Documents or Reliance Materials contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances in which they are made, not misleading. We have not made any examination of any accounting or financial matters, and we express no opinion with respect thereto.

The opinions expressed herein are subject to the correctness in understanding that no beneficiary to this opinion letter may rely on this opinion letter to the extent that such beneficiary or its counsel has actual knowledge of any applicable laws, facts, or circumstances which would make any opinion expressed herein incorrect, subject to question, or require further investigation of any laws, facts or circumstances.

Whenever our opinion or advice with respect to the existence or absence of facts is indicated to be based on our knowledge, we are referring to the actual knowledge of the Messer, Fort & McDonald, PLLC attorneys who have given substantive attention to matters concerning the City during the course of our representation of the City in connection with the Reviewed Documents, which knowledge has been obtained by such attorneys in their capacity as such. In particular, our response does not include matters known to any attorney of our firm in a capacity other than as special counsel to the City. Further, the words "our knowledge," "our actual knowledge" and similar expressions used in this opinion letter are intended to be limited to the actual knowledge of Julie Fort of our firm who have been directly involved in representing the City. We have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to our knowledge concerning such facts should be drawn from the fact that such limited representation has been undertaken by us.

Based upon and subject to the foregoing and the additional qualifications, limitations, and assumptions set forth herein, we are of the opinion that:

1. The City is a Texas political subdivision and has all necessary power and authority to enter into and perform its obligations under the Authorizing Documents and the Reviewed Documents. The City has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Authorizing Documents and the Reviewed Documents and the performance of its obligations thereunder.

2. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of Wells South Public Improvement District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, including the Special Assessments in the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability, or the City's performance of the Reviewed Documents, (e) contesting the exclusion of the interest on the Bonds from federal income taxation, or (f) which may result in any material adverse change relating to the financial condition of the City.

3. The Authorizing Documents were duly enacted by the City and remain in full force and effect on the date hereof.

4. The Reviewed Documents have been duly authorized, executed and delivered by the City and remain legal, valid and binding obligations of the City enforceable against the City in accordance with their terms. However, the enforceability of the obligations of the City under such Reviewed Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, or (c) the application of State law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

5. The performance by the City of the obligations under the Authorizing Documents and the Reviewed Documents will not violate any provision of any Federal or State constitutional or statutory provision.

6. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the City as a condition precedent to the performance by the City of its obligations under the Authorizing Documents and the Reviewed Documents.

7. The City has duly authorized and delivered the Preliminary Limited Offering Memorandum.

8. Based upon our limited participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (collectively, the "Limited Offering Memorandum"), the statements and information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum with respect to the City under the captions and subcaptions "ASSESSMENT PROCEDURES — Assessment Methodology" and "— Assessment Amounts," "THE CITY," "THE DISTRICT," "LEGAL MATTERS — Litigation — The City," "CONTINUING DISCLOSURE — The City" and " — The City's Compliance with Prior Undertakings" and "APPENDIX A" are a fair and accurate summary of the laws and the documents and facts summarized therein.

9. The adoption of the Authorizing Documents, the execution and delivery of the Reviewed Documents and the compliance with the provisions of the Authorizing Documents and the Reviewed Documents under the circumstances contemplated thereby, to the best of our knowledge: (a) do not and will not in any material respect conflict with, or constitute on the part of the City, a breach of or default under any agreement to which the City is a party or by which it

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

is bound, and (b) do not and will not in any material respect conflict with, or constitute on the part of the City, a violation, breach of, or default under any existing law, regulation, court order or consent decree to which the City is subject.

The foregoing opinions are, with your concurrence, predicated on, limited by and qualified in their entirety by the following:

(a) The foregoing opinions are based on and limited to the laws of the State of Texas, and we render no opinion with respect to the federal laws of the United States or to the laws of any other jurisdiction.

(b) We express no opinion with respect to the enforceability of provisions of the Reviewed Documents that relate to (i) mediation or arbitration; (ii) limitations or restrictions on, or waiver of, legal or equitable remedies; (iii) indemnity or release; (iv) limitations or restrictions on assignment or transfer of rights, interests or property; (v) the rights or obligations of third parties; (vi) evidentiary standards; (vii) waiver of rights to notice or the obligations of good faith, fair, dealing, diligence or reasonableness; (viii) self-help, subrogation, delay or omission to enforce rights or remedies, contribution or severability; (ix) the availability of specific performance, injunctive relief or any other equitable remedy (regardless of whether such question is considered in a proceeding in equity or at law); (x) fixed, stipulated or liquidated damages; (xi) the making of determinations in the sole and absolute (or similarly described) discretion of a party to the Reviewed Documents; (xii) authorizing any party to exercise any rights other than in accordance with applicable law; (xiii) liability of any party for payment of any amount payable under the Reviewed Documents to the extent such amounts (A) accrue, or are attributable to any period of time, after the termination of any of the Reviewed Documents, (B) allow any other party to recover more than the "benefit of its bargain" or (C) exceed the amount of any party's actual damages; (xiv) rendering inapplicable any otherwise applicable law (other than those laws which by their terms may be rendered inapplicable); (xv) requiring all amendments, waivers and terminations be in writing or requiring disregard of any course of dealing between the parties; (xvi) establishing any obligation of the parties as absolute or unconditional regardless of the occurrence or non-occurrence or existence or non-existence of any event or other state of facts; (xvii) obligations of the parties by reference to and/or incorporation of any provision of any agreement other than the Reviewed Documents, or that consist of or employ provisions (whether operative or definitional) contained in any such other agreement; (xviii) obligating any party to take action it has no legal right to take, or to take or not take an action if taking or failing to take the same would constitute, or aid or abet, a violation of applicable law; (xix) certain agreements of non-signatories, or obligations of signatories with respect to non-signatories or other persons or entities, whether or not signatories, not under the control of such signatories; (xx) selection of venue; (xxi) modifying the time at which any applicable statute of limitation begins to run or at which any cause of action begins to accrue; (xxii) an exemption from any sales or other taxes; (xiii) disclaiming or limiting warranties implied by or required pursuant to law; (xxiv) waiving the defense that an adequate remedy at law exists; and (xxv) waiving any suretyship defenses.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(c) The validity, binding effect, and enforceability of the Reviewed Documents may be limited by (i) applicable bankruptcy, insolvency, reorganization, receivership, moratorium, liquidation, redemption, conservatorship, rearrangement, fraudulent conveyance, or other similar statutes, regulations or laws affecting creditor's rights and remedies generally; (ii) general principles of equity; (iii) judicial discretion; (iv) the exercise by political subdivisions or governmental authorities or corporations acting on their behalf of sovereign or governmental immunity, legislative or governmental powers, police powers, taxing powers, or rights of appropriation; and (v) applicable court decisions relating to a duty or obligation to mitigate damages.

(d) We express no opinion regarding the effect of the laws of usury or similar laws regarding interest rate limitations on the provisions of the Reviewed Documents.

(e) We express no opinion with respect to the matters described on Exhibit B attached to this letter.

(f) The opinions set forth herein are also subject to the qualification that enforceability of the Reviewed Documents may be limited by (i) the provisions of Section 130.002 of the Texas Civil Practice and Remedies Code regarding limitations on indemnifications; (ii) Section 28 of the Texas Property Code regarding prompt payment to contractors and subcontractors; (iii) Section 16.071 of the Texas Civil Practice and Remedies Code regarding the time period for a claimant to give notice of a claim for damages as a condition precedent to the right to sue on a contract; (iv) Section 16.070 of the Texas Civil Practice and Remedies Code regarding permitted contractual limitations on when a claimant may bring suit on a contract; (v) Section 38.02 of the Texas Civil Practice and Remedies Code providing for the notice time period in order for a claimant to recover attorneys' fees; (vi) the "express negligence" and "clear and conspicuous" rules adopted by the Texas Supreme Court, as applied to any indemnity or release provisions in the Reviewed Documents; (vii) Section 35.52 of the Texas Business and Commerce Code; (viii) Section 162.001 et seq. of the Texas Property Code; (ix) Section 302.002 of the Texas Finance Code; (x) Section 28.009 of the Texas Property Code; and (xi) claims of sovereign or governmental immunity by political subdivisions or governmental authorities or corporations acting on their behalf.

We express no opinion as to the laws of any jurisdiction other than the laws of Texas and the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of Texas and the United States of America as currently in effect.

We assume there are no material misstatements in the legal opinions delivered by the other parties and entities to this transaction; and further specifically rely upon Bond Counsel to the City with regard to the Bond Ordinance, Indenture, bond purchase agreement or other documents prepared, delivered or executed in connection with the Bonds and Bond documents, and the Attorney General's review and approval of the transaction.

This opinion letter has been rendered solely for the benefit of the addressees named above in connection with the transactions described therein, and may not be used, circulated, quoted,

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

relied upon or otherwise referred to for any other purpose or by any other person without our prior written consent. This opinion letter does not constitute a warranty or guarantee or an opinion as to matters of fact and should not be construed or relied upon as such. This opinion letter is as of the date hereof only, and we undertake no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein.

Very truly yours,

_____

ATTORNEY FOR THE CITY

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT A TO OPINION LETTER

ADDITIONAL ASSUMPTIONS

In addition to the assumptions contained in the letter to which this Exhibit A is attached, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following additional assumptions:

1. The legal capacity of all natural persons executing the Reviewed Documents;

2. No undue influence, duress, fraud, or deceit exists with respect to the transactions described in the Reviewed Documents, and there has not been any mutual mistake of fact or misunderstanding with respect to the same;

3. The conduct of the parties to the Reviewed Documents has complied, and will comply, with any requirement of good faith, fair dealing, and conscionability;

4. There are no agreements or understandings, written or oral, among the parties to the Reviewed Documents, and there is no usage or trade or course of prior dealing among the parties to the Reviewed Documents that would, in either case, define, supplement, or qualify the terms of the Reviewed Documents;

5. All parties to the Reviewed Documents have complied with all legal requirements that are applicable to them to the extent necessary to authorize such parties to enter into the Reviewed Documents and, except as to the City, the Reviewed Documents are enforceable against the other parties thereto;

6. There has been no modification of any provision of the Reviewed Documents, and no waiver or release of any right or remedy thereunder;

7. All parties to the Reviewed Documents will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Reviewed Documents; and

8. All parties to the Reviewed Documents will obtain all permits and governmental approvals required in the future, and take all actions similarly required, relevant to subsequent consummation of the transactions evidenced by the Reviewed Documents or performance of the Reviewed Documents.

9. There are no material misstatements in the legal opinions delivered pursuant to the Bond Purchase Agreement by: (i) Norton Rose Fulbright US LLP, Bond Counsel to the City; (ii) Haynes and Boone, LLP, Developer's Counsel; and (iii) Shupe Ventura, PLLC, Developer's Special Counsel.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT B TO OPINION LETTER

ADDITIONAL EXCLUSIONS

None of the opinions expressed in the letter to which this Exhibit B is attached include any implied opinion unless such implied opinion is both (a) essential to the legal conclusion reached by the express opinions set forth in this letter and (b) based upon prevailing norms and expectations among experienced lawyers in the State of Texas, reasonable in the circumstances. Moreover, unless explicitly addressed in the letter to which this Exhibit B is attached, our opinions do not address any of the following legal issues or the effects thereof on the transactions evidenced by the Bond Purchase Agreement or any other documents prepared, delivered, or executed in connection with the Bonds (the "***Bond Documents***"), and we specifically express no opinion with respect to the Bond Documents:

1. Federal and State securities laws and regulations administered by the Securities and Exchange Commission and state "***Blue Sky***" laws and regulations.

2. The compliance or noncompliance by the Underwriter, the Trustee, the Developer, any party to the Bond Documents, or the purchasers of the Bonds with any federal and state laws or regulations applicable to the transactions evidenced by the Bond Documents;

3. Compliance with fiduciary duty requirements;

4. Decisions, orders, rules, policies, and regulations of any political subdivision, department, agency, organization, or entity of any kind created under or pursuant to federal law and judicial decisions to the extent they deal with any of the foregoing.

5. Title to any asset or property described or referred to in the Bond Documents or the accuracy or sufficiency of its description;

6. The creation, attachment, perfection, priority or enforcement of any lien, security interest or right of offset purported to be granted under the Bond Documents or created by operation of law;

7. The recordation or filing of any Bond Documents or related documents;

8. Federal and state environmental laws and regulations;

9. Federal and state land use and subdivision laws and regulations;

10. Federal and state tax laws and regulations;

11. Federal patent, copyright and trademark, state trademark, and other federal and state intellectual property laws and regulations;

12. Federal and state racketeering laws and regulations (e.g., RICO);

13. Federal and state health and safety laws and regulations (e.g., OSHA);

14. Federal and state labor laws and regulations;

15. Federal and state laws, regulations and policies concerning (i) national and local emergency, (ii) possible judicial deference to acts of sovereign states, and (iii) criminal and civil forfeiture laws; and

16. Other federal and state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes).

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

APPENDIX D-1

LETTERHEAD OF HAYNES AND BOONE, LLP
DEVELOPER'S COUNSEL

October 6, 2021

City of Celina
142 North Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Norton Rose Fulbright US, LLP
2200 Ross Avenue
Suite 3600
Dallas, Texas 75201-7932

U.S. Bank National Association, as Trustee
111 Filmore Avenue East
St. Paul, Minnesota 55107
Attn: Bond Operations

Messer, Fort & McDonald PLLC
6371 Preston Rd., Suite 200
Frisco, Texas 75034

Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, Texas 75218

$[5,255,000]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

Ladies and Gentlemen:

We have served as Counsel for Hillwood Development Company, LLC, a Texas limited liability company ("***HDC***"), the 100% owner of RE Project Manager, LLC, a Texas limited liability company ("***RE PM***"), the sole general partner of RE Project, LP, a Texas limited partnership, the sole managing member (the "***Managing Member***") of Celina Development, LLC, a Texas limited liability company (the "***Master Developer***") and Lilyana Phase 4, LLC, a Texas limited liability company (the "***Neighborhood Improvement Area #4 Developer***"), collectively referred to as the "***Developer***" in connection with the issuance and sale by the City of Celina, Texas (the "***City***"), of $[5,255,000] "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)" (the "***Bonds***"), pursuant to that certain Indenture of Trust dated as of October 1, 2020 (the "***Indenture***"), by and between the City and U.S. Bank National Association, a national banking association, as trustee (the "***Trustee***"). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements in the development known as "Wells South" located in the City and in the Wells South Public Improvement District.

The Bonds are being sold to FMSbonds, Inc. (the "***Underwriter***"), pursuant to that certain Bond Purchase Agreement dated September 28, 2021 (the "***Bond Purchase Agreement***"), by and between the City and the Underwriter. This opinion is being delivered pursuant to Section 9(b)(iv) of the Bond Purchase Agreement.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

Assumptions and Bases for Opinions and Assurances

In our capacity as Counsel for the Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents being executed, entered into and/or issued, as the case may be, in connection with the issuance of the Bonds (collectively, the "***Material Documents***"):

(1) the PID Reimbursement Agreement – Wells South effective December 7, 2015 executed and delivered by the City and the Master Developer;

(2) the Amended and Restated Development Agreement (Wells South Tract), effective as of April 28, 2015, by and between the City and the George White Family Limited Partnership ("the Original Landowner"), as further amended by that certain First Amendment to Amended and Restated Development Agreement (Wells South Tract), effective February 13, 2018, by and between the City and Master Developer, as successor in interest to the Original Landowner, and any future amendments thereto (the "Development Agreement");

(3) the Developer Letter of Representations executed by the Developer as of September 28, 2021; and

(4) the Continuing Disclosure Agreement of the Developer with respect to the Bonds dated as of October 1, 2021, executed and delivered by the Developer, MuniCap, Inc., as PID Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent.

(b) Each of the documents and certificates described in ***Exhibit A*** attached hereto and made a part hereof (the items in paragraphs (i), (iv), (vi), (ix), (x) (xiii), (xiv), (xvii), (xix) and (xxii) are hereinafter referred to as the "***Developer Basic Documents***");

(c) Certificates from the Secretary of State of the State of Texas listed on ***Exhibit A*** indicating that each of the Master Developer and the Neighborhood Improvement Area #4 Developer; are in existence in the State of Texas (each, a "***Texas Existence Certificate,***" and collectively, the "***Texas Existence Certificates***");

(d) Statements of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts and listed on ***Exhibit A***, which statements indicate that, as of the dates and times thereof, the right of each of the Master Developer and the Neighborhood Improvement Area #4 Developer to transact business in Texas was "***active***" (each, an "***FTAS Page,***" and collectively, the "***FTAS Pages***");

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(e) The Preliminary Limited Offering Memorandum, dated September 17, 2021, relating to the issuance of the Bonds (the "***Preliminary Limited Offering Memorandum"***);

(f) The final Limited Offering Memorandum, dated September 28, 2021, relating to the issuance of the Bonds (collectively with the Preliminary Limited Offering Memorandum, the "***Limited Offering Memorandum***"); and

(g) Such other documents, records, agreements, and certificates of the Master Developer, the Neighborhood Improvement Area #4 Developer, and their respective constituent parties and such other parties as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

As to questions of fact material to the opinions set for herein, we have, without independent verification of their accuracy, relied to the extent we deem reasonably appropriate upon the representations and warranties of the parties to the Material Documents made in such documents and other certificates.

In making such examinations of the documents referenced above, (including the Material Documents), we have assumed with your consent: (a) the genuineness of all signatures, (b) the authenticity of all documents submitted to us as originals, (c) the conformity to original documents of all documents submitted to us as photostatic or certified copies, (d) the authenticity of the originals of the documents referred to in the immediately preceding clause (c), (e) the prompt and proper recordation of any of such documents for which recordation is anticipated, (f) the legal capacity of natural persons signing such documents on behalf of the parties thereto, (g) that the laws of any jurisdiction other than the jurisdictions that are the subject of this opinion letter do not affect the plain meaning of the terms of such documents, and (h) the correctness and accuracy of all the representations and warranties and certificates upon which we have relied, as described above. In addition, ***except to the extent expressly opined in the opinion paragraphs below***, we have assumed with your consent (i) that each party to such documents is validly existing and in good standing under the laws of the state of its formation or organization and has the full power, authority and legal right to enter into and perform all agreements to which it is a party, (j) that such documents have been duly authorized, executed and delivered by each party thereto, (k) that the execution and delivery by each party of, and performance of its agreements in, such documents do not (A) violate such party's formation or organizational documents, (B) breach or result in a default under any existing obligation of such party under any agreements, contracts or instruments to which such party is a party, or (C) violate or contravene any law, statute, rule or regulation applicable to such party, (l) all required orders, consents, approvals, licenses, authorizations, validations, filings recordings, and registrations with, or exemptions by, all governmental authorities have been obtained and remain in full force and effect for the execution, delivery and performance by each party thereto, and (m) that each such document constitutes the valid, binding and enforceable agreement of all the parties thereto.

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

1. The Master Developer is (a) a limited liability company, (b) based solely upon the relevant Texas Existence Certificate, validly existing under the laws of the State of Texas, and (c) based solely upon the relevant FTAS Page, in good standing under the laws of the State of Texas.

2. The Neighborhood Improvement Area #4 Developer is (a) a limited liability company, (b) based solely upon the relevant Texas Existence Certificate, validly existing under the laws of the State of Texas, and (c) based solely upon the relevant FTAS Page, in good standing under the laws of the State of Texas.

3. The Developer has the limited liability company power and authority under the *Texas Business Organizations Code* and the Developer Basic Documents to execute, deliver and perform its obligations under the Material Documents to which it is a party. The execution and delivery by the Developer of each Material Document to which it is a party, and the performance by the Developer of its agreements set forth therein, have been duly authorized by all necessary limited liability company action under the *Texas Business Organizations Code* and the Developer Basic Documents.

4. The execution and delivery by the Developer of the Material Documents and the performance by the Developer of its obligations under the Material Documents will not (i) violate any Applicable Law (as defined in Schedule I attached hereto); (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Officer's Certificate of Hillwood Development Company, LLC, dated as of the date hereof (the "***Developer Certificate***") or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Developer to perform its obligations under the Material Documents to which it is a party; or (iii) constitute a violation of its limited liability company agreement or certificate of formation.

5. No Governmental Approval (as defined in Schedule I attached hereto) which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a condition to (a) the execution and delivery by the Developer of the Material Documents to which it is a party, or (b) the performance by the Developer of its obligations under the Material Documents to which it is a party, except for Governmental Approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with Applicable Laws).

6. The Material Documents to which the Developer is a party have been duly executed and delivered by the Developer and constitute the legal, valid, and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part.

7. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject and which have been identified in the Developer Certificate which

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

violation, breach or default would materially adversely affect the Developer or its performance of its obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Developer, except as expressly described in the Material Documents (a) under Applicable Law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

8. The information set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions "***PLAN OF FINANCE,***" (except for the information under the subcaption "***—THE BONDS***" "***—PRIOR BOND ISSUANCES***," "***THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS,***" "***THE DEVELOPMENT,***" and "***THE DEVELOPER,***" and, to the best of our knowledge, under the captions "***BONDHOLDERS' RISKS***" (only as it pertains to the Developer, the Neighborhood Improvement Area #4 Improvements and the Development), "***LEGAL MATTERS — Litigation – The Developer,***" "***CONTINUING DISCLOSURE – The Developer***" and "***— the Developer's Compliance with Prior Undertakings,***" "***Appendix E-2***" ***and*** "***Appendix F***" adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

In addition, based upon our participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and our participation at conferences with representatives of the City and its counsel, and with representatives of the Developer at which the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any amendment or supplement thereto, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph, with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of September 17, 2021, and with respect to the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Furthermore, during the last twelve months, we have not been engaged to give substantive attention to, or represent the Developer in connection with, any actions, suits or proceedings pending in any court of law or equity, or before or by any governmental instrumentality that, if decided adversely to the Developer, could have a material adverse effect on the Developer with respect to (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the validity or enforceability against it of such Material Documents or the transactions described therein; (iv) the titles of the parties executing the Material Documents; (v) the operations or financial condition of the Developer; or (vi) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

We express no opinion as to the laws of any jurisdiction other than the laws of Texas and the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of Texas and the United States of America as currently in effect. This opinion is rendered solely as the date hereof, and we assume no obligation to supplement this opinion if any Applicable Laws change after the date of this opinion, or if we become aware of any facts that might change the opinions expressed above after the date of this opinion.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Schedule I

As used herein, "***Applicable Law***" means the laws, rules and regulations of the State of Texas and the United States of America and the rules and regulations adopted thereunder; for the avoidance of doubt, the foregoing shall not include any local or municipal laws, environmental laws or regulations, development laws or regulations, land ordinances or water management laws or regulations.

As used herein, "***Governmental Approval***" means any consent, approval, license, authorization or validation of, or filing, recording or registration with, any Governmental Authority of the State of Texas or any governmental authority or instrumentality of the United States of America pursuant to any Applicable Law.

As used herein, "***Governmental Authority***" means the government of the State of Texas, and any agency, authority, statewide subdivision instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to such government.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT A

ATTACHMENT TO OPINION OF COUNSEL FOR THE DEVELOPER

(a) Officer's Certificate of Hillwood Development Company, LLC, dated as of the date hereof, to which are attached, among other things, the following:

(i) Articles of Organization of HDC certified by the Secretary of State of the State of Texas on March 31, 2016, and all amendments thereto;

(ii) Certificate of Fact with respect to the existence of HDC, dated _____, 2021;

(iii) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2021, at _____ _.m., which statement indicates that, as of the date and time thereof, the right of HDC to transact business in Texas is "***active***";

(iv) First Amended and Restated Limited Liability Company Agreement of HDC, dated February 1, 2004;

(v) Written Consent of the Managers of HDC, dated on or about the date hereof;

(vi) Certificate of Formation of RE PM certified by the Secretary of State of the State of Texas on March 31, 2016 and all amendments thereto;

(vii) Certificate of Fact with respect to the existence of RE PM, dated _____, 2021;

(viii) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2021, at ____ p.m., which statement indicates that, as of the date and time thereof, the right of RE PM to transact business in Texas is "***active***";

(ix) Limited Liability Company Agreement of RE PM, dated October 23, 2012;

(x) Certificate of Formation of the Managing Member, certified by the Secretary of State of the State of Texas on November 6, 2012, and all amendments thereto;

(xi) Certificate of Fact with respect to the existence of the Managing Member, dated _____, 2021;

(xii) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2021 at _____ _.m., which statement indicates that, as of the date and time thereof, the right of the Managing Member to transact business in Texas is "***active***";

(xiii) Agreement of Limited Partnership of the Managing Member, dated November 6, 2012, together with an Assignment of Limited Partnership Interest in the Managing Member, dated March 1, 2013;

(xiv) Certificate of Formation of Master Developer, certified by the Secretary of State of the State of Texas on September 10, 2015;

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(xv) Certificate of Fact with respect to the existence of Master Developer, dated _____, 2021;

(xvi) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2021, at _____ _.m., which statement indicates that, as of the date and time thereof, the right of the Master Developer to transact business in Texas is "***active***";

(xvii) Limited Liability Company Agreement of the Master Developer, dated September 9, 2015;

(xviii) Written Consent of the Members of Master Developer, dated on or about the date hereof.;

(xix) Certificate of Formation of Neighborhood Improvement Area #4 Developer, certified by the Secretary of State of the State of Texas on _____;

(xx) Certificate of Fact with respect to the existence of Neighborhood Improvement Area #4 Developer, dated _____, 2021;

(xxi) Statement of Franchise Tax Account Status obtained through the website of the Texas Comptroller of Public Accounts, accessed _____, 2021 at _.m., which statement indicates that, as of the date and time thereof, the right of the Neighborhood Improvement Area #4 Developer to transact business in Texas is "***active***";

(xxii) Limited Liability Company Agreement of the Neighborhood Improvement Area #4 Developer, dated _____; and

(xxiii) Written Consent of the Members of Neighborhood Improvement Area #4 Developer, dated on or about the date hereof.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

APPENDIX D-2

LETTERHEAD OF SHUPE VENTURA, PLLC
DEVELOPER' SPECIAL COUNSEL

October 6, 2021

City of Celina
142 North Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Norton Rose Fulbright US, LLP
2200 Ross Avenue
Suite 3600
Dallas, Texas 75201-7932

U.S. Bank National Association, as Trustee
111 Filmore Avenue East
St. Paul, Minnesota 55107
Attn: Bond Operations

Messer, Fort & McDonald PLLC
6371 Preston Rd., Suite 200
Frisco, Texas 75034

Haynes & Boone, LLP
1221 McKinney Street
Houston, Texas 77010

$[5,255,000]
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

Ladies & Gentlemen:

We have acted as special counsel to Celina Development, LLC, a Texas limited liability company (the "*Master Developer*") and Lilyana Phase 4, LLC, a Texas limited liability company (the "*Neighborhood Improvement Area #4 Developer*"), collectively referred to as the "*Developer*" in connection with the issuance and sale by the City of Celina, Texas (the "*City*"), of $[5,255,000] "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)" (the "*Bonds*"), pursuant to that certain Indenture of Trust dated as of October 1, 2021 (the "*Indenture*"), by and between the City and U.S. Bank National Association, a national banking association, as trustee (the "*Trustee*"). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements in the development known as "Wells South" located in the City and in the Wells South Public Improvement District.

The Bonds are being sold to FMSbonds, Inc. (the "*Underwriter*"), pursuant to that certain Bond Purchase Agreement dated September 28, 2021 (the "*Bond Purchase Agreement*"), between the City and the Underwriter. This opinion is being delivered pursuant to Section ___(___) of the Bond Purchase Agreement.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

In our capacity as special counsel to the Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents to which the Developer is a party (collectively, the "*Reviewed Documents*"):

(1) the *PID Reimbursement Agreement Wells South* effective December 7, 2015 executed and delivered by the City and the Master Developer;

(2) the *Amended and Restated Development Agreement (Wells South Tract),* between the City and the George White Family Limited Partnership, as original landowner, effective as of September 8, 2015, as amended by that certain *First Amendment to Amended and Restated Development Agreement (Wells South Tract)*, between the City and Master Developer, effective as of February 13, 2018, as the same may be amended from time to time;

(3) the *Developer Letter of Representations* executed by the Developer as September 28, 2021; and

(4) the *Continuing Disclosure Agreement of the Developer* with respect to the Bonds dated as of October 1, 2021, executed and delivered by the Developer, MuniCap, Inc., as PID Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent.

(b) The *Preliminary Limited Offering Memorandum,* dated September 17, 2021, relating to the issuance of the Bonds;

(c) The final *Limited Offering Memorandum* dated September 28, 2021, relating to the issuance of the Bonds; and

(d) Such other documents, records, agreements and certificates of the Developer as we have deemed necessary or appropriate to render the opinions expressed below.

In rendering the opinions expressed below, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following assumptions: (a) the due authorization, execution and delivery of each of the Reviewed Documents by all parties thereto other than the Developer; (b) the genuineness of all signatures to the Reviewed Documents; (c) the correctness and truthfulness of all the statements of fact contained in the Reviewed Documents; (d) the authenticity of the Reviewed Documents; (e) the conformity to original documents of the Reviewed Documents submitted to us as copies; and (f) the additional assumptions set forth on **Exhibit A** attached to this letter and the exclusions set forth on **Exhibit B** attached to this letter. Our opinions are limited to matters expressly stated herein and no opinion is to be inferred or may be implied beyond the matters expressly stated.

In rendering the opinions set forth below, we have also relied upon: (a) the representations and warranties contained in the Reviewed Documents; (b) the resolutions and other documents of the parties to the Reviewed Documents authorizing or approving the Reviewed Documents; (c) the Closing Certificate of the Developer delivered pursuant to the Bond Purchase Agreement; (d) the legal opinion delivered pursuant to the Bond Purchase Agreement by Haynes and Boone, LLP, Developer's Counsel; and (e) the legal opinion delivered pursuant to the Bond Purchase Agreement by Messer, Fort & McDonald, PLLC, special counsel to the City (collectively, the "Reliance Materials"). We have not made any independent or other investigation, review, analysis, or inquiry as to any of the facts, matters, circumstances or legal opinions or conclusions contained in the Reviewed Documents or Reliance

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Materials or the accuracy or completeness thereof. Additionally, we have assumed that none of the Reviewed Documents or Reliance Materials contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances in which they are made, not misleading. We have not made any examination of any accounting or financial matters, and we express no opinion with respect thereto.

The opinions expressed herein are subject to the correctness in understanding that no beneficiary to this opinion letter may rely on this opinion letter to the extent that such beneficiary or its counsel has actual knowledge of any applicable laws, facts, or circumstances which would make any opinion expressed herein incorrect, subject to question, or require further investigation of any laws, facts or circumstances.

Whenever our opinion or advice with respect to the existence or absence of facts is indicated to be based on our knowledge, we are referring to the actual knowledge of the Shupe Ventura, PLLC attorneys who have given substantive attention to matters concerning the Developer during the course of our representation of the Developer in connection with the Reviewed Documents, which knowledge has been obtained by such attorneys in their capacity as such. In particular, our response does not include matters known to any attorney of our firm in a capacity other than as special counsel to the Developer. Further, the words "our knowledge," "our actual knowledge" and similar expressions used in this opinion letter are intended to be limited to the actual knowledge of Misty Ventura, Corey Admire, and Roxanne Sheehan of our firm who have been directly involved in representing the Developer. We have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to our knowledge concerning such facts should be drawn from the fact that such limited representation has been undertaken by us.

Based upon the foregoing, but subject to the assumptions, qualifications, and limitations set forth both above and below, and having due regard for such legal considerations as we deem relevant, we are of the opinion that:

1. The Reviewed Documents constitute legal, valid, and binding obligations of and are enforceable against the Developer in accordance with their respective terms.

2. The execution, delivery, and performance by the Developer of its obligations under the Reviewed Documents do not violate any existing laws of the State of Texas applicable to the Developer or any ordinances of the City applicable to the Developer.

3. No consents or approvals are required from the City, the State of Texas, or any other political subdivision or agency of the State of Texas in connection with the execution, delivery, and performance by the Developer of its obligations under the Reviewed Documents except those consents and approvals: (i) already obtained; (ii) required or described in the express terms of the Reviewed Documents; and (iii) that are necessary for the Developer to perform its obligations under the Reviewed Documents and are ordinarily and customarily required to develop land within the City and to operate the businesses of the Developer that are described in the Reviewed Documents.

The foregoing opinions are, with your concurrence, predicated on, limited by and qualified in their entirety by the following:

(a) The foregoing opinions are based on and limited to the laws of the State of Texas, and we render no opinion with respect to the federal laws of the United States or to the laws of any other jurisdiction.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(b) We express no opinion with respect to the enforceability of provisions of the Reviewed Documents that relate to (i) mediation or arbitration; (ii) limitations or restrictions on, or waiver of, legal or equitable remedies; (iii) indemnity or release; (iv) limitations or restrictions on assignment or transfer of rights, interests or property; (v) the rights or obligations of third parties; (vi) evidentiary standards; (vii) waiver of rights to notice or the obligations of good faith, fair, dealing, diligence or reasonableness; (viii) self-help, subrogation, delay or omission to enforce rights or remedies, contribution or severability; (ix) the availability of specific performance, injunctive relief or any other equitable remedy (regardless of whether such question is considered in a proceeding in equity or at law); (x) fixed, stipulated or liquidated damages; (xi) the making of determinations in the sole and absolute (or similarly described) discretion of a party to the Reviewed Documents; (xii) authorizing any party to exercise any rights other than in accordance with applicable law; (xiii) liability of any party for payment of any amount payable under the Reviewed Documents to the extent such amounts (A) accrue, or are attributable to any period of time, after the termination of any of the Reviewed Documents, (B) allow any other party to recover more than the "benefit of its bargain" or (C) exceed the amount of any party's actual damages; (xiv) rendering inapplicable any otherwise applicable law (other than those laws which by their terms may be rendered inapplicable); (xv) requiring all amendments, waivers and terminations be in writing or requiring disregard of any course of dealing between the parties; (xvi) establishing any obligation of the parties as absolute or unconditional regardless of the occurrence or non-occurrence or existence or non-existence of any event or other state of facts; (xvii) obligations of the parties by reference to and/or incorporation of any provision of any agreement other than the Reviewed Documents, or that consist of or employ provisions (whether operative or definitional) contained in any such other agreement; (xviii) obligating any party to take action it has no legal right to take, or to take or not take an action if taking or failing to take the same would constitute, or aid or abet, a violation of applicable law; (xix) certain agreements of non-signatories, or obligations of signatories with respect to non-signatories or other persons or entities, whether or not signatories, not under the control of such signatories; (xx) selection of venue; (xxi) modifying the time at which any applicable statute of limitation begins to run or at which any cause of action begins to accrue; (xxii) an exemption from any sales or other taxes; (xiii) disclaiming or limiting warranties implied by or required pursuant to law; (xxiv) waiving the defense that an adequate remedy at law exists; and (xxv) waiving any suretyship defenses.

(c) The validity, binding effect, and enforceability of the Reviewed Documents may be limited by (i) applicable bankruptcy, insolvency, reorganization, receivership, moratorium, liquidation, redemption, conservatorship, rearrangement, fraudulent conveyance, or other similar statutes, regulations or laws affecting creditor's rights and remedies generally; (ii) general principles of equity; (iii) judicial discretion; (iv) the exercise by political subdivisions or governmental authorities or corporations acting on their behalf of sovereign or governmental immunity, legislative or governmental powers, police powers, taxing powers, or rights of appropriation; and (v) applicable court decisions relating to a duty or obligation to mitigate damages.

(d) We express no opinion regarding the effect of the laws of usury or similar laws regarding interest rate limitations on the provisions of the Reviewed Documents.

(e) We express no opinion with respect to the matters described on Exhibit B attached to this letter.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(f) The opinions set forth herein are also subject to the qualification that enforceability of the Reviewed Documents may be limited by (i) the provisions of Section 130.002 of the Texas Civil Practice and Remedies Code regarding limitations on indemnifications; (ii) Section 28 of the Texas Property Code regarding prompt payment to contractors and subcontractors; (iii) Section 16.071 of the Texas Civil Practice and Remedies Code regarding the time period for a claimant to give notice of a claim for damages as a condition precedent to the right to sue on a contract; (iv) Section 16.070 of the Texas Civil Practice and Remedies Code regarding permitted contractual limitations on when a claimant may bring suit on a contract; (v) Section 38.02 of the Texas Civil Practice and Remedies Code providing for the notice time period in order for a claimant to recover attorneys' fees; (vi) the "express negligence" and "clear and conspicuous" rules adopted by the Texas Supreme Court, as applied to any indemnity or release provisions in the Reviewed Documents; (vii) Section 35.52 of the Texas Business and Commerce Code; (viii) Section 162.001 et seq. of the Texas Property Code; (ix) Section 302.002 of the Texas Finance Code; (x) Section 28.009 of the Texas Property Code; and (xi) claims of sovereign or governmental immunity by political subdivisions or governmental authorities or corporations acting on their behalf.

(g) The opinions expressed herein are based on our consideration of laws of the State of Texas which, in our experience, are normally applicable to transactions of the type described in the Reviewed Documents.

This opinion letter has been rendered solely for the benefit of the addressees named above in connection with the Bond Purchase Agreement and the transactions described therein, and may not be used, circulated, quoted, relied upon or otherwise referred to for any other purpose or by any other person without our prior written consent. A copy of this opinion letter may be delivered by the Underwriter in connection with the issuance of the Bonds, and the Underwriter may rely on the opinions expressed above. This opinion letter does not constitute a warranty or guarantee or an opinion as to matters of fact and should not be construed or relied upon as such. This opinion letter is as of the date hereof only, and we undertake no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein.

Very truly yours,

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT A TO OPINION LETTER

ADDITIONAL ASSUMPTIONS

In addition to the assumptions contained in the letter to which this Exhibit A is attached, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following additional assumptions:

1. The legal capacity of all natural persons executing the Reviewed Documents;

2. No undue influence, duress, fraud, or deceit exists with respect to the transactions described in the Reviewed Documents, and there has not been any mutual mistake of fact or misunderstanding with respect to the same;

3. The conduct of the parties to the Reviewed Documents has complied, and will comply, with any requirement of good faith, fair dealing, and conscionability;

4. There are no agreements or understandings, written or oral, among the parties to the Reviewed Documents, and there is no usage or trade or course of prior dealing among the parties to the Reviewed Documents that would, in either case, define, supplement, or qualify the terms of the Reviewed Documents;

5. All statutes and ordinances enacted by an official legislative body were validly enacted and are constitutional, and all rules and regulations promulgated or issued by an official administrative body and not adjudicated invalid or unenforceable are valid and enforceable;

6. All parties to the Reviewed Documents have complied with all legal requirements that are applicable to them to the extent necessary to authorize such parties to enter into the Reviewed Documents and, except as to the Developer, the Reviewed Documents are enforceable against the other parties thereto;

7. There has been no modification of any provision of the Reviewed Documents, and no waiver or release of any right or remedy thereunder;

8. All parties to the Reviewed Documents will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Reviewed Documents; and

9. All parties to the Reviewed Documents will obtain all permits and governmental approvals required in the future, and take all actions similarly required, relevant to subsequent consummation of the transactions evidenced by the Reviewed Documents or performance of the Reviewed Documents.

10. There are no material misstatements in the legal opinions delivered pursuant to the Bond Purchase Agreement by: (i) Norton Rose Fulbright US LLP, Bond Counsel to the City; (ii) Messer, Fort & McDonald, PLLC, special counsel to the City; and (iii) Haynes and Boone, LLP, Developer's Counsel.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT B TO OPINION LETTER

ADDITIONAL EXCLUSIONS

None of the opinions expressed in the letter to which this Exhibit B is attached include any implied opinion unless such implied opinion is both (a) essential to the legal conclusion reached by the express opinions set forth in this letter and (b) based upon prevailing norms and expectations among experienced lawyers in the State of Texas, reasonable in the circumstances. Moreover, unless explicitly addressed in the letter to which this Exhibit B is attached, our opinions do not address any of the following legal issues or the effects thereof on the transactions evidenced by the Bond Purchase Agreement or any other documents prepared, delivered, or executed in connection with the Bonds (the "Bond Documents"), and we specifically express no opinion with respect to the Bond Documents:

1. Federal and State securities laws and regulations administered by the Securities and Exchange Commission and state "Blue Sky" laws and regulations.

2. The compliance or noncompliance by the Underwriter, the Trustee, the City, any party to the Bond Documents, or the purchasers of the Bonds with any federal and state laws or regulations applicable to the transactions evidenced by the Bond Documents;

3. Compliance with fiduciary duty requirements;

4. Decisions, orders, rules, policies, and regulations of any political subdivision, department, agency, organization, or entity of any kind created under or pursuant to federal law and judicial decisions to the extent they deal with any of the foregoing.

5. Title to any asset or property described or referred to in the Bond Documents or the accuracy or sufficiency of its description;

6. The creation, attachment, perfection, priority or enforcement of any lien, security interest or right of offset purported to be granted under the Bond Documents or created by operation of law;

7. The recordation or filing of any Bond Documents or related documents;

8. Federal and state environmental laws and regulations;

9. Federal and state land use and subdivision laws and regulations;

10. Federal and state tax laws and regulations;

11. Federal patent, copyright and trademark, state trademark, and other federal and state intellectual property laws and regulations;

12. Federal and state racketeering laws and regulations (e.g., RICO);

13. Federal and state health and safety laws and regulations (e.g., OSHA);

14. Federal and state labor laws and regulations;

15. Federal and state laws, regulations and policies concerning (i) national and local emergency, (ii) possible judicial deference to acts of sovereign states, and (iii) criminal and civil forfeiture laws;

16. Other federal and state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes); and

17. The Bond Purchase Agreement, Indenture, Preliminary Limited Offering Memorandum, final Limited Offering Memorandum, and any other Bond Documents.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT E

CLOSING CERTIFICATE OF DEVELOPER

Celina Development, LLC, a Texas limited liability company (the "*Master Developer*"), and Lilyana Phase 4, LLC, a Texas limited liability company (the "*Neighborhood Improvement Area #4 Developer*"), collectively referred to as the "*Developer*", DO HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

1. The Master Developer is a Texas limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. The Neighborhood Improvement Area #4 Developer is a Texas limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

3. Representatives of the Developer have provided information to the City of Celina, Texas (the "*City*") and FMSbonds, Inc. (the "*Underwriter*") to be used in connection with the offering by the City of its $[5,255,000] aggregate principal amount of Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project) (the "*Bonds*"), pursuant to the Preliminary Limited Offering Memorandum, dated September 17, 2021 (the "*Preliminary Limited Offering Memorandum*"), and Limited Offering Memorandum dated September 28, 2021 (the "*Limited Offering Memorandum*").

4. The Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Developer's organizational documents, and such documents have not been amended or supplemented since delivery to the Underwriter and the City and are in full force and effect as of the date hereof.

5. The Developer has delivered to the Underwriter and the City a (i) Certificate of Good Standing from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

6. The Developer has executed and delivered each of the below listed documents (individually, a "*Developer Document*" and collectively, the "*Developer Documents*") in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms:

(a) that certain Developer Letter of Representations, dated September 28, 2021;

(b) the PID Reimbursement Agreement Wells South effective December 7, 2015, executed and delivered by the City and the Master Developer;

(c) the Amended and Restated Development Agreement (Wells South Tract) effective as of April 28, 2015, by and between the City and the George White Family Limited Partnership (the "Original Landowner"), as further amended by that certain First

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Amendment to Amended and Restated Development Agreement (Wells South Tract) effective February 13, 2018, by and between the City and the Master Developer, as successor in interest to the Original Landowner, and any future amendments thereto (the "Development Agreement"); and

(d) the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of October 1, 2021, executed and delivered by the Developer, MuniCap, Inc., as PID Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

7. The Neighborhood Improvement Area #4 Developer owned all of the Neighborhood Improvement Area #4 Assessed Property (as defined in the Service and Assessment Plan) located in Neighborhood Improvement Area #4 of the District on the date that the Assessment Ordinance was adopted and such landowner is not an entity that may claim a homestead right under Texas law.

8. The representations and warranties of the Developer contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

9. The Developer has complied in all material respects with all of the Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

10. The execution and delivery of the Developer Documents by the Developer does not violate any judgment, order, writ, injunction or decree binding on the Developer or any indenture, agreement, or other instrument to which the Developer is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Limited Offering Memorandum.

11. The Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in the maps of the District therein and under the captions and subcaptions "PLAN OF FINANCE" (except for the information under the subcaption "— The Bonds"), "THE NEIGHBORHOOD IMPROVEMENT AREA #4 IMPROVEMENTS," "THE DEVELOPMENT" and "THE DEVELOPER" and, to the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Neighborhood Improvement Area #4 Improvements, and the Development, as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "APPENDIX E-2" and "APPENDIX F" and certifies that the same 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 therein, in light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum and the date hereof, respecting

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

the Developer and the portion of the Development owned by the Developer, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Preliminary Limited Offering Memorandum or Limited Offering Memorandum.

12. To the Developer's knowledge, the Developer is in compliance in all material respects with all provisions of applicable law relating to the Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Developer's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Developer or any portion of the Development that would materially and adversely affect the Developer's ability to complete or cause to be completed the development of the District as described in the Limited Offering Memorandum; and (b) the Developer has no reason to believe that any additional permits, consents and licenses required to complete the Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

13. The Developer is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

14. The levy of the Special Assessments on property in Neighborhood Improvement Area #4 of the District will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture or other instrument to which the Developer is a party or to which the Developer or any of its property or assets is subject.

15. The Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the Developer's ability to perform its obligations under the Developer Documents.

16. The Developer has no knowledge of any physical condition of the Development owned or to be developed by the Developer that currently requires, or currently is reasonably expected to require in the process of development investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

[*Signature page follows.*]

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Dated: [, 2021]

DEVELOPER:

Celina Development, LLC
a Texas limited liability company

By:_____

Name:_____

Title:_____

Lilyana Phase 4, LLC
a Texas limited liability company

By:_____

Name:_____

Title:_____

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

APPENDIX F

LETTERHEAD OF INTEGRA REALTY RESOURCES – DFW

October 6, 2021

City of Celina, Texas
101 Main Street
Celina, Texas 76052

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201

U.S. Bank National Association, as Trustee
111 Filmore Avenue East
St. Paul, Minnesota 55107
Attn: Bond Operations

Re: City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project) (the "Bonds")

Ladies and Gentlemen:

The undersigned, an authorized representative of Integra Realty Resources – DFW ("Appraiser"), the appraiser of the undeveloped property contained in Wells South Public Improvement District (the "District"), does hereby represent the following:

1. Appraiser has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated September 17, 2021 and the Limited Offering Memorandum for the Bonds, dated September 28, 2021 (together, the "Limited Offering Memorandum"), relating to the issuance of the Bonds by the City of Celina, Texas, as described above. The information Appraiser provided for the Limited Offering Memorandum is the real estate appraisal of the property in Neighborhood Improvement Area #4 of the District, located in APPENDIX F to the Limited Offering Memorandum, and the description thereof, set forth under the caption "APPRAISAL — The Appraisal."

2. To the best of my professional knowledge and belief, as of the date of my appraisal report, the portion of the Limited Offering Memorandum described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

3. Appraiser agrees to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of its name in the Limited Offering Memorandum for the Bonds.

4. Appraiser agrees that, to the best of its ability, it will inform you immediately should it learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about October 6, 2021) which would render any such information in the Limited Offering Memorandum

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

untrue, incomplete, or incorrect, in any material fact or render any statement in the Appraisal materially misleading.

5. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representations.

Sincerely yours,

INTEGRA REALTY RESOURCES – DFW

By: _____
Its: _____

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

APPENDIX G

LETTERHEAD OF MUNICAP, INC.

October 6, 2021

City of Celina, Texas
142 N. Ohio Street
Celina, Texas 76201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-2784

U.S. Bank National Association
111 Filmore Avenue East
St. Paul, Minnesota 55107

Re: City of Celina, Texas, Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project) (the "Bonds")

Ladies and Gentlemen:

The undersigned, an authorized representative of MuniCap, Inc. ("MuniCap", "we" or "our"), consultant in connection with the creation by the City of Celina, Texas (the "City"), of Wells South Public Improvement District (the "District"), does hereby represent the following:

1. MuniCap has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated September 17, 2021, and the final Limited Offering Memorandum for the Bonds, dated September 28, 2021 (together, the "Limited Offering Memorandum"), relating to the issuance of the Bonds by the City, as described above. The information MuniCap provided for the Limited Offering Memorandum is located (a) under the captions "ASSESSMENT PROCEDURES" and "THE PID ADMINISTRATOR" and (b) in the Service and Assessment Plan (the "SAP") for the City located in APPENDIX C to the Limited Offering Memorandum.

2. To our professional knowledge and belief, the portions of the Limited Offering Memorandum described above do not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

3. We agree to the inclusion of the SAP in the Limited Offering Memorandum and to the use of our name in the Limited Offering Memorandum for the Bonds.

4. We agree that, to the best of our ability, we will inform you immediately should we learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about October 6, 2021) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

5. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representation.

Sincerely yours,

MUNICAP, INC.

By: _____

Its: _____

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of October 1, 2021 (this "Disclosure Agreement") is executed and delivered by and between the City of Celina, Texas (the "Issuer"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the "Dissemination Agent") with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)" (the "Bonds"). The Issuer and the Dissemination Agent covenant and agree as follows:

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

SECTION2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of October 1, 2021, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, as amended or supplemented, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Administrative Expenses" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall mean the Issuer or a designee thereof who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The initial Administrator is MuniCap, Inc.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Annual Issuer Report" shall mean any Annual Issuer Report prepared by the Issuer pursuant to, and as described in, Section 3, containing the information required by Section 4 of this Disclosure Agreement.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

"Annual Service Plan Update" shall have the meaning assigned to such term in Section 4(a)(ii) of this Disclosure Agreement.

"Assessed Parcel" means each parcel of land located within Neighborhood Improvement Area #4 of the District against which a Special Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

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

"Developer" shall mean, collectively, the Neighborhood Improvement Area #4 Developer, the Master Developer and the Affiliates of such entities.

"Disclosure Agreement of the Developer" shall mean the Continuing Disclosure Agreement of the Developer dated as of October 1, 2021 executed and delivered by the Developer and the Dissemination Agent.

"Disclosure Representative" shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Wells South Public Improvement District.

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

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the twelve consecutive months beginning on October 1 and ending on September 30, as same may be changed in accordance with section 3 below.

"Foreclosure Proceeds" shall have the meaning assigned to such term in the Indenture.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

"Master Developer" shall mean Celina Development, LLC, a Texas limited liability company, its successors and assigns.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reporting pursuant to the Rule.

"Neighborhood Improvement Area #4" means the fourth phase to be developed within the District and further identified and depicted in Appendix B-5 in the Service and Assessment Plan.

"Neighborhood Improvement Area #4 Developer" means Lilyana Phase 4, LLC, a Texas limited liability company, its successors and assigns.

"Neighborhood Improvement Area #4 Improvements" shall have the meaning assigned to such term in the Indenture.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"PID Act" means Chapter 372, Texas Local Government Code, as amended.

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

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have meaning assigned to such term in the Indenture.

"Special Assessments" means the aggregate assessments, as shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, including the portion to be paid for Administrative Expenses, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel, or consolidation of multiple Assessed Parcels, or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"Trustee" shall mean U.S. Bank National Association, Dallas, Texas or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) The Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, commencing with the Fiscal Year ended September 30, 2021, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement; provided that the audited financial

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and later than the date required in this paragraph for the filing of the Annual Issuer Report if audited financial statements are not available by that date; provided further, however, that the Annual Financial Information must be submitted not later than six months after the end of the Issuer's Fiscal Year. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a). All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If by the fifth (5th) day before the filing date required under Section 4 of this Disclosure Agreement, the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the filing date required under Section 4 of this Disclosure Agreement; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report within the time required under this Disclosure Agreement, state the date by which the Annual Issuer Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than six months after the end of each Fiscal Year; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day of the six month period after the end of the Fiscal Year.

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

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

(ii) file the Annual Issuer Report (excluding the audited financial statements of the Issuer, if any, which shall be filed by the Issuer or the Dissemination Agent upon receipt from the Issuer) containing or incorporating by reference the information set forth in Section 4 hereof; and

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

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

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

(a) Within six months after the end of each Fiscal Year (any or all of which may be unaudited),

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding; and

(B) The amounts in the funds and accounts securing the Bonds.

(ii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "Annual Service Plan Update"), including any changes to the methodology for levying the Special Assessments. Until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Special Assessments levied within Neighborhood Improvement Area #4, such Annual Service Plan Update shall include the number of new homes completed in Neighborhood Improvement Area #4 during such Fiscal Year and the aggregate number of new homes completed within Neighborhood Improvement Area #4 since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2021.

(iii) The individual and aggregate taxable assessed valuation for parcels or lots within Neighborhood Improvement Area #4 based on the most recent certified tax roll available to the Issuer.

(iv) For Neighborhood Improvement Area #4, the total amount of Annual Installments assessed and collected during such Fiscal Year, together with the amount of delinquent Special Assessments collected and Special Assessments prepaid during such Fiscal Year.

(v) As of February 15 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year), the total amount of the following with respect to Neighborhood Improvement Area #4:

(A) Annual Installments invoiced,

B) Annual Installments collected (as reported by the County Tax Assessor Collector or the Administrator),

(C) delinquent Annual Installments,

(D) Foreclosure Proceeds collected, and

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

(E) prepaid Special Assessments collected.

(vi) The current or delinquent status of the payment of the Special Assessments for each parcel or lot in Neighborhood Improvement Area #4 as of February 15 of the calendar year immediately succeeding such Fiscal Year.

(vii) The principal and interest paid on the Bonds during such Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(viii) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) If not provided with the financial information provided under subsection 4(a) above, if prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If audited financial statements are not included with the financial information provided under subsection 4(a) above, unaudited financial statements shall be included with such financial information within the time period specified.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated MuniCap, Inc. as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information.

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

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The Issuer does not intend for any sale by the Developer of real property within Neighborhood Improvement Area #4 in the ordinary course of the Developer's business to be considered a significant event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual audited financial statements or Annual Financial Information as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting "Notice to MSRB of Failure to File."

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

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

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB.

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to such series of Bonds under Section 5(a).

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

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

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

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

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

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

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

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Special Assessments

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

collected from the property owners in Neighborhood Improvement Area #4 of the District against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

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

SECTION 12. Special Assessments Timeline. The basic expected timeline for the collection of Special Assessments and the anticipated procedures for pursuing the collection of delinquent Special Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Special Assessments.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer or Dissemination Agent in other than that person's official capacity.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent agrees that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent and the Owners and the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from Special Assessments collected from the property owners in Neighborhood Improvement Area #4 of the District for its fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Dissemination Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to enable the Issuer to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Dissemination Agent and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

SECTION 20. No Discrimination Against Fossil-Fuel Companies. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

SECTION 21. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Disclosure Agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, 'discriminate against a firearm entity or firearm trade association' (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) 'firearm entity' means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) 'firearm trade association' means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which insures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

SECTION 22. Affiliate. As used in Sections 19 through 21, the Dissemination Agent understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent within the meaning of SEC Rule 133(f), 17.C.F.R. § 230.133(f), and exists to make a profit.

SECTION 23. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 24. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[*Signature pages follow*.]

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

CITY OF CELINA, TEXAS
(as Issuer)

By: _____
City Manager

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

HTS CONTINUING DISCLOSURE SERVICES,
a division of Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL ISSUER REPORT

Name of Issuer:	City of Celina, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2021 (Wells South Public Improvement District Neighborhood Improvement Area #4 Project)
Date of Delivery	_____, 20__
CUSIP Nos:	[Insert CUSIP Nos]

NOTICE IS HEREBY GIVEN that the City of Celina, Texas, has not provided [an Annual Issuer Report][annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of the Issuer dated October 1, 2021 between the Issuer and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent. The Issuer anticipates that [the Annual Issuer Report][annual audited financial statements] will be filed by _____.

Dated: _____

HTS CONTINUING DISCLOSURE SERVICES, a division of Hilltop Securities Inc.
on behalf of the City of Celina, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Celina, Texas

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT B

**CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(WELLS SOUTH PUBLIC IMPROVEMENT DISTRICT
NEIGHBORHOOD IMPROVEMENT AREA #4 PROJECT)**

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20___

CUSIP Nos: [Insert CUSIP Nos]

DISSEMINATION AGENT

Name: _____
Address: _____
City: _____
Telephone: _____
Contact Person _____

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

INVESTMENTS

Fund/Account Name	Investment Description	Par Value	Book Value	Market Value

*Excluding Audited Financial Statements of the Issuer

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Program Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

ITEMS REQUIRED BY SECTION 4(a)(ii)-(viii)
[Insert a line item for each applicable listing]

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

EXHIBIT C

BASIC TIMELINE FOR SPECIAL ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES

Date	Delinquency Clock (Days)	Activity
January 31		Special Assessments are due.
February 1	1	Special Assessments Delinquent if not received.
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payment on March 1. **If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified**. Issuer and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment. Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual collections will be fully adequate for debt service in March and September. At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Special Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. **For properties delinquent by more than one year or if the delinquency exceeds $10,000 the matter will be referred for commencement of foreclosure**. **If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments,**

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

		the collection-foreclosure procedure will proceed against all delinquent properties.
March 1	29/30	Trustee pays bond interest payments to bondholders. Reserve Fund payment to Bond Fund may be required if Special Assessments are below approximately 50% collection rate. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or Fund for debt service. **Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties**. Issuer determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments.
March 20	**48/49**	**Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies**. **If any property owner with ownership of property responsible for more than $10,000 of the Special Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September bond payments, the Disclosure Representative shall work with City Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Special Assessments.**
April 15	**74/75**	**Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity**. If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections,

Attachment: Draft Bond Ordinance (Wells South PID - Bond)

		Dissemination Agent to request same from the Issuer.
May 1	90/91	If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
May 15	104/105	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those bondholders who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than June 1 (day 120/121).
June 1	**121/122**	**Foreclosure action to be filed with the court**.
June 15	**135/136**	**Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status. Dissemination Agent notifies bondholders**.
July 1	151/152	If bondholders and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than 25% of the Owners may request a meeting with the City Manager or Director of Finance to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day 30 if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed 5%, Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Special Assessments.

Attachment: Draft Bond Ordinance (Wells South PID - Bond)